



# ANNUAL COMPREHENSIVE FINANCIAL REPORT

**City of Los Angeles, California  
For the Fiscal Year Ended June 30, 2022**



**kenneth  
mejia**  
**LA CITY CONTROLLER**

# **City of Los Angeles**

# **California**



## **Annual Comprehensive Financial Report**

For the Fiscal Year Ended June 30, 2022

Prepared by the Office of the Controller  
Kenneth Mejia, City Controller

# CITY OF LOS ANGELES CALIFORNIA

## Annual Comprehensive Financial Report

For the Fiscal Year Ended June 30, 2022

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Prepared by the Office of Los Angeles City Controller Kenneth Mejia



**Rick Cole**

Chief Deputy Controller

**Rahoof (Wally) Oyewole**

Chief Financial Officer and

Director of Financial Analysis and Reporting

### GAAP Compliance Section

**Albert Lee**

Financial Management Specialist V

**Marie De Los Reyes**

Principal Accountant II

**Marlene Salandanan**

Principal Accountant II

**Samuela San Luis**

Principal Accountant II

**Chon Loi (Annie) Chu Ieng**

Senior Accountant II

**Ting Yu**

Senior Accountant II

**Eric Carrillo**

Senior Accountant I

**CITY OF LOS ANGELES**  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
For the Fiscal Year Ended June 30, 2022

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# INTRODUCTORY SECTION



KENNETH MEJIA  
CONTROLLER

January 25, 2023

Honorable Karen Bass, Mayor  
Honorable Members of the Council of the City of Los Angeles  
Citizens and Stakeholders of the City of Los Angeles

As the new Controller for the City of Los Angeles, I am pleased to submit the Annual Comprehensive Financial Report (ACFR) of the City for the year ended June 30, 2022. This is in accordance with Section 216 of the City Charter. The ACFR contains financial statements that have been prepared in conformity with generally accepted accounting principles (GAAP) prescribed for governmental entities, and audited in accordance with generally accepted auditing standards by Macias Gini & O'Connell LLP, a firm of independent licensed certified public accountants. In accordance with the requirement of Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, the independent auditor is also in the process of completing an annual financial and compliance audit of federal funds expended by the City in fiscal year 2022.

The independent auditor expressed an opinion that the City's financial statements for fiscal year 2022 are fairly stated in conformity with GAAP. This is the most favorable conclusion and is commonly known as an "unmodified" or "clean" opinion. The independent auditor's report is presented on pages 1 through 4.

Responsibility for the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City. The management of the City is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft or misuse, and to ensure that adequate financial information is compiled to allow for the preparation of financial statements in conformity with GAAP. Because the cost of internal control should not exceed the anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free from any material misstatements. I believe that the data presented is complete and reliable in all material respects.

The ACFR includes a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). The MD&A is designed to complement the basic financial statements and should be read in conjunction with the financial statements and the notes to the basic financial statements. The MD&A can be found immediately following the report of the independent auditor.



Honorable Karen Bass, Mayor  
Honorable Members of the Los Angeles City Council  
Citizens and Stakeholders of the City of Los Angeles

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2021. This was the twenty-seventh consecutive year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized ACFR, as well as satisfying GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. I believe our current report continues to conform to the Certificate of Achievement program requirements, and I am submitting it to GFOA to determine its eligibility for another certificate.

I would like to acknowledge the professional and dedicated staff of the Financial Analysis and Reporting Division of the Controller's Office for the preparation of this report. I would also like to express my appreciation to other staff of the Office for their assistance and contribution, as well as other professional contributors citywide.

Respectfully submitted,



KENNETH MEJIA  
Los Angeles City Controller

# LETTER OF TRANSMITTAL

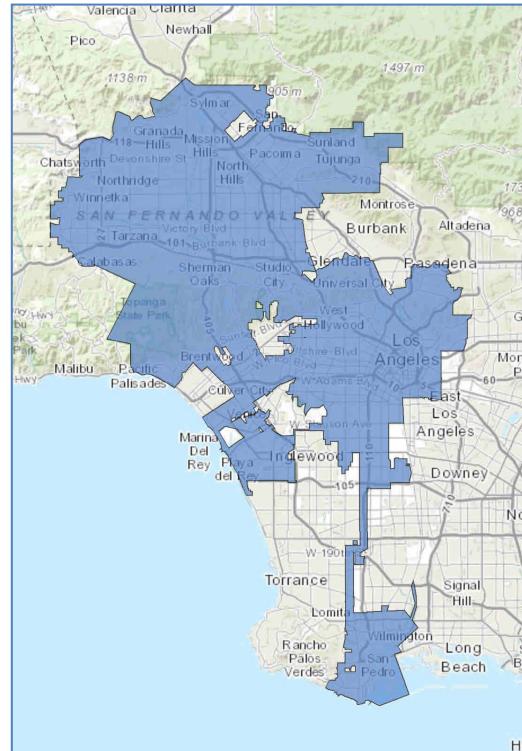
The Annual Comprehensive Financial Report (ACFR) is published annually by the City Controller (Controller) on the City of Los Angeles' (City) financial condition and results of operations at the conclusion of the fiscal year. The ACFR is issued as part of the Controller's City Charter mandate to monitor and report on all matters relating to the City's fiscal health, keep the City's official financial records, and supervise expenditures of the City.

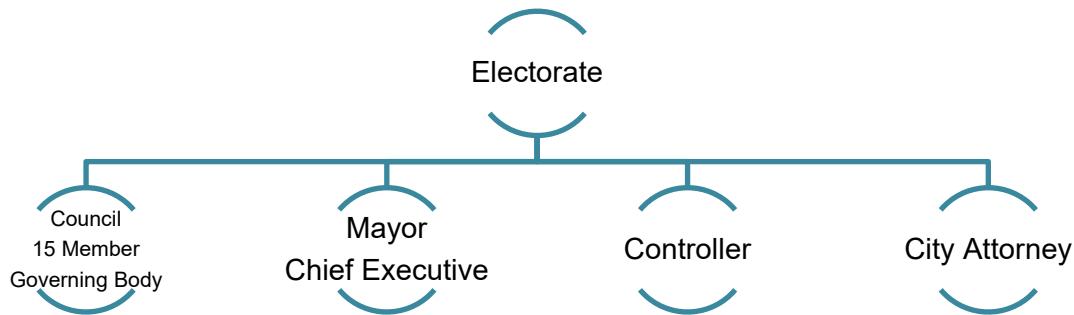
The Letter of Transmittal complements the ACFR as it provides context for the City's financial statements in presenting basic information on the profile of the government, local economy, major initiatives, and financial management policies of the City government.

## I. Profile of the Government

The City of Los Angeles is the second most populous city in the nation with an estimated January 1, 2022 population of 3,819,538. It is home to 39% of the population of the County of Los Angeles (County) and 11.5% of the area of the County. With an area of 470 square miles, Los Angeles is located in the southern part of the State of California and is the principal city of a metropolitan region that stretches from the City of Ventura to the north, to the City of San Clemente to the south, and to the City of San Bernardino to the east. Founded in 1781, Los Angeles was for its first century a provincial outpost under a succession of Spanish, Mexican, and American rule. The City was incorporated in 1850 under the provisions of a city charter. The current Charter was approved by the electorate in 1999 and became operative on July 1, 2000.

The City operates under a mayor-council form of government. As Chief Executive Officer, the Mayor supervises the administrative process of local government and works with the Council in matters relating to legislation, budget and finance. As governing body of the City, the 15-member full-time Council enacts ordinances, levies taxes, approves contracts, authorizes public improvements, adopts zoning and other land use controls, and provides necessary resources for the budgetary departments and offices of the City. Council action is subject to the approval or veto of the Mayor, and Council may override a Mayoral veto by a two-thirds vote. The City Attorney is also independently elected, as is the City Controller, who is described in the Charter as "the auditor and general accountant of the City (who) shall exercise a general supervision over the accounts of all offices, departments, boards and employees of the City."





The City has 41 departments, bureaus, commissions and offices for which operating funds are annually budgeted by the Council. In addition, three departments consisting of Department of Water and Power (DWP), Harbor Department, and Department of Airports are under the control of boards appointed by the Mayor and confirmed by Council. While the City appoints a voting majority of the governing board of the Housing Authority of Los Angeles (HACLA), it is excluded from the City's financial statements due to its fiscal independence, and the City cannot impose its will over its daily operations. Two departments, Los Angeles City Employees' Retirement System and Fire and Police Pension System, are under the control of boards whose membership is comprised of Mayoral appointees and representatives elected by system members. The Water and Power Employees' Retirement Plans, established by DWP, are under the control of a board whose membership is comprised of three ex officio members (one DWP Board member, DWP General Manager and Chief Accounting Employee), three elected by system members and one retiree appointed by the DWP Board. The City's reporting entity also includes the Municipal Improvement Corporation of Los Angeles (MICLA) as a blended component unit.

Public services provided by the City include police; fire and paramedics; residential refuse collection and disposal; wastewater collection and treatment; street maintenance, traffic management, and other public works functions; enforcement of ordinances and statutes relating to building safety; public libraries; recreation and parks; community development; housing and aging services; planning; two airports; harbor; power and water services; and, the convention center.

The annual budget serves as the foundation for the City's financial planning and control. The City maintains budgetary controls to ensure compliance with legal provisions represented in the budget and that expenditures do not exceed appropriated amounts. Expenditures are controlled by appropriations at the line item level within each object by department, consistent with the level set forth in the resolution adopting the annual operating budget. The City also maintains an encumbrance accounting system that controls spending based on the expenditure budget; which is composed of appropriations, allotments, or a combination of both.



## II. Local Economy

The City and its surrounding metropolitan region feature incredible diversity in both population and the economy. Tourism and hospitality, professional and business services, international trade, entertainment production, and wholesale trade and logistics all contribute significantly to local employment. The Port of Los Angeles handles the largest volume of containerized cargo of all U.S. ports and ranks as number one in cargo value for U.S. waterborne foreign traffic. According to preliminary ACI statistics, in the calendar year 2021, Los Angeles International Airport (LAX) was the fifth busiest airport in the world in terms of total passengers and 8<sup>th</sup> busiest airport in the world in terms of total cargo metric tons.

The passage of the federal American Rescue Plan Act (ARPA) in March 2021 significantly changed City's fiscal outlook after the pandemic downturn. ARPA, which provided \$1.3 billion in direct financial assistance to the City over the last two fiscal years helped fill the revenue gap and eliminated the need to dip into the reserves to balance the books.

At the beginning of fiscal year 2022, as COVID-19 vaccine became widely available and the economy reopened, the unemployment in the City of Los Angeles began its steady decline from 7.2 percent in October 2021 to 4.6 percent as of October 2022. With the improving economy throughout fiscal 2022, most economic sensitive revenue rebounded. The improvement in revenue along with the federal assistance allowed the City to close fiscal year 2022 in a strong financial position.

While most revenue sources have remained stable during the earlier months of fiscal year 2023, the economic outlook for the remainder of the fiscal year remains uncertain. According to the University of California (UCLA) Anderson Forecast, the employment picture in California has evolved slightly in recent months as the three sectors of health care and social services, leisure and hospitality, and education have shown the largest gains in jobs. And despite the statewide gains in leisure and hospitality employment, the landscape for that sector remains difficult in the City of Los Angeles. Without increased employment gains in the hospitality and leisure sector, full economic recovery is expected to remain on a shallow trend. In addition, whether the economy slips into a recession or not depends largely on whether inflation continues to stay elevated, and any additional actions the Federal Reserve takes to bring down inflation.

While the City is currently in a strong fiscal position, significant challenges lie ahead. The almost \$2 billion in one-time revenue from the federal government available during the last two years is no longer available for future budgets. The City faces difficult decisions on how to continue the programming of those funds made possible while simultaneously facing potential increased cost and lower receipts arising from the impact of rising interest rates.

Higher mortgage interest rates have led to declining real estate sales volume and decreasing prices, which would impact documentary tax receipt, a key revenue source for the City. In its Second Financial Status Report issued on December 1, 2022, the Chief Administrative Officer reported that declining sales have already resulted in \$23 million in documentary transfer tax receipts shortfall during the first four months of fiscal year 2023. Voters in the last election passed Measure ULA, which increases the tax to provide revenue. More worrisome is that sales volume is expected to continue to slide. According to the California Association of Realtors' October 2022 forecast, sales volume is expected to decline by 7.2 percent and prices are expected to decrease by 8.8 percent in 2023. This would likely result in increasing monthly shortfalls and lower year-end documentary receipts. In addition, the increasing probability of a recession, the unresolved war abroad, global supply chain issues, and energy costs contribute to downward economic pressures which could negatively affect other economically sensitive revenue sources.



### III. Major Initiatives

The City is constantly undertaking many significant initiatives discussed at length in the City's annual budget documents. The six percent increase in projected revenue from the 2023 budget assumes that City will continue a steady and strong recovery path.

Four primary priority outcomes for the City identified in the fiscal year 2023 budget are: to promote a livable and sustainable city, a more prosperous city, a safe city, and a well-run government. Further, the 2023 budget addresses the public's top priorities by increasing public safety, effectively responding to homelessness, spurring economic growth and jobs, and restoring basic city services that have suffered severe cutbacks in recent years. All initiatives, including the City's largest-ever investment to confront the homelessness crisis at \$1 billion, are intended to contribute to one or more of those outcomes.

Two of the largest current initiatives for the City include the following:

- In November 2016, the voters of City of Los Angeles approved Proposition HHH, authorizing the issuance of up to \$1.2 billion in general obligation bonds to finance the construction of housing and service facilities for chronically homeless residents. At the end of December 2022, \$964 million in bonds have been issued, more than \$599 million has been spent, and the entirety of the approved funding has been allocated to projects. With Proposition HHH funding, we have completed 36 housing projects (2,239 units) while 68 projects (4,415 units) are currently under construction, and 26 projects are in the predevelopment stage.

Despite these efforts, the number of residents experiencing homelessness in the City of Los Angeles continues to increase. To address the urgency of the issue, the new Mayor, on December 12, 2022, declared homelessness as a local emergency. The declaration allows for a faster permitting process to speed up construction of affordable housing units, and increased coordination of efforts and support services for the unhoused.

To provide an additional source of ongoing funding, in November 2022, the voters passed Measure ULA, a 4 percent tax on the sale or transfer of properties valued at more than \$5 million and a 5.5 percent tax on the sale or transfer of properties valued at more than \$10 million. Once Measure ULA becomes effective, it is expected to generate between \$600 million to \$1 billion annually that would be dedicated to increasing the supply of affordable housing, addressing the need for tenant protections and assistance programs, and building organizational capacity of organizations serving low-income and disadvantaged communities. The measure's constitutionality is currently being challenged in court.

- Airports is undertaking a multi-billion-dollar capital improvement program at LAX. The capital program consists of the Existing Capital Program and the Next Capital Program. The Existing Capital Program, estimated to cost approximately \$11.7 billion between the fiscal year 2023 and 2026, is projected to be completed in 2026. Projects include various terminal projects, airfield and apron projects, access projects, and others. In addition to the Existing Capital Program, Airports has begun focusing on identifying and prioritizing future capital improvements at LAX that are expected to be completed through the fiscal year 2029. From airside to landside, a transformation like no other is underway as LAX and the City of Los Angeles prepare to welcome the world to the 2028 Olympic and Paralympic Games.



#### IV. Financial Policies

As part of the City's efforts towards financial sustainability, the City has adopted "Financial Policies for the City of Los Angeles" promoting good fiscal stewardship across a number of critical areas. Following are summaries of select financial policies and a table that provide measures of the City's 2021-22 actual compliance and 2022-23 budgetary compliance.

<b>Policy</b>	<b>2021-22</b>	<b>2022-23</b>
<b>Reserve Fund Policy</b>		
July 1st Percent of General Fund Receipts	8.62%	8.08%
<b>Budget Stabilization Fund Policy</b>		
Growth of seven major General Fund tax receipts	3.73%	9.48%
Amount of Revenue Growth above 4.1%/3.6% (millions)	\$ -	\$ 291.2
Amount of Deposit (millions)	\$ -	\$ 72.8
<b>Capital and Technology Improvement Policy</b>		
1.5 Percent of General Fund Receipts	3.46%	1.65%
<b>Financial Management Policy</b>		
One-Time Revenue (millions)	\$ 823.7	\$ 192.3
One-Time Expenditures (millions)	\$ 691.2	\$ 344.0
<b>Debt Management Policy</b>		
Non-Voter	2.96%	2.97%
Total Approved	4.65%	4.40%

#### Reserve Fund Policy

The Reserve Fund Policy (Policy) provides guidelines to ensure sufficient reserves are maintained for revenue shortfalls or unanticipated expenditures in the General Fund. The Policy sets a goal for the Reserve Fund balance of five percent of General Fund revenues, with no less than 2.75 percent in the Emergency Reserve Account, and all additional funds allocated to the Contingency Reserve Account. In March 2011, voters approved Charter Amendment P, a measure that establishes the Reserve Fund's Emergency and Contingency Reserve as Charter accounts. The year-start 2021-22 and 2022-23 adjusted Reserve Fund cash balance was \$647.0 million and \$601.7 million, respectively, which exceeded the five percent Policy.

#### Budget Stabilization Fund Policy

The Budget Stabilization Fund (BSF), also established by Charter Amendment P, is designed to set aside revenues during prosperous years and provide resources to maintain service levels during years of slow revenue growth or declining revenue. The BSF Policy sets aside an appropriation when the combined revenue growth of seven General Fund tax revenues (property tax, utility users' tax, business tax, sales tax, transient occupancy tax, parking users' tax, and documentary tax) is anticipated to exceed the growth threshold, based on the 20-year historical average of these tax revenues. Conversely, withdrawal from the BSF may be used to offset shortfalls due to revenues lower than the historical average growth.



For 2022-23, the growth rate used to determine BSF contributions was recalculated to be 3.6 percent, based on the 20-year historical average of these tax revenues. Under the BSF Financial Policy, excess projected revenue in the 2022-23 Adopted Budget would be \$291.2 million, triggering a \$72.8 million required appropriation to the BSF. The BSF began the fiscal year with a cash balance of \$192.3 million. Mid-year deposits to the BSF or deposits above the required amount may be authorized by the City Council, subject to the approval of the Mayor, at any time during the year from various General Fund sources.

### **Capital and Technology Improvement Policy**

The City adopted a revised Capital and Technology Improvement Policy (the “Capital Policy”) in May 2020 to help guide the City’s process for planning, identifying, evaluating, and prioritizing funding for new capital and technology projects. Among other things, the new Capital Policy updates an annual minimum investment target of 1.5 percent of General Fund revenue for the City’s capital and technology improvements, starting in Fiscal Year 2021-22. In 2021-22 and 2022-23, the City budgeted approximately \$259.5 million and \$122.6 million, respectively, for capital and infrastructure projects.

### **One-Time Revenue Policy**

The One-Time Revenue Policy requires that one-time revenues will only be used for one-time expenditures. The 2022-23 Budget satisfy this policy by allocating \$192.3 million in one-time revenues towards \$344.0 million in one-time expenditures.

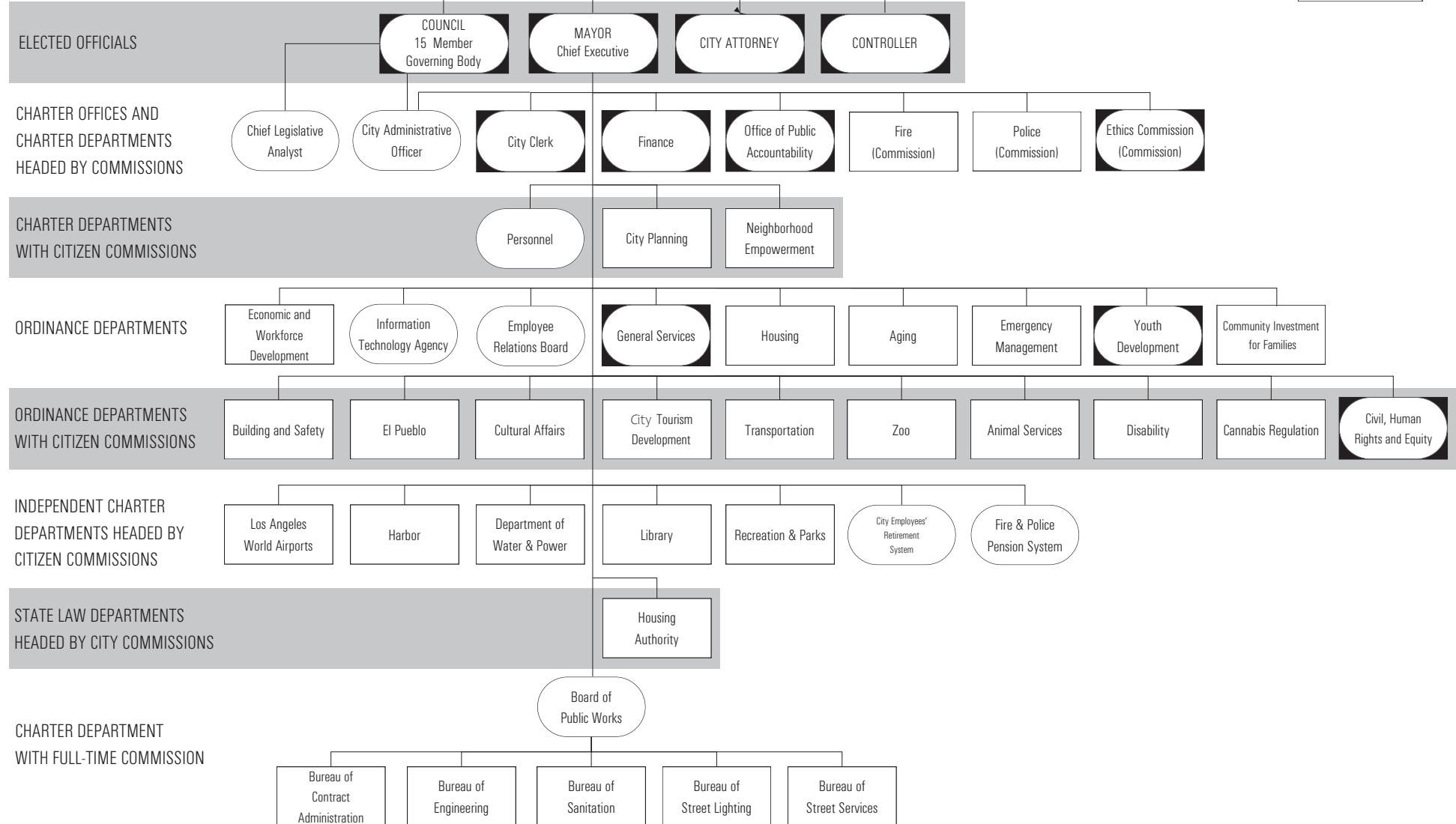
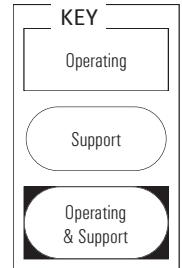
### **Debt Management Policy**

The Debt Management Policy (Debt Policy) was developed to provide guidelines for the issuance of bonds and other forms of indebtedness to finance capital improvements, equipment acquisition and other items. These guidelines include a ceiling level for non-voter debt service of six percent of General Fund revenue and a total debt service cap of 15% of General Fund revenue. The 2021-22 and 2022-23 Budget ratio of non-voter debt service and total debt service as a percent of General Fund revenue were below the Debt Policy cap.



# ORGANIZATION OF THE CITY OF LOS ANGELES

FY 2021-2022



# City Officials

## City of Los Angeles, California



**Karen Bass**  
Mayor



**Kenneth Mejia**  
City Controller



**Hydee Feldstein Soto**  
City Attorney

## City Council



**Paul Krekorian**  
District 2  
Council President



**Curren D. Price, Jr.**  
District 9  
President Pro Tempore



**Eunisses Hernandez**  
District 1



**Bob Blumenfield**  
District 3



**Nithya Raman**  
District 4



**Katy Yaroslavsky**  
District 5



**Vacant**  
District 6



**Monica Rodriguez**  
District 7



**Marqueece Harris-Dawson**  
District 8



**Heather Hutt**  
District 10



**Traci Park**  
District 11



**John S. Lee**  
District 12



**Hugo Soto-Martinez**  
District 13



**Kevin de Leon**  
District 14



**Tim McOsker**  
District 15

## Non-Elected Fiscal Officers

**Diana Mangioglu**  
Director of Finance  
City Treasurer

**Matthew W. Szabo**  
City Administrative Officer

**Tony M. Royster**  
General Manager & City Purchasing Agent  
Department of General Services



**Kenneth Mejia**  
Los Angeles City Controller

The City Charter establishes the Controller as an elected official and gives the Controller the responsibility for serving as the auditor and chief accounting officer of the City. The Charter guarantees the independence of the Office, and provides for better accountability to the public and a more direct form of public control over the fiscal affairs of the City, in keeping with the established principle of checks and balances exercised for both the executive and legislative branches of municipal government. The Controller is required to exercise general supervision over the accounts of all offices and departments of the City, including the independent departments of Airports, Water and Power, and Harbor (Port of Los Angeles).

Kenneth Mejia was sworn in as City Controller on December 11, 2022. His first term ends in 2026.

The City Controller is also the Controller for the Municipal Improvement Corporation of Los Angeles (MICLA).



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Los Angeles  
California**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2021

*Christopher P. Morill*

Executive Director/CEO

# FINANCIAL SECTION

**Independent Auditor's Report**

To the Honorable Mayor and Members of the City Council  
City of Los Angeles, California

**Report on the Audit of the Financial Statements*****Opinions***

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Los Angeles, California (City), as of and for the fiscal year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Los Angeles World Airports (Airports), Department of Water and Power (DWP) Water System (Water) and Power System (Power), Port of Los Angeles (Harbor), Los Angeles Fire and Police Pension System (Pensions), Los Angeles City Employees' Retirement System (LACERS), and Water and Power Employees' Retirement, Disability and Death Benefit Insurance Plans (DWP Plans), which collectively represent the following percentages of the assets, net position/fund balances, and revenues/additions of the following opinion units:

Opinion Unit	Assets	Net Position/Fund Balances	Revenues/ Additions
<b>Business-type Activities:</b>			
Airports, Water, Power and Harbor	91%	87%	87%
<b>Each Major Enterprise Fund:</b>			
Airports	100%	100%	100%
Water	100%	100%	100%
Power	100%	100%	100%
Harbor	100%	100%	100%
<b>Aggregate Remaining Fund Information:</b>			
Pensions, LACERS, and DWP Plans	90%	92%	-223%*

\*Total Additions for Pensions, LACERS, and DWP Plans were negative due to investment losses.

Those statements were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as they relate to the amounts included for the Airports, Water, Power, Harbor, Pensions, LACERS, and DWP Plans, are based solely on the reports of the other auditors.

### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. The financial statements of the DWP Plans were not audited in accordance with *Government Auditing Standards*.

### ***Emphasis of Matter***

As discussed in Note 1.E.19. to the financial statements, effective as of July 1, 2021, the City adopted the provisions of Governmental Accounting Standards Board Statement No. 87, *Leases*. Our opinions are not modified with respect to this matter.

### ***Responsibilities of Management's for the Financial Statements***

The City's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the benefit pension plans schedules of employer contributions, the schedules of changes in net pension liability and related ratios, the other postemployment benefits (OPEB) plans schedules of employer contributions, the schedules of changes in net OPEB liability and related ratios, the actuarial methods and assumptions used to determine employer contribution rates, the condition rating for City bridges, and the comparison of needed-to-actual maintenance/preservation costs, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and the other auditors have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and schedules listed as supplementary information are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining and individual fund financial statements and schedules listed as supplementary information are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information***

The City's management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 25, 2023, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in black ink. The name "Macias Gini & O'Connell" is written in cursive, followed by "LLP" in a larger, bold, sans-serif font.

Los Angeles, California

January 25, 2023

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## **Management's Discussion and Analysis**

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## Management's Discussion and Analysis (Unaudited)

This section of the Annual Comprehensive Financial Report of the City of Los Angeles (the City) presents a narrative overview and discussion of the City's financial activities for the fiscal year ended June 30, 2022. This discussion and analysis should be read in conjunction with the basic financial statements and accompanying notes, which follow this section. We hope that the information and the discussions will provide readers with a clear picture of the City's overall financial condition.

### FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City exceeded the liabilities and deferred inflows of resources at the close of fiscal year 2022 by \$28.5 billion, an increase of \$3.4 billion over fiscal year 2021. The net position of \$28.5 billion consisted of: \$22.3 billion net investment in capital assets; \$6.1 billion restricted net position, which represents resources that are subject to certain restrictions on how they may be used; \$5.4 billion unrestricted net position which may be used to meet the City's obligations for its business-type activities; and a \$5.2 billion deficit of governmental activities.
- Of the \$3.4 billion total change in net position, governmental activities represented \$2.7 billion, while the business-type activities represented \$729.9 million, including a beginning net position adjustment of \$14.4 million for the cumulative effects of the implementation of GASB Statement No. 87 "Leases."
- As of June 30, 2022, the aggregate fund balances of the City's governmental funds were \$7.3 billion, a net increase of \$857.4 million from June 30, 2021. Of the aggregate fund balances, \$88.4 million or 1.2% were nonspendable, \$4.1 billion or 55.8% were restricted, \$1.9 billion or 25.9% were committed, \$727.1 million or 9.9% were assigned to specific purposes, and \$529.0 million or 7.2% were unassigned.
- At the end of the fiscal year, the General Fund showed a fund balance of \$1.5 billion, of which \$66.5 million were nonspendable, \$724.3 million were assigned for various purposes, \$85.1 million were committed and \$621.8 million were unassigned.
- The City's bonded debt and long-term notes payable at June 30, 2022 totaled \$37.3 billion, an increase of \$3.1 billion from the prior year's balance of \$34.2 billion.

### OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of management's discussion and analysis (MD&A), basic financial statements, including the accompanying notes to the basic financial statements, required supplementary information, and combining statements and schedules for the nonmajor governmental and fiduciary funds. The basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements.

**Government-wide Financial Statements** are designed to provide readers with a broad overview of the City's finances and are made up of the following two statements: the *Statement of Net Position* and the *Statement of Activities*. Both of these statements were prepared using accounting methods similar to those used by private-sector businesses, which are the economic resources measurement focus and the accrual basis of accounting.

The *Statement of Net Position* presents information on all of the City's assets, liabilities, and deferred outflows/inflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *Statement of Activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods, such as revenues pertaining to uncollected taxes, expenses pertaining to earned but unused compensated absences, and incurred but unpaid workers' compensation claims.

Both of these government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, protection of persons and property, public works, health and sanitation (other than sewer services), transportation, cultural and recreational services, and community development. The business-type activities of the City include airports, harbor, power, water, sewer and convention center services.

**Management's Discussion and Analysis (Unaudited)**

The government-wide financial statements reflect not only the activities of the City itself (known as the primary government), but also include the Municipal Improvement Corporation of Los Angeles (MICLA). Although legally separate, MICLA is included as an integral part of the primary government because the City Council approves the MICLA Board of Directors as the governing body and its sole purpose is to provide services entirely to and exclusively for the City.

**Fund Financial Statements** are designed to report information about groupings of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate finance-related legal compliance. The funds of the City are divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

*Governmental funds* are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental funds financial statements focus on *near-term inflows* and *outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in determining what financial resources are available in the near future to finance the City's programs.

The governmental funds financial statements are made up of the following: the *Balance Sheet* and the *Statement of Revenues, Expenditures and Changes in Fund Balances*. Both of these statements were prepared using the current financial resources measurement focus and the modified accrual basis of accounting.

The *Budgetary Basis Statement of Revenues, Expenditures and Changes in Fund Balance* is prepared on a modified cash basis of accounting that is different from United States Generally Accepted Accounting Principles (GAAP). Please see Note 3B of the Notes to the Basic Financial Statements for additional information on the basis difference.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains many individual governmental funds organized according to their type (general, special revenue, debt service, and capital projects funds). Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances for the General Fund and MICLA Special Revenue and Debt Service Funds, which are considered to be major funds. Data from the remaining governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements and schedules*.

*Proprietary funds* are generally used to account for services for which the City charges customers – either outside customers, or other departments/funds of the City. The proprietary funds financial statements provide the same type of information as shown in the government-wide financial statements, only in more detail. The City maintains the following type of proprietary funds:

- *Enterprise funds* are used to report the functions presented as *business-type activities* in the government-wide financial statements. All of the City's enterprise funds, except the convention center, are considered major funds.

*Fiduciary funds* are used to account for resources held for the benefit of parties outside the City. The City's pension trust, other postemployment benefits trust, and custodial funds are reported under the fiduciary funds. Since the resources of these funds are not available to support the City's own programs, they are not reflected in the government-wide financial statements. The accounting used for fiduciary funds is much like that used for proprietary funds. Both are prepared using the economic resources measurement focus and the accrual basis of accounting.

**Notes to the Basic Financial Statements** provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**Management's Discussion and Analysis (Unaudited)**

**Required Supplementary Information**, other than Management's Discussion and Analysis (MD&A), is presented concerning the City's net pension and other postemployment benefits (OPEB) liabilities and contributions related to the City's pension and OPEB plans. Also included in this section is the condition assessment for City bridges.

The **combining and individual fund statements and schedules** provide information for nonmajor governmental funds and fiduciary funds and are presented immediately following the required supplementary information.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

**Analysis of Net Position:** Net position may serve over time as a useful indicator of a government's financial position. The City's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$28.5 billion at the close of fiscal year 2022.

The following table is a condensed summary of the City's government-wide net position:

<b>CITY OF LOS ANGELES</b> Condensed Statement of Net Position (amounts expressed in thousands)						
	Governmental Activities		Business-type Activities		Total	
	FY 2022	FY 2021	FY 2022	FY 2021	FY 2022	FY 2021
<b>Assets</b>						
Current and other assets	\$ 14,034,302	\$ 9,923,925	\$ 16,691,179	\$ 12,603,006	\$ 30,725,481	\$ 22,526,931
Capital assets	8,664,485	8,524,247	48,057,868	46,256,598	56,722,353	54,780,845
Total assets	<u>22,698,787</u>	<u>18,448,172</u>	<u>64,749,047</u>	<u>58,859,604</u>	<u>87,447,834</u>	<u>77,307,776</u>
Deferred outflows of resources	2,775,175	4,173,898	1,009,963	1,637,933	3,785,138	5,811,831
<b>Liabilities</b>						
Current and other liabilities	1,723,196	1,788,184	2,027,088	2,159,261	3,750,284	3,947,445
Long-term liabilities	10,998,191	17,199,291	36,541,234	35,169,111	47,539,425	52,368,402
Total liabilities	<u>12,721,387</u>	<u>18,987,475</u>	<u>38,568,322</u>	<u>37,328,372</u>	<u>51,289,709</u>	<u>56,315,847</u>
Deferred inflows of resources	7,219,698	783,784	4,174,451	882,856	11,394,149	1,666,640
<b>Net position</b>						
Net investment in capital assets	6,465,677	6,288,850	15,874,736	15,744,950	22,340,413	22,033,800
Restricted	4,307,318	4,096,026	1,786,986	1,840,064	6,094,304	5,936,090
Unrestricted	(5,240,118)	(7,534,065)	5,354,515	4,701,295	114,397	(2,832,770)
Total net position	<u>\$ 5,532,877</u>	<u>\$ 2,850,811</u>	<u>\$ 23,016,237</u>	<u>\$ 22,286,309</u>	<u>\$ 28,549,114</u>	<u>\$ 25,137,120</u>

Note: FY 2021 figures have not been restated for the effect of GASB 87.

Of the total net position, \$22.3 billion or 78.3% reflects its investment in capital assets (e.g., land, infrastructure, buildings, facilities and equipment) less any related outstanding debt and deferred outflows and inflows of resources used to acquire those assets. The City uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt and deferred outflows and inflows of resources, it should be noted that the resources to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate the debt.

An additional portion of the City's net position, \$6.1 billion or 21.3%, represents resources subject to various restrictions on how they may be used.

The balance in unrestricted net position of \$114.4 million or 0.4% is the net amount of the governmental activities deficit of \$5.2 billion, and \$5.4 billion unrestricted net position that may be used to meet the City's obligations for its business-type activities.

**Management's Discussion and Analysis (Unaudited)**

Compared to the fiscal year 2021, net investment in capital assets increased by \$306.6 million or 1.4%. The restricted net position increased by \$158.2 million or 2.7% mainly due to increases in net position restricted for public works and sanitation, transportation programs, and culture and recreation services, while the unrestricted net position increased by \$2.9 billion or 104.0%, primarily attributed to an increase from the unrestricted net position of governmental activities in the fiscal year 2022.

The deficit balance for the governmental activities unrestricted net position of \$5.2 billion was mainly due to the net pension liability of \$3.6 billion, net OPEB liability of \$0.9 billion, and the extent to which the City has deferred to future periods the financing of certain liabilities (i.e., claims and judgments, workers' compensation, compensated absences.) While accounting is primarily concerned with when a liability is incurred, financing focuses on when a liability will be paid. Like many other governments, the City raises and budgets resources needed to liquidate liabilities during the year in which the liabilities are to be liquidated rather than during the year in which the liabilities are incurred.

Key changes in the statement of net position are as follows:

**Capital Assets**

Capital assets increased by \$1.9 billion or 3.5%. The increase in governmental activities was \$140.2 million or 1.7%, and the increase in business-type activities was \$1.8 billion or 3.9%. For governmental activities, the increase was primarily due to addition of \$112.1 million of right-to-use assets associated with the implementation of GASB Statement No. 87 "Leases" and capital improvement projects, such as municipal facilities, police and fire facilities, recreational, cultural and community centers, various public work projects, and construction and rehabilitation of streets and bridges, including the Sixth Street Viaduct replacement.

Business-type increases reflect additions and ongoing construction and improvements to modernize the LAX airport, such as renovations at various terminals and construction of the Automated People Mover System (APM) and Consolidated Rental Car Facility (ConRAC). Harbor's projects include design and construction at the San Pedro and Wilmington waterfronts and redevelopment, State Route 47/Vincent Thomas Bridge and Front Street/Harbor Boulevard Interchange Reconfiguration, and various infrastructure improvements at terminals. Power made improvements in the general infrastructure of power plants in the generation, transmission, distribution, and fuel resources, as well as Water improved its water infrastructure.

**Current and Other Assets**

Current and other assets increased by \$8.2 billion or 36.4%. Governmental activities were \$4.1 billion or 41.4% higher, while business-type activities grew by \$4.1 billion or 32.4%.

Governmental activities' current and other assets were up mainly due to a combined increase of \$2.9 billion in net pension and other postemployment benefits (OPEB) assets from favorable investment return, an increase of \$594.6 million in cash from various special revenue and debt services funds and General Fund, and increases in receivables by \$604.8 million combined from taxes, loans, and intergovernmental receivables.

Business-type activities' current unrestricted cash grew primarily due to a combined increase of \$232.5 million from Harbor, Power, and Sewer funds as a result of increases in operating and investment activities, offset by reductions from Airports and Water funds. The increase in restricted cash in enterprise funds was mainly driven by the Airport's \$1.2 billion addition in restricted cash from the year-end investment portfolio increase due to higher unspent bond proceeds at LAX, and a net increase of \$317.7 million driven by Power's maintaining higher unspent construction funds. The other noncurrent assets in enterprise funds grew by \$2.5 billion, mainly attributed to a combined increase of \$2.0 billion in net pension and OPEB assets due to a favorable investment return, and additional \$489.0 million lease receivables from GASB Statement No. 87 "Leases" implementation.

Deferred outflows of resources declined by \$2.0 billion or 34.9%, primarily due to net changes in deferred outflows from pensions and OPEB. More detailed information on the changes in deferred outflows from pensions and OPEB can be found in Note 5A and Note 5B of the Notes to the Basic Financial Statements.

**Long-term Liabilities**

The City's long-term liabilities decreased by \$4.8 billion or 9.2%. Business-type activities increased by \$1.4 billion or 3.9%, while governmental activities decreased by \$6.2 billion or 36.1% from the prior year. Besides the net pension and OPEB liabilities decrease of \$2.1 billion, business-type activities rose \$3.1 billion liability in bonds and notes payable due to the issuance of long-term debt by Airports, Water and Power. Governmental activities mainly decreased in net pension and OPEB liabilities of \$6.4 billion, offset by increases in bond, notes, claims and judgments, and lease liabilities.

**Current and Other Liabilities**

The City's current and other liabilities decreased by \$197.2 million or 5.0%. Business-type activities declined by \$132.2 million or 6.1%, while governmental activities decreased by \$65.0 million or 3.6% from the prior year. Business-type activities primarily decreased in accounts payable and accrued expenses of \$251.2 million and were offset by a combined increase of \$119.6 million in obligations under securities lending transactions, accrued salaries and compensated absences. Governmental activities mainly decreased in unearned revenue of \$131.4 million, internal balances of \$54.6 million, and offset by an increase of \$118.3 million in accounts payable and accrued expenses.

Deferred inflows of resources increased by \$9.7 billion or 583.7%, primarily due to a combined increase of \$9.0 billion in deferred inflows from pensions and OPEB and an increase of \$569.9 million from leases.

**Net Position**

Compared to the prior year, the total net position was higher by \$3.4 billion or 13.6%, with governmental activities up by \$2.7 billion or 94.1% from the fiscal year 2021 net position of \$2.8 billion and business-type activities up by \$729.9 million or 3.3%.

Net investment in capital assets increased by \$176.8 million for governmental activities and went up by \$129.8 million for business-type activities. The restricted net position went up by \$211.3 million for governmental activities, and the deficit in unrestricted net position decreased by \$2.3 billion. The restricted net position decreased by \$53.1 million for business-type activities, while the unrestricted net position increased by \$653.2 million.

The changes in restricted net position were increases of \$23.4 million for debt service, \$52.4 million for public works and sanitation, \$75.4 million for transportation, and \$165.4 million for culture and recreation activities. Offsetting these increases were decreases of \$42.0 million for capital projects, \$32.6 million for public safety, \$12.2 million for community development and housing, \$67.8 million for passenger/customer facility programs, and \$3.8 million for other purposes.

Management's Discussion and Analysis (Unaudited)

**Analysis of Activities:** The following table presents condensed information showing how the City's net position changed during the most recent fiscal year. As previously stated, all changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

**CITY OF LOS ANGELES**  
Condensed Statement of Activities  
(amounts expressed in thousands)

	Governmental Activities		Business-type Activities		Total	
	FY 2022	FY 2021	FY 2022	FY 2021	FY 2022	FY 2021
Revenues						
Program Revenues						
Charges for Services	\$ 2,235,290	\$ 1,993,805	\$ 9,009,490	\$ 8,184,078	\$ 11,244,780	\$ 10,177,883
Operating Grants and Contributions	2,086,187	2,123,367	367,456	--	2,453,643	2,123,367
Capital Grants and Contributions	99,390	99,905	211,269	554,659	310,659	654,564
General Revenues						
Property Taxes	2,628,691	2,551,138	--	--	2,628,691	2,551,138
Utility Users' Taxes	634,186	604,106	--	--	634,186	604,106
Business Taxes	1,019,226	743,877	--	--	1,019,226	743,877
Sales Taxes	693,438	560,962	--	--	693,438	560,962
Other Taxes	842,715	564,069	--	--	842,715	564,069
Unrestricted Grants and Contributions	35,874	41,161	--	--	35,874	41,161
Unrestricted Investment Earnings (Losses)	(110,102)	(4,485)	(281,224)	125	(391,326)	(4,360)
Other Revenues	71,551	42,389	409,490	304,402	481,041	346,791
Total Revenues	10,236,446	9,320,294	9,716,481	9,043,264	19,952,927	18,363,558
Expenses						
General Government	1,726,188	1,935,804	--	--	1,726,188	1,935,804
Protection of Persons and Property	2,624,309	3,990,018	--	--	2,624,309	3,990,018
Public Works	513,475	587,359	--	--	513,475	587,359
Health and Sanitation	552,619	677,878	--	--	552,619	677,878
Transportation	563,804	577,318	--	--	563,804	577,318
Cultural and Recreational Services	713,767	704,490	--	--	713,767	704,490
Community Development	987,179	909,542	--	--	987,179	909,542
Interest on Long-Term Debt	98,054	99,628	--	--	98,054	99,628
Airports	--	--	1,742,407	1,558,137	1,742,407	1,558,137
Harbor	--	--	462,493	453,024	462,493	453,024
Power	--	--	4,370,903	3,886,405	4,370,903	3,886,405
Water	--	--	1,487,767	1,293,737	1,487,767	1,293,737
Sewer	--	--	669,062	627,866	669,062	627,866
Convention Center	--	--	43,337	36,847	43,337	36,847
Total Expenses	7,779,395	9,482,037	8,775,969	7,856,016	16,555,364	17,338,053
Excesses (Deficiency) of Revenues Over (Under) Expenses	2,457,051	(161,743)	940,512	1,187,248	3,397,563	1,025,505
Transfers	225,015	218,355	(225,015)	(218,355)	--	--
Increase in Net Position	2,682,066	56,612	715,497	968,893	3,397,563	1,025,505
Net Position - July 1, As Previously Reported	2,850,811	2,794,199	22,286,309	21,317,416	25,137,120	24,111,615
Change in Accounting Principle, GASB 87 Implementation	--	--	14,431	--	14,431	--
Net Position - July 1 Restated	2,850,811	2,794,199	22,300,740	21,317,416	25,151,551	24,111,615
Net Position - June 30	\$ 5,532,877	\$ 2,850,811	\$ 23,016,237	\$ 22,286,309	\$ 28,549,114	\$ 25,137,120

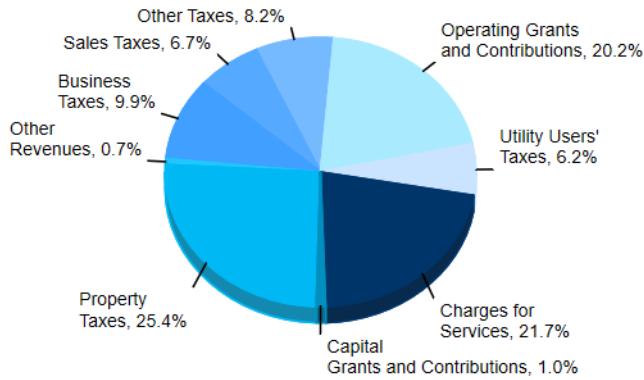
Note: FY 2021 figures have not been restated for the effect of GASB 87.

## Governmental Activities

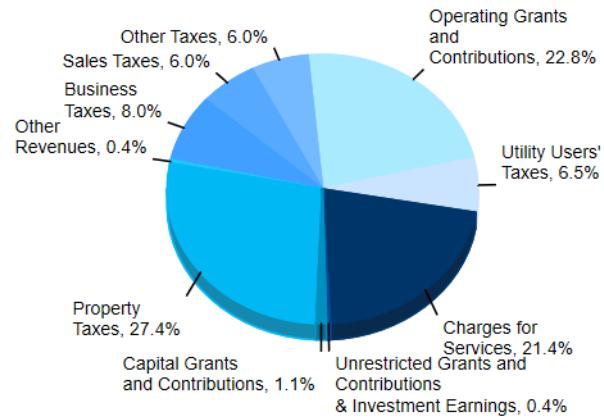
For the fiscal year ended June 30, 2022, total revenues of governmental activities were \$10.2 billion while total expenses were \$7.8 billion. Of the \$7.8 billion total expenses, 40.3% was funded by taxes and other general revenues, and the remaining 59.7% was funded by program revenues and transfers from business-type funds. Program revenues are resources obtained from parties outside of the City and charges for services between the governmental and business-type activities. They include: (a) amounts received from those who purchase, use or directly benefit from a program; (b) grants and contributions that are restricted to specific programs; and (c) investment earnings that are legally restricted for a specific program.

The following charts are graphical comparisons of governmental revenues by source for fiscal years 2022 and 2021 (Pie chart below excludes the negative net unrestricted contributions and investment losses):

FY 2022  
Total Revenues: \$10.2 Billion



FY 2021  
Total Revenues: \$9.3 Billion



Revenues from charges for services of \$2.2 billion, property taxes of \$2.6 billion, and operating grants and contributions of \$2.1 billion were the three largest revenue sources for governmental activities. Together, these accounted for \$6.9 billion or 67.9% of total revenues.

With revenues from department and franchise activities recovered from business reopening and economic recovery, charges for services rose by \$241.5 million or 12.1% in the fiscal year 2022 compared to the fiscal year 2021. Various revenue sources contributed to this increase, including code enforcement fees, municipal recreation programs, service fees from proprietary departments, charges for emergency services by the Fire Department, parking, affordable housing linkage fee, and plan check activities.

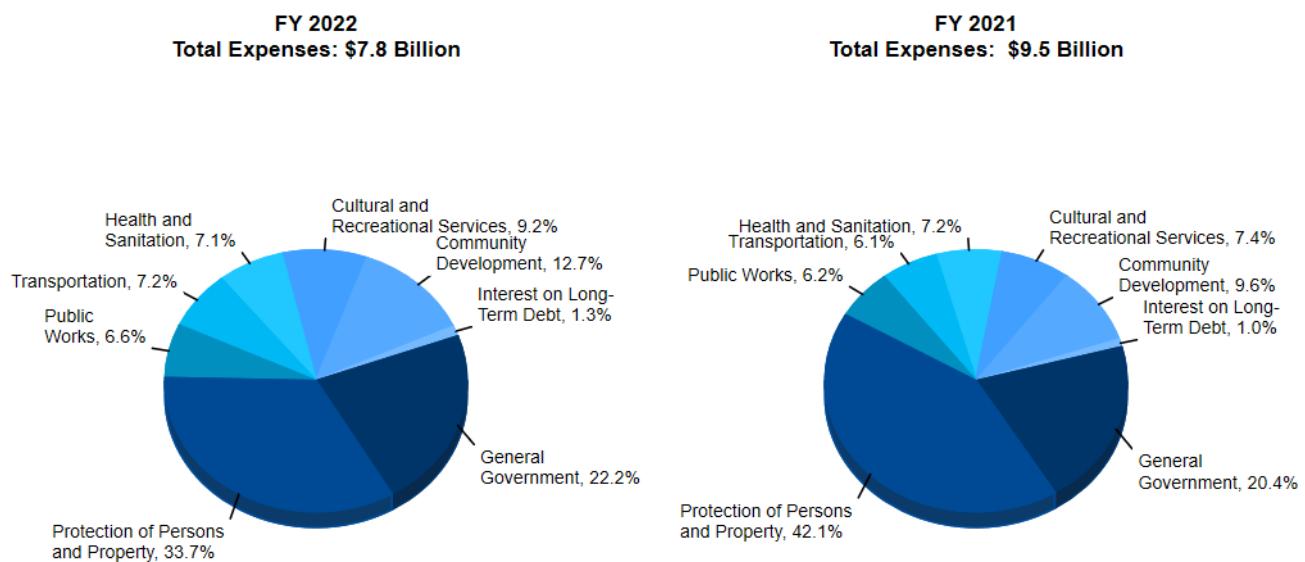
Operating grants and contributions decreased by \$37.2 million or 1.8%, mainly due to a decrease in the fair value of investments for grant revenue and offset by an increase from Federal grant assistance. Capital grants and contributions were flat.

**Management's Discussion and Analysis (Unaudited)**

Property Tax revenue increased by \$77.6 million or 3.0% due to growth in the taxable assessed value of properties mirroring the growth of the real estate market. The increase of \$275.3 million in Business Tax was boosted by non-cannabis business retail activity combined with a higher balance of business tax receivable. Sales Tax revenues increased by \$132.0 million, reflecting the improvement of economic activities from the post-pandemic reopening. Utility Users' Taxes increased by \$30.1 million or 5.0%, attributed to Gas User's Tax increase due to natural gas fuel prices hike and an increase in Electrical Users' Tax revenues.

Other taxes were up by \$278.6 million or 49.4%, primarily attributed to robust increases in Transient Occupancy Tax and Parking Occupancy Tax due to pandemic-related travel restrictions lift and business reopening. Documentary Transfer Tax increases from home price appreciation and various Franchise income increases from economic recovery. Combined unrestricted investment earnings and other revenues declined by \$76.5 million, mainly due to the negative change in investments' fair value offset by an increase in revenues for expense reimbursement from other agencies, unions, and other miscellaneous revenues.

The following charts are graphical comparisons of the City's governmental expenses by function for fiscal years 2022 and 2021:



Total expenses decreased by \$1.7 billion or 18.0% over the fiscal year 2021, which was comprised of decreases in the following functions: general government of \$209.6 million, protection of persons and property of \$1.4 billion, public works of \$73.9 million, health and sanitation of \$125.3 million, transportation of \$13.5 million, and interest on long-term debt of \$1.6 million; offset by increases of cultural and recreational services of \$9.3 million and community development of \$77.6 million.

The major expense category that accounted for most of the decreases across functions was retirement expenses. The declines in pension expenses for the Los Angeles Fire and Police Pension System (Pensions) and OPEB expenses for the City Employees' Retirement System (LACERS) are due to the negative pension and OPEB expenses derived from net appreciation in the fair value of investments based on the measurement date in the fiscal year 2021. Pension and OPEB expenses are the net effect of all the changes to pension and OPEB liabilities/assets and deferred outflows and inflows related to Pensions and LACERS. In future years, however, pension and OPEB plans will flip back to a net pension and OPEB liability. This reversal is common for retirement plans that are nearly 100 percent funded. Nonetheless, the operating expenses for contractual services, operating equipment, and supplies went up, along with increased payments to outside agencies, partially offset the decreased expenses.

### **Business-type Activities**

The \$9.0 billion combined operating revenues of the City's six business-type activities were \$1.6 billion more than the \$7.4 billion combined operating expenses. Since the proprietary funds provide the same type of information at the fund level as found in the government-wide statements, a more detailed discussion of the activities of the City's business-type activities is found in the financial analysis of the City's funds.

### **FINANCIAL ANALYSIS OF THE CITY'S FUNDS**

The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of this section is to provide information on near-term inflows, outflows and balances of resources that are available for spending. Such information is useful in assessing the City's financial requirements. In particular, the unassigned fund balances may serve as a useful measure for the City's net resources available for spending at the end of the fiscal year.

#### **Governmental Funds**

At June 30, 2022, the City's governmental funds reported combined fund balances of \$7.3 billion, an increase of \$857.4 million from the previous fiscal year. Of the total fund balance, \$88.4 million were nonspendable associated with inventories, prepaid items and certain advances to other funds, \$4.1 billion were classified as restricted, \$1.9 billion were committed and \$727.1 million were assigned. The remaining balances of \$529.0 million were classified as unassigned and mainly associated with the General Fund.

Governmental funds revenue totaled \$9.8 billion, while expenditures were \$9.7 billion. The revenues were \$120.2 million more than total expenditure.

The **General Fund** is the general operating fund of the City and includes transactions of the Reserve Fund and other accounts that have General Fund type activity for GAAP reporting purposes. At June 30, 2022, the General Fund reported a total fund balance of \$1.5 billion, composed of \$66.5 million nonspendable primarily from inventories of \$39.2 million and advances to other funds of \$26.9 million; \$85.1 million committed; \$724.3 million assigned for general government purposes; and \$621.8 million unassigned.

## Annual Comprehensive Financial Report

### Management's Discussion and Analysis (Unaudited)

The following table presents the summary of revenues and expenditures of the General Fund:

**CITY OF LOS ANGELES**  
**Summary of Revenues, Expenditures and Other**  
**Financing Sources and Uses - General Fund**  
**(amounts expressed in thousands)**

	Revenues and Other Financing Sources			Expenditures and Other Financing Uses			
	FY 2022	FY 2021	% Change	FY 2022	FY 2021	% Change	
<b>Revenues</b>	<b>Expenditures</b>						
Property Taxes	\$ 2,492,320	\$ 2,401,848	3.8 %	General Government	\$ 1,573,832	\$ 1,478,060	6.5 %
Sales Taxes	694,218	562,217	23.5	Protection of Persons and Property	3,414,251	3,221,865	6.0
Utility Users' Taxes	632,433	610,946	3.5	Public Works	201,042	147,933	35.9
Business Taxes	756,960	686,520	10.3	Health and Sanitation	164,898	121,325	35.9
Other Taxes	778,563	521,955	49.2	Transportation	139,871	112,490	24.3
Licenses and Permits	31,493	29,390	7.2	Cultural and Recreational Services	79,454	44,018	80.5
Intergovernmental	43,171	28,145	53.4	Community Development	108,209	134,074	(19.3)
Charges for Services	341,191	358,772	(4.9)	Capital Outlay	53,975	29,164	85.1
Services to Enterprise Funds	327,326	328,481	(0.4)	Debt Service - Principal	20,682	--	--
Fines	116,805	100,559	16.2	Debt Service - Interest	3,752	5,194	(27.8)
Special Assessments	2,691	1,731	55.5	Debt Service - Cost of Issuance	<u>867</u>	<u>1,103</u>	(21.4)
Investment Earnings	35,770	28,579	25.2	Total Expenditures	5,760,833	5,295,226	8.8
Change in Fair Value of Investments	(145,900)	(34,572)	(322.0)	Other Financing Uses			
Other	<u>62,094</u>	<u>46,107</u>	34.7	Transfers Out	<u>1,060,079</u>	<u>728,412</u>	45.5
<b>Total Revenues</b>	<b>6,169,135</b>	<b>5,670,678</b>	<b>8.8</b>	<b>Total Expenditures and Other Financing Uses</b>	<b><u>\$ 6,820,912</u></b>	<b><u>\$ 6,023,638</u></b>	<b>13.2</b>
<b>Other Financing Sources</b>							
Transfers In	910,652	584,808	55.7				
Lease Liabilities Issued	<u>14,842</u>	--	--				
<b>Total Revenues and Other Financing Sources</b>	<b><u>\$ 7,094,629</u></b>	<b><u>\$ 6,255,486</u></b>	<b>13.4</b>				
<b>Excess of Revenues Over Expenditures</b>	<b><u>\$ 408,302</u></b>	<b><u>\$ 375,452</u></b>	<b>8.7</b>				
<b>Net Change in Fund Balance</b>	<b><u>\$ 273,717</u></b>	<b><u>\$ 231,848</u></b>	<b>18.1</b>				

#### Revenues and Other Financing Sources

Fiscal Year 2022 was a year of recovery for the City from the COVID-19 pandemic as COVID-19 vaccines became widely available and the economy began to reopen. With the City experiencing recovery of most revenue sources, combined with the receipt of Federal funds, the City ended Fiscal Year 2022 with total General Fund revenues growing \$498.5 million or 8.8% percent above the previous fiscal year. Total taxes accounted for nearly \$5.4 billion or 86.8% of General Fund revenue. Overall, tax revenues grew by \$571.0 million or 11.9% from the prior year compared to a 2.2% increase in the fiscal year 2021.

**Management's Discussion and Analysis (Unaudited)**

Total Property Taxes, which represent 40.4% of General Fund revenue, increased by \$90.5 million or 3.8% mainly due to growth in prior secured property tax receipts of \$43.3 million, and a combined increase of \$41.2 million from VLF Replacement and current secured property tax.

While economy-sensitive revenues were reflective of the unique nature of the pandemic-driven phenomenon, the post-pandemic recovery for these revenues is also apparent. Home price appreciation and inflation contributed to the growth of General Fund revenues, including sales, business, and documentary transfer taxes. Sales Tax revenues increased by \$132.0 million or 23.5% due to improvement in local economic activity. The increase in Business Tax revenues of \$70.4 million or 10.3% reflected the growth in non-cannabis business activity offset by a decrease in legal recreational cannabis retail activity.

Utility Users' Tax revenues, which consist of electric, gas, and communications users' taxes, posted an increase of \$21.5 million or 3.5%. The rise comprised a growth of \$9.0 million in Gas User's Tax due to natural gas fuel prices hike, an increase of \$17.1 million in Electrical Users' Tax revenues, and a reduction of \$4.6 million in Communications Users' Taxes revenues due to a continuing downward trend in phone service prices and landline usage. Other tax revenues were up by \$256.6 million or 49.2%, mainly driven by the following tax revenues. Parking Occupancy Tax increased by \$39.7 million proving slower to recover after pandemic-driven closures and restrictions. In contrast to Parking Occupancy Tax revenue, Transient Occupancy Tax, the most dramatic impact of the pandemic, recovered more quickly and posted a \$128.7 million increase. Documentary Transfer Tax revenue was \$62.3 million above last fiscal year attributed to the home price appreciation.

Licenses and permits went up by \$2.1 million or 7.2%, mainly due to the recovery in filming permits fee revenue from the pandemic decline. While revenues for services provided to Enterprise Funds were almost flat, the charges for services were \$17.6 million or 4.9% lower, attributed partially to a \$13.6 million decrease in related costs and other reimbursements from departments due to vacant positions and a \$31.9 million decline in less services provided to LAMTA; partially offset by a \$26.7 million increase from Ground Emergency Medical Transportation for emergency services charges by the Fire department. Combined net investment earnings and other revenues were down \$88.2 million due to total decrease of \$104.2 million in investment earnings and a change in the fair value of investments ; partially offset by a \$16.0 million increase from other revenues.

**Expenditures and Other Financing Uses**

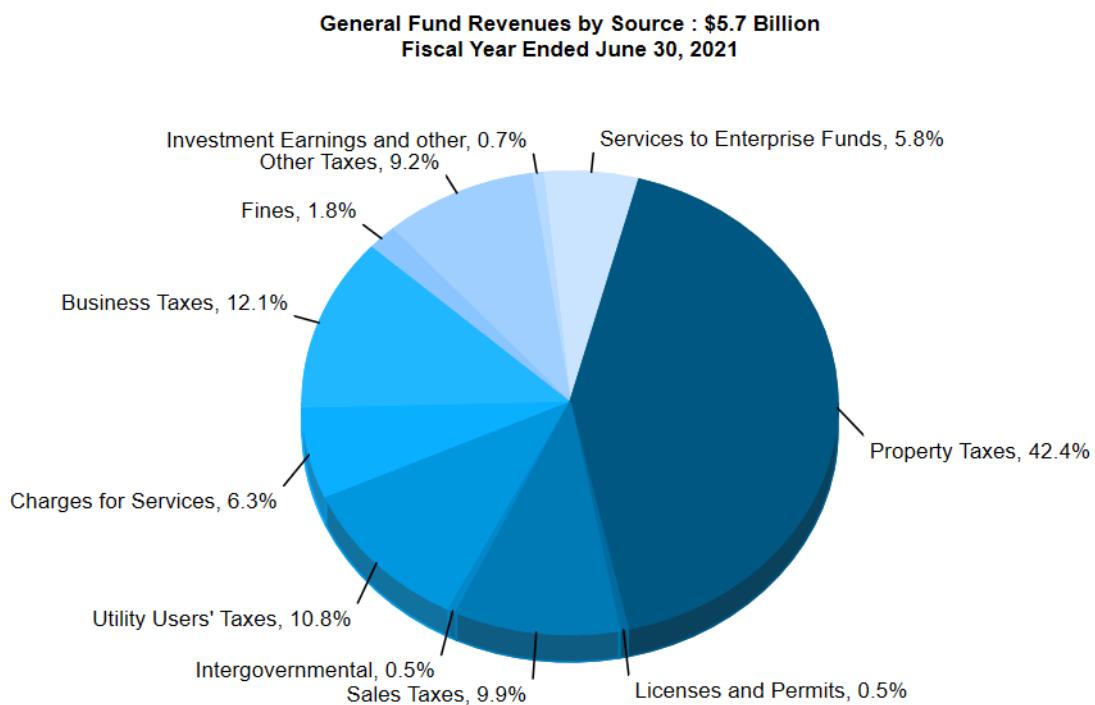
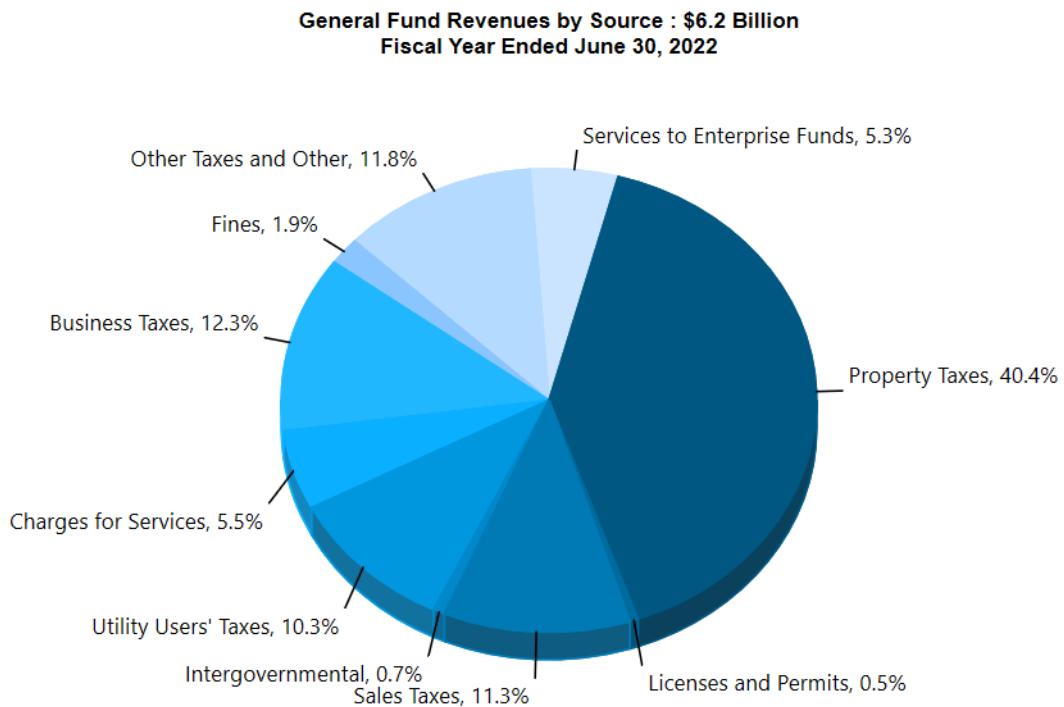
Aligned with the growth rate of total General Fund revenues, the Fiscal Year 2022 total General Fund expenditures were \$5.8 billion, an increase of \$465.6 million or 8.8% from the prior fiscal year. Almost all expenditures across governmental functions went up, driven by the following spending categories.

Salaries and human resource benefits increased by \$319.1 million or 9.3% compared to last year, mainly due to payments of deferred excess sick payouts, overtime payouts, and one-time bonuses to certain labor organization members for a portion of deferred compensation adjustments for civilian and sworn employees. Combined retirement contributions to the LACERS and Pensions increased by \$52.9 million or 7.2% compared to last year primarily due to the higher covered payroll.

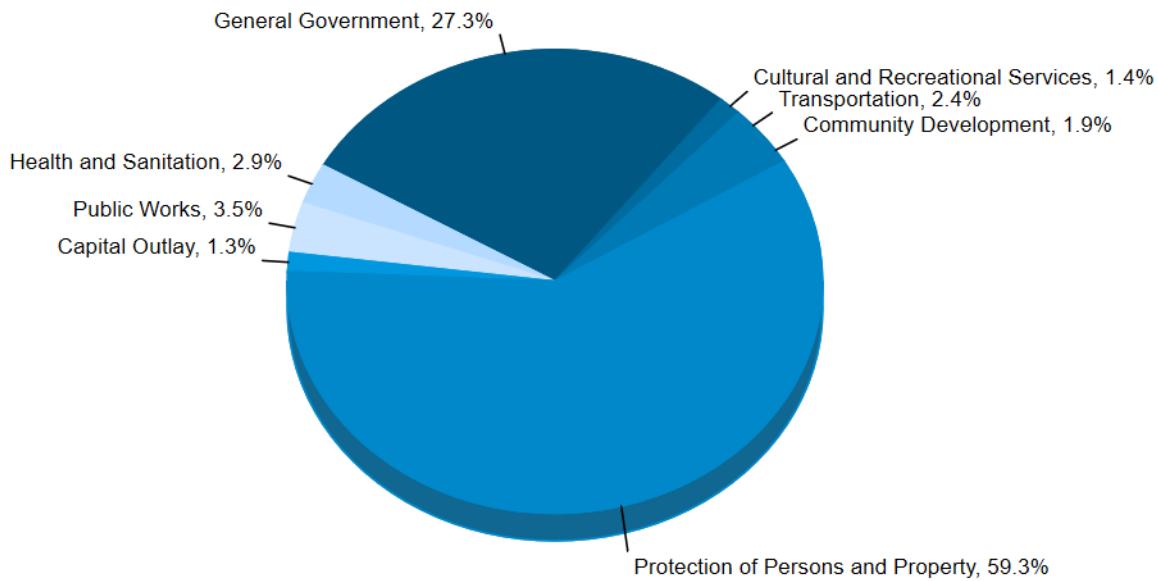
The total expenditures for contractual services, operating equipment, and supplies went up by \$53.6 million or 4.4%, primarily attributed to increased fuel and utility costs for the General Services Department, increased costs from inflationary pressures on fuel, materials, and other commodity prices for citywide departments, and more grant subsidies to the outside organizations for community projects. Capital outlays increased by \$24.8 million or 85.1%, mainly attributed to an increase of \$14.8 million in right-to-use (RTU) lease contracts and an increase of \$11.6 million in Capital Improvement Expenditure Program (CIEP) expenditures due to the progression of capital projects.

Overall, General Fund revenues exceeded expenditures by \$408.3 million, compared to \$375.5 million in the fiscal year 2021. Transfers in from other funds amounted to \$910.7 million, while transfers out were \$1.1 billion. The ARPA Fund transfer of \$659.1 million and the Power Enterprise Fund transfer of \$225.0 million largely accounted for most transfers-in. The \$1.1 billion transfers out included: \$234.8 million for debt service obligations, \$364.6 million for parks and recreational operation and facilities, \$218.0 million for libraries, \$88.6 million for housing and community programs, \$49.9 million for public safety, \$62.3 million for public works, sanitation, and transportation, \$21.0 million for arts and cultural facilities, and \$16.4 million for other departmental operations. The above items' net changes contributed to a year-end fund balance of \$1.5 billion, increasing \$273.7 million from the prior year's fund balance of \$1.2 billion.

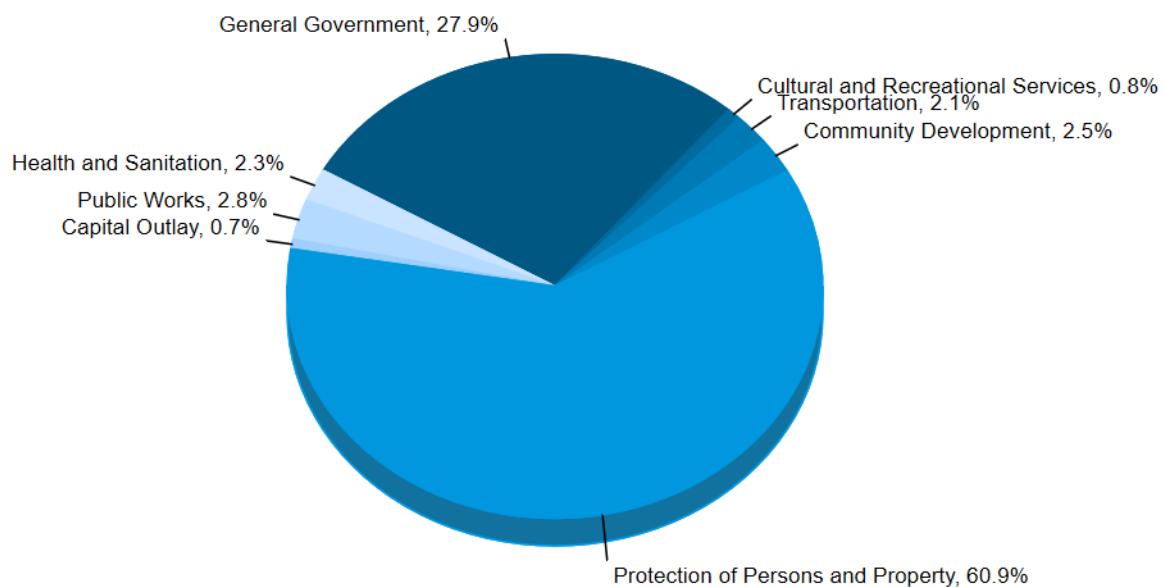
The following charts are graphical comparisons between June 30, 2022 and 2021, for General Fund revenues by source and expenditures by function:



**General Fund Expenditures by Function : \$5.8 Billion  
Fiscal Year Ended June 30, 2022**



**General Fund Expenditures by Function : \$5.3 Billion  
Fiscal Year Ended June 30, 2021**



The **Municipal Improvement Corporation of Los Angeles Special Revenue and Debt Service Funds** account for the activities of the City's public financing entity, MICLA. Acquisition of certain real property and equipment and construction of buildings and other improvements are financed through the issuance of MICLA lease revenue bonds and commercial paper.

For the fiscal year ended June 30, 2022, the MICLA Special Revenue and Debt Service Funds reported a total restricted fund balance of \$145.4 million, composed of \$18.0 million in the special revenue fund and \$127.4 million in the debt service fund.

At June 30, 2022, the MICLA Special Revenue Fund reported a restricted fund balance of \$18.0 million, which decreased by \$15.8 million from the prior year. Total MICLA Special Revenue Fund revenues went down approximately by \$0.5 million, primarily due to a decline in the investment's fair value. In comparison, total expenditures dropped by \$74.7 million due to a decrease in capital acquisitions. Although the total expenditures exceeded revenues by \$95.8 million, compared to \$170.1 million in the fiscal year 2021, the issuance of long-term debt of \$80.0 million from other financing sources bridged the gap.

At June 30, 2022, the MICLA Debt Service Fund reported a total restricted fund balance of \$127.4 million, which increased by \$14.4 million from the prior year. Total MICLA Debt Service Fund revenues slightly went up by \$19.1 thousand, while total expenditures increased by \$39.5 million, mainly attributed to an increase of \$39.2 million in principal payments. Although total expenditures exceeded revenues by \$403.0 million, compared to \$363.8 million in the prior year, lease payments of \$222.0 million from the General Fund and certain Special Revenue Funds and the total proceeds of \$195.4 million from issuance of refunding debt bridged the gap.

As a result of the above financial changes, the combined MICLA Funds' decrease in net position for the fiscal year 2022 amounted to \$1.5 million.

## Annual Comprehensive Financial Report

### Management's Discussion and Analysis (Unaudited)

#### Proprietary Funds

The City's proprietary funds provide the same type of information at the fund level as in the business-type activities column of the government-wide financial statements.

The following table summarizes the operating results of the City's six enterprise funds:

<b>Business-type Activities</b> <b>Change in Net Position</b> <b>For the Fiscal Year Ended June 30, 2022</b> <b>(amounts expressed in thousands)</b>							
	Airports	Harbor	Power	Water	Sewer	Nonmajor Convention Center	Total
Operating Revenues	\$ 1,407,938	\$ 627,842	\$ 4,593,760	\$ 1,606,678	\$ 739,666	\$ 33,606	\$ 9,009,490
Operating Expenses	(1,373,146)	(401,904)	(3,792,772)	(1,200,142)	(546,907)	(43,337)	(7,358,208)
Operating Income (Loss)	34,792	225,938	800,988	406,536	192,759	(9,731)	1,651,282
Net Nonoperating Revenues (Expenses)	(243,502)	(70,318)	(369,563)	(215,089)	(23,584)	17	(922,039)
Capital Contributions	45,638	11,906	100,865	41,137	11,723	--	211,269
Transfers Out	--	--	(225,015)	--	--	--	(225,015)
Change in Net Position	\$ (163,072)	\$ 167,526	\$ 307,275	\$ 232,584	\$ 180,898	\$ (9,714)	\$ 715,497

<b>Business-type Activities</b> <b>Change in Net Position</b> <b>For the Fiscal Year Ended June 30, 2021</b> <b>(amounts expressed in thousands)</b>							
	Airports	Harbor	Power	Water	Sewer	Nonmajor Convention Center	Total
Operating Revenues	\$ 1,072,156	\$ 572,011	\$ 4,268,478	\$ 1,463,781	\$ 788,755	\$ 18,897	\$ 8,184,078
Operating Expenses	(1,237,759)	(427,272)	(3,524,339)	(1,076,855)	(526,001)	(36,847)	(6,829,073)
Operating Income (Loss)	(165,603)	144,739	744,139	386,926	262,754	(17,950)	1,355,005
Net Nonoperating Revenues (Expenses)	(214,858)	(23,195)	(213,656)	(189,026)	(81,698)	17	(722,416)
Capital Contributions	331,730	7,116	103,459	92,739	19,615	--	554,659
Transfers Out	--	--	(218,355)	--	--	--	(218,355)
Change in Net Position	\$ (48,731)	\$ 128,660	\$ 415,587	\$ 290,639	\$ 200,671	\$ (17,933)	\$ 968,893

Note: FY 2021 figures have not been restated for the effect of GASB 87.

**Airports**

The Airports Enterprise Fund (Airports) accounts for the operation of Los Angeles International Airport (LAX) and Van Nuys Airport (VNY). Airports also owns approximately 17,750 acres of land located east of United States Air Force (USAF) Plant 42 in the City of Palmdale, and retains the rights for future development of the Palmdale property.

Airports operating revenues totaled \$1.4 billion, a \$335.8 million or 31.3% increase from fiscal year 2021. Aviation revenue increased by \$130.1 million, and non-aviation revenue increased by \$207.8 million with a \$205.1 million increase in concession and an increase in other operating revenue of \$2.6 million. The increase in total operating revenue was mainly a result of the 108.9% increase in passenger traffic. Landing fees increased by \$85.5 million, or 51.9%. Building rental revenues increased by \$41.6 million or 6.8%, mainly attributable to the increased costs of \$46.2 million or 8.6% due to the increased costs in improvements and refurbishments in the terminals recovered under the Terminal Rate Agreement, offset by decreases in terminal use fees of \$4.8 million or 7.5% as a result of a reversal of the over-accrued 2021 terminal use fees. Land rental revenue increased by \$3.8 million mainly due to 5-year fair market adjustments, offset by an overall decrease in leased areas. Total revenue from concessions was higher by \$205.1 million or 127.3%, mainly a result of the 108.9% increase in passenger traffic.

Airports total operating expenses were \$1.4 billion, a \$135.4 million or 10.9% increase over the prior fiscal year. There was a \$128.2 million or 25.9% decrease in salaries and benefits. Contractual services increased by \$69.3 million primarily across the board among all contractual expenses, including an increase in Common Use Services, Operation Strategic Plan for LAXit Parking Management, management fees, and shuttle services for landside parking, bond advisory services and Customs and US Border Protection services. Materials and supplies increased by \$6.3 million mainly due to an increase of \$2.1 million in computer software supplies, an increase of \$0.8 million in custodial supplies and services, an increase of \$1.3 million in fuel and petroleum services, an increase of \$1.0 million in the street cleaning supplies and services, and an increase of \$1.1 million in recycling, trash, and waste disposal services. Utilities expenses increased by \$10.1 million. The increase was primarily driven by an increase of \$6.3 million in electricity, an increase of \$2.5 million in gas expenses, and an increase of \$2.1 million in water charges, offset by an increase in utilities capitalization of \$1.0 million. The increase in utilities was primarily a result of the 108.9% increase in passenger traffic in fiscal year 2022. Depreciation charges increased by \$170.7 million due to the capitalization of approximately \$2.1 billion in capital assets resulting in the addition of about \$104.5 million in depreciation of newly capitalized assets which include \$51.8 million of Terminal 2 and Terminal 3 Modernization, \$19.2 million of Terminal 1.5, \$7.8 million of Terminal 5 Interiors and Gate Realignment, \$5.6 million of Intermodal Transportation Facility, \$5.1 million of TBITEC Baggage Optimization, \$4.9 million of Airport Police Facility, \$2.8 million of Taxiway C14, and \$2.7 million of MSC/Bradley West Gates.

Airports nonoperating revenue increased by \$10.3 million due to a \$56.1 million increase in passenger facility charges, a \$28.4 million increase in customer facility charges, a \$0.4 million increase in other nonoperating revenue, offset by a \$72.6 million decrease in interest and investment income, and a \$2.0 million decrease in interest income from leases. Nonoperating expenses increased by \$46.8 million due to \$47.1 million increase in interest expense, offset by a \$0.3 million decrease in other nonoperating expenses.

As a result of the above financial changes, the Airports Enterprise Fund's change in net position for the fiscal year 2022 amounted to \$(163.1) million.

**Harbor**

The Harbor Enterprise Fund (Harbor) accounts for the operations of the Port of Los Angeles. It provides for maritime commerce, navigation, fisheries, and water-dependent activities to benefit the State of California.

Harbor's operating revenues increased to \$627.8 million, reflecting a 9.8% increase from the prior year's revenue of \$572.0 million. The increase was primarily due to the initiation of a new clean truck program, higher space assignment rates, higher utility reimbursements from the Alternative Maritime Power (AMP) shore side electricity connection program, resumption of cruises, as well as the expiration of the empty container discount on wharfage. Harbor derives its operating revenues mainly from shipping services, rentals, and fees from royalties, concessions, and other fees. Shipping services increased by \$22.1 million mainly due to a \$6.5 million wharfage revenue increase from the expiration of empty container discount on wharfage and a \$15.6 million increase from dockage and demurrage, pilotage and assignment revenues.

Harbor's operating expenses, excluding depreciation, decreased by \$18.4 million to \$254.6 million from \$273.6 million in the fiscal year 2021. Salaries and benefits expenses, including pension and OPEB expenses decreased by \$23.8 million, or 16.3% lower than prior-year due to decreases in pension and OPEB expenses offset by an

**Management's Discussion and Analysis (Unaudited)**

increase of \$1.1 million in salary and employee benefit expenses. Payments for City services decreased by \$0.4 million due to lower utilizations of fire service and other City administrative services, partially offset by higher City attorney, recreation and park services. Outside services increased by \$2.4 million due to staffing shortage, supply chain disruptions, price increases, higher spending in development activities related to the Port Optimizer project, and other contractual services supporting the Harbor's operations. Other operating expenses decreased by \$8.4 million due to lower provisioning for workers' compensation liabilities, lower provisioning for litigation and claim expenses and lower pollution remediation expense. These increases were offset by higher expenses for administering Clean Truck program and higher insurance premiums and customers incentive payouts.

Nonoperating revenues increased by \$21.7 million due to higher pass-through and noncapital grant revenues by \$17.8 million and higher other revenues from settlement recovery by \$4.6 million offset by lower income from an investment in the Intermodal Container Transfer Facility Joint Powers Authority by \$0.7 million. Nonoperating expenses increased by \$79.1 million due to unfavorable variances with respect to unrealized investment loss by \$45.1 million from investment value fluctuations, higher pass-through grant expenditures by \$17.7 million, higher capital projects closed to expense by \$18.8 million and higher bond administration and other miscellaneous costs by \$0.3 million. These increases were partially offset by \$2.8 million decrease in interest expenses.

As a result of the above financial changes and capital contributions of \$11.9 million, the Harbor Enterprise Fund's change in net position for fiscal year 2022 was \$167.5 million.

**Power and Water**

The Power and Water Enterprise Funds account for the operations of the Department of Water and Power (DWP) in supplying the City and its inhabitants with water and electric power by constructing, operating, and maintaining facilities located throughout the City.

**Power**

The Power Enterprise Fund's (Power) total operating revenues grew by \$325.3 million or 7.6% from the prior fiscal year primarily due to an increase of \$315.6 million in total revenue from retail customers, an increase of \$43.5 million in Sales for Resale, and a \$1.2 million increase in other revenue, offset by a \$35.0 million increase of uncollectible accounts.

Power operating expenses were \$268.4 million higher as compared to fiscal year 2021, driven primarily by a \$99.1 million increase in fuel for generation, a \$75.8 million increase in other operating expense, an increase of \$8.1 million in purchased power, \$53.4 million increase in depreciation and amortization expense, and \$32.0 million increase in maintenance expenses. The \$8.1 million increase in purchased power costs can be primarily attributed to higher year over year billings from SCPPA (purchase of renewable energy) and Intermountain Power Agency. The \$53.4 million increase in the depreciation and amortization expense can mainly be attributed to year over year increases in depreciation and amortization for regulatory assets, \$16.0 million; distribution plant, \$2.0 million; and general (corporate), \$35.4 million. The \$99.1 million increase in fuel for generation is primarily due to higher year over year natural gas prices. The \$32.0 million increase in maintenance expense for utility plant assets is mainly due to higher year over year maintenance costs for distribution plant, \$25.0 million; maintenance of steam plant, \$5.0 million; and maintenance of transmission plant, \$9.0 million, partially offset by a decrease in other production of plant, \$6.0 million; and maintenance costs for hydraulic plant, \$1.0 million. The \$75.8 million increase in other operating expense is mainly due to an increase of \$55.0 million in A&G corporate expense, an increase of \$14.0 million in customer service expense and, a \$6.8 million increase in transmission expense.

The major nonoperating activities of Power for fiscal year 2022 included the transfer of \$225.0 million to the City's General Fund, grant revenues and corresponding grant expenses of \$202.8 million, \$98.4 million in other nonoperating income, \$25.5 million in federal bond subsidies, investment loss of \$118.1 million, and \$371.0 million in debt expenses. The \$125.4 million decrease in investment income can be primarily attributed to the change in the fair value of the general pool investment between fiscal year 2021 and fiscal year 2022. The \$14.9 million decrease in other nonoperating income is due mainly to a decrease in revenue recognized for emissions reduction credits. The \$12.1 million increase in debt expenses is mainly due to the interest expense from variable rate bonds and refunding.

As a result of the above financial changes, including capital contributions of \$100.9 million, Power's change in net position for fiscal year 2022 amounted to \$307.3 million.

**Water**

During fiscal year 2022, operating revenues increased by \$142.9 million, or 9.8%, from fiscal year 2021, primarily due to a higher commercial and industrial billing rate per unit, billing rate per HCF and accrued unbilled revenue that resulted from increased purchased water cost due to the drought.

Operating expenses for fiscal year 2022 were \$123.3 million higher, attributed to an increase of \$50.0 million, or 17% in purchased water expense due to a 53% decrease in water supplied by the aqueduct and runoff available from snowfall, which increased the purchases for water. The increase of \$11.3 million in depreciation and amortization expense can mainly be attributed to year-over-year increases in depreciation and amortization for regulatory assets, distribution plant, source of supply, and general plant. Maintenance and other operating expenses were \$61.6 million higher as compared to the prior year. The increase is primarily comprised of an increase in total maintenance of \$19.3 million and other operating expenses of \$42.3 million. Other operating expenses included a net increase due to source of supply, distribution, purification, and administrative and general corporate expenses.

Nonoperating revenues (expenses), net was \$26.1 million lower than in fiscal year 2021. The \$26.1 million decrease in nonoperating income can be primarily attributed to a \$33.7 million decrease in investment income, a decrease of \$1.7 million in debt expenses, an increase in overall other nonoperating income of \$4.9 million, and a decrease in nonoperating expenses of \$1.0 million.

As a result of the above financial changes and capital contributions of \$41.1 million, the Water Enterprise Fund's change in net position for the fiscal year 2022 was \$232.6 million.

**Sewer**

The Sewer Construction and Maintenance Fund (Sewer) accounts for the construction, operation, and maintenance of the City's wastewater collection and treatment system.

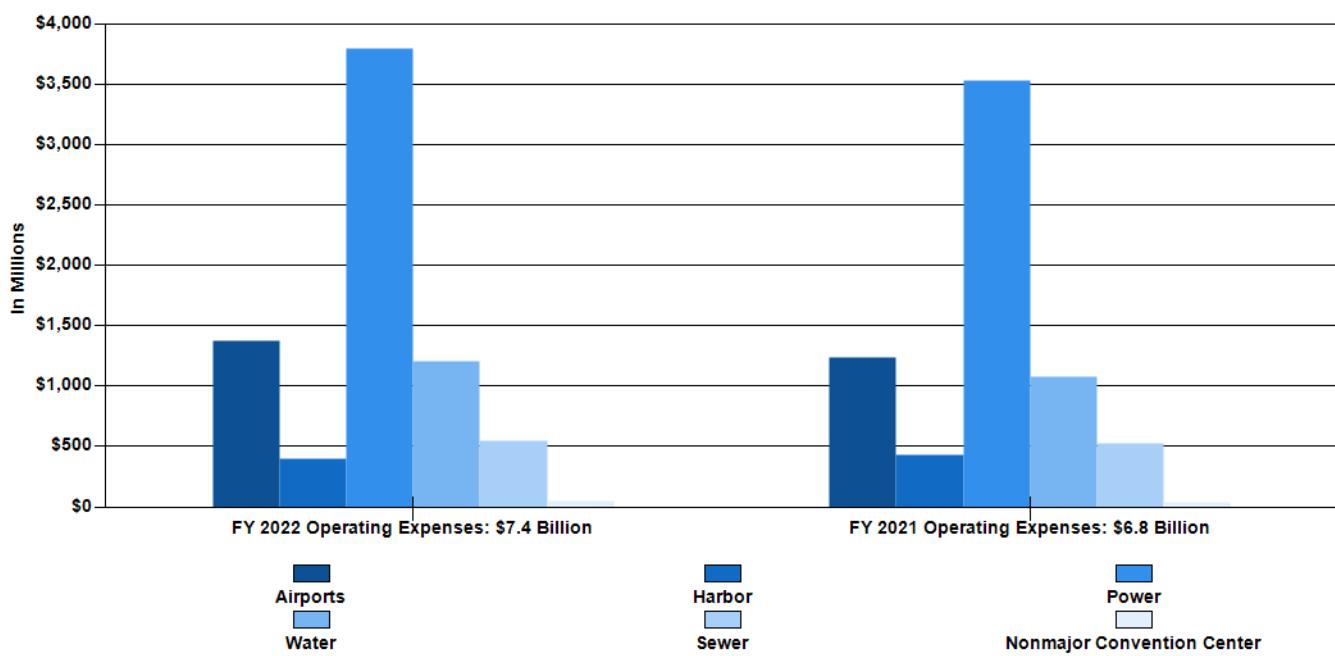
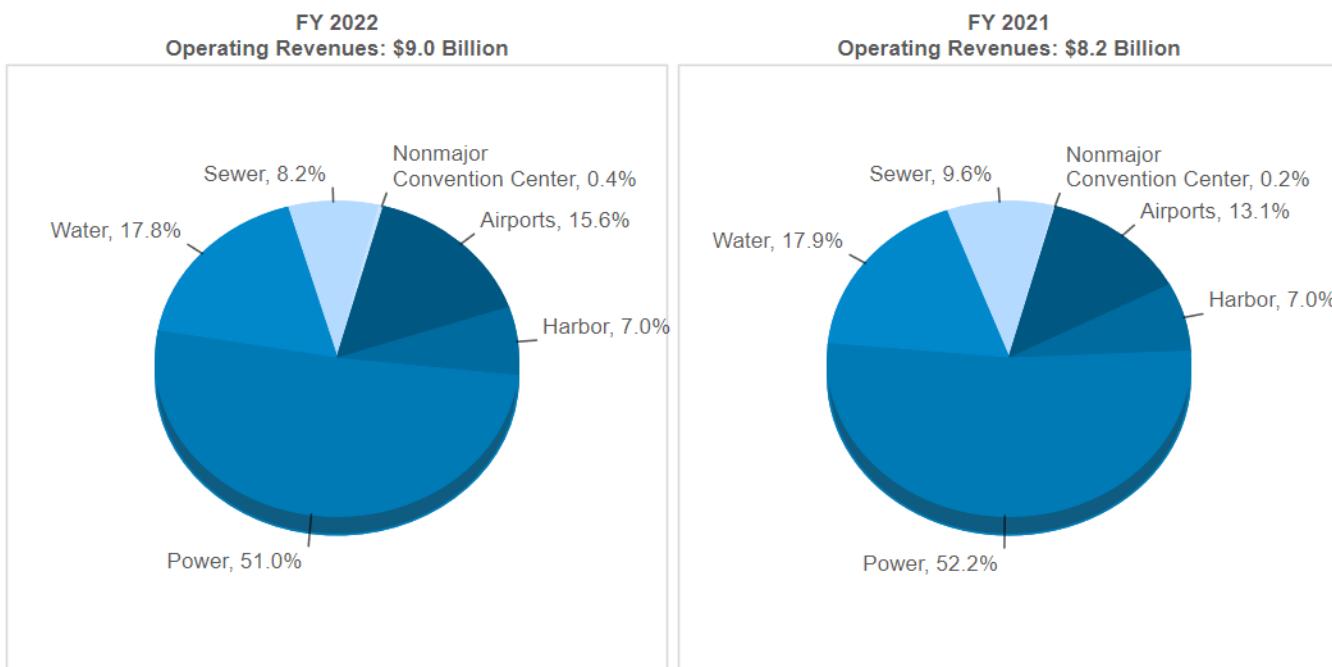
For fiscal year 2022, Sewer generated total operating revenues of \$739.7 million, a decrease of \$49.1 million or 6.2% from fiscal year 2021. Sewer Service Charges decreased by \$42.5 million or 6.0% from fiscal year 2021, generating \$670.5 million or 90.6% of the total operating revenues due to the billable wastewater volume decreasing by 1.1% over the same time period.

Sewer's major operating expenses include operations, maintenance, and reimbursements to the General Fund for services rendered to the Sewer. The Sewer's operating expenses for the fiscal year 2022 were \$546.9 million, an increase of \$20.9 million or 4.0% as compared to fiscal year 2021 due to increase in reimbursements to the General Fund, higher utilities and lower depreciation expense. Operations and maintenance comprised 67.5% and depreciation expense was 32.5% of the total operating expenses.

Major components of nonoperating revenues include investment income, lease and rentals, revenue from recycled water sales, non-recurring fees, and other non-operating revenues. The interest rate on the Sewer's investment pool reflects current economic trends and averaged 0.5% in fiscal year 2022, a decrease of 0.3% from the fiscal year 2021. The Sewer's investment income for fiscal year 2022 decreased by \$3.9 million or 7,958.5% due to a large decrease in fair value of cash and investments. Major components of nonoperating expenses are interest, loss on abandonment of capital assets, litigation settlements, financial advisory, and bond expenses. The Sewer's interest expense for fiscal year 2022 increased by \$20.3 million or 19.9% as compared to 2021 due to write-off of deferred charges for refunded Senior and Subordinate Bonds. Total other nonoperating expenses were \$15.6 million, significantly higher than the negative \$11.5 million in 2021 mainly due to increase litigation settlement and financial advisory and bond expenses.

As a result of the above financial changes, including capital contributions of \$11.7 million, Sewer's change in net position for fiscal year 2022 was \$180.9 million.

The following charts are graphical comparisons between June 30, 2022 and 2021, for enterprise funds/business-type activities operating revenues and operating expenses:



## **GENERAL FUND BUDGETARY HIGHLIGHTS**

For purposes of the budget, the General Fund Operating Account is separate and distinct from the non-budgeted Reserve Fund and other accounts that are classified by the City as having General Fund type activity for GAAP reporting purposes. At fiscal year-end, the unassigned fund balance of the General Fund Operating Account is transferred to the Reserve Fund and reported as *"Reversion to Reserve Fund."*

2022 General Fund actual revenues and expenditures were lower than the final adjusted budget. The following table summarizes the operating results on a budgetary basis of the City's General Fund Operating Account as described above:

**CITY OF LOS ANGELES**  
**Budgetary Operating Results - General Fund**  
**For the Fiscal Year Ended June 30, 2022**  
**(amounts expressed in thousands)**

	<b>Budgeted Amounts</b>		<b>Budgetary Basis Actual Amounts</b>	<b>Variance with Final Budget Above (Below)</b>
	<b>Original</b>	<b>Final</b>		
Revenues and Other Financing Sources				
Taxes	\$ 5,049,601	\$ 5,235,219	\$ 5,283,009	\$ 47,790
Licenses, Permits, Fees and Fines	1,368,410	1,330,931	1,264,536	(66,395)
Intergovernmental	94,285	63,825	45,060	(18,765)
Interest	20,603	27,600	28,500	900
Other	11,488	11,488	11,730	242
Total Revenues	6,544,387	6,669,063	6,632,835	(36,228)
Power Transfer	225,819	225,015	225,015	--
Loans from Other Funds	--	--	560	560
Transfers from Other Funds	1,934,640	2,354,857	2,143,324	(211,533)
Total Revenues and Other Financing Sources	8,704,846	9,248,935	9,001,734	(247,201)
Expenditures and Other Financing Uses				
General Government	2,539,134	2,383,687	2,018,426	(365,261)
Protection of Persons and Property	2,669,388	2,785,054	2,696,011	(89,043)
Public Works	440,255	519,613	471,838	(47,775)
Health and Sanitation	344,662	361,811	330,617	(31,194)
Transportation	204,941	213,403	175,904	(37,499)
Cultural and Recreational Services	53,294	64,105	52,902	(11,203)
Community Development	187,437	217,250	180,205	(37,045)
Pension and Retirement Contributions	2,406	2,161	2,161	--
Capital Outlay	128,088	156,070	51,335	(104,735)
Total Expenditures	6,569,605	6,703,154	5,979,399	(723,755)
Payment of Loans to Other Funds	--	--	25,018	25,018
Transfers to Other Funds	2,202,249	2,545,781	2,529,043	(16,738)
Total Expenditures and Other Financing Uses	8,771,854	9,248,935	8,533,460	(715,475)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(67,008)	--	468,274	468,274
Fund Balance, July 1	67,008	67,008	--	(67,008)
Appropriation of Fund Balance and Carryforward Appropriations	--	(67,008)	--	67,008
Encumbrances Lapsed	--	--	26,343	26,343
Reversion to Reserve Fund	--	--	(494,617)	(494,617)
Fund Balance, June 30	\$ --	\$ --	\$ --	\$ --

**General Fund Revenues and Other Financing Sources**

In the fiscal year 2022, total actual revenues and other financing sources were \$247.2 million or 2.7%, below the final budget primarily due to transfers from other funds finishing the year with \$211.5 million lower than projected. Total combined grant receipts, licenses, permits, fees and fines fell short of \$85.2 million from the budgeted amount, offset by higher-than-expected actual tax receipts of \$47.8 million.

Property taxes were \$40.0 million below the budget, primarily due to the lower-than-expected property tax growth rate. Other taxes remain strong, including utility tax, sales tax, business tax, and transient occupancy tax, compared to the budget estimates, mainly due to the steady recovery in the economy from business and travel sectors caused by the recent pandemic. Business and sales taxes were higher by a total of \$40.0 million compared to the forecast, while utility and transient occupancy taxes were higher by \$24.6 million and \$9.4 million, respectively. All other taxes were also higher than the budget by \$13.8 million.

Reimbursements made to General Fund were lower than projected, resulting from a shortfall of \$66.4 million in Licenses, Permits, Fees and Fines. Delayed reimbursements from the Federal Emergency Management (FEMA) Public Assistance Program for pandemic-related costs resulted in lowering grant receipts than estimated by \$18.8 million.

**General Fund Expenditures and Other Financing Uses**

The General Fund's actual expenditures were \$723.8 million or 10.8% below budget. All categories of spending were lower than the final budget. The general government's actual expenditures were \$365.3 million lower than estimates, mainly due to the unexpended appropriations during the fiscal year, including unused and set-aside resources in salaries, Covid-19 emergency response, homeless prevention, childcare assistance, neighborhood service enhancement programs, construction materials, contractual services, and other various City programs.

The \$715.5 million lower expenditures and other financing uses and lapsed encumbrances of \$26.3 million were offset by a combined \$247.2 million lower budgeted revenues and other financing sources. As a result, a total of \$494.6 million was reverted from the General Fund to the Reserve Fund at fiscal year-end.

**LONG-TERM DEBT**

At June 30, 2022 the City's bonded indebtedness and long-term notes payable totaled \$37.3 billion as follows:

**CITY OF LOS ANGELES**  
**Summary of Bonded Debt and Long-Term Notes Payable**  
(amounts expressed in thousands)

	Governmental Activities		Business-type Activities		Total	
	FY 2022	FY 2021	FY 2022	FY 2021	FY 2022	FY 2021
Debt Backed by the City						
General Obligation Bonds	\$ 751,697	\$ 642,248	\$ --	\$ --	\$ 751,697	\$ 642,248
Debt Secured by Specified Revenue Sources						
Lease Revenue Bonds	1,511,541	1,471,867	--	--	1,511,541	1,471,867
Direct Placements	50,341	64,469	--	--	50,341	64,469
Revenue Bonds and Notes Payable	374,604	509,781	34,558,909	31,451,082	34,933,513	31,960,863
Other Loan Obligations	69,213	89,122	--	--	69,213	89,122
Total	\$ 2,757,396	\$ 2,777,487	\$ 34,558,909	\$ 31,451,082	\$ 37,316,305	\$ 34,228,569

Significant new issuances during the year included the following:

- The City issued General Obligation Bonds (GOB) Series 2021-A Proposition HHH for \$211.9 million, for the purpose of providing safe, clean affordable housing for the homeless and for those in danger of becoming homeless, such as battered women and their children, veterans, senior, foster youth, and the disabled, as authorized by over two-thirds of all of the qualified votes at the special election on November 8, 2016. The City also issued General Obligation Refunding Bonds Series 2021-B for \$65.5 million to refund GOB Series 2011-B and 2012-A.
- MICLA issued Lease Revenue Bonds Series 2021-C for \$154.2 million to retire certain maturities of commercial paper notes, used to finance and refinance the acquisition of capital equipment and acquisition and improvement of certain real properties of the City.
- Airports issued a total of \$1.85 billion of LAX subordinate revenue and refunding bonds. LAX subordinate revenue bonds Series 2021D for \$753.2 million, LAX subordinate refunding revenue bonds Series 2021E for \$125.8 million, LAX subordinate revenue bonds Series 2022A for \$347.4 million, LAX subordinate revenue bonds Series 2022B for \$157.6 million, LAX subordinate revenue and refunding bonds Series 2022C for \$307.1 million, LAX subordinate refunding bonds Series 2022D for \$101.5 million, LAX subordinate refunding bonds Series 2022E for \$20.2 million and LAX subordinate revenue bonds Series 2022F for \$41.0 million. In addition, \$546.0 million of LAX CFC revenue bonds Series 2022A was also issued. These bonds were issued to fund capital projects at LAX, refund a portion of outstanding commercial paper notes, pay and reimburse a portion of the Consolidated Rental Car Facility project and various refunding and defeasance of prior-year issuances.
- Power issued \$401.7 million of Power System Revenue Bonds, 2021 Series C to pay for capital improvements and refund a portion of the outstanding Power System Revenue Bonds, 2018 Series B, \$375.0 million of Power System Revenue Bonds, 2022 Series A and \$360.0 million of Power System Revenue Bonds, 2022 Series B were issued to pay for capital improvements, and \$399.4 million of Power System Revenue Bonds, 2022 Series C were issued to refund a portion of the outstanding Power System Revenue Bonds, 2012 Series A and all of the outstanding Power System Revenue Bonds, 2012 Series B.
- Water issued \$494.7 million of Water System Revenue Bonds, 2022 Series B and \$326.9 million of Water System Revenue Bonds, 2022 Series C. These bonds were used to pay for budgeted capital improvements to the Water System, refund all of the outstanding Water System Revenue Bonds, 2012 Series A and 2012 Series B, and refund a portion of the outstanding Water System Revenue Bonds, 2012 Series C.

- Sewer issued Wastewater System Subordinate Revenue Bonds, Series 2022-A and 2022-B, in the amounts of \$99.0 million and \$70.3 million, respectively. The proceeds of Series 2022-A and 2022-B were used to pay a portion of the outstanding Wastewater System Commercial Paper Notes, and pay certain costs of issuing Series 2022-A and 2022-B Subordinate Bonds. Sewer also issued Wastewater System Subordinate Revenue Bonds, Refunding Series 2022-C in the amount of \$380.6 million. The proceeds of the Series 2022-C Bonds were used to pay all or a portion of the outstanding Wastewater System Subordinate Revenue Bonds, Series 2010-A, Refunding Series 2012-B and C, Refunding Series 2018-C1 and C2, Wastewater System Revenue Bonds, Refunding Series 2012-A, and pay certain costs of issuing the Series 2022-C bonds. Sewer was also approved for a Water Infrastructure Finance and Innovation Act (WIFIA) Loan in the original principal amount of up to \$223.9 million from the United States Environmental Protection Agency under WIFIA for the Advanced Water Purification Facility which includes three component projects at Donald C. Tillman Water Reclamation Plant.

More detailed information on the City's bonds and other long-term debt can be found in Note 4I of the Notes to the Basic Financial Statements.

### Credit Ratings

As of June 30, 2022, the ratings of the City's debts by rating agencies were as follows:

	Moody's Investors Service	S&P Global Ratings	Fitch Ratings	Kroll Bond Rating Agency
<b><u>Governmental Activities</u></b>				
General Obligation Bonds	Aa2	AA	AAA	AA+
MICLA Lease Revenue Obligations (Real Property) <sup>1</sup>	Aa3	AA-	AA-	AA
MICLA Lease Revenue Obligations (Equipment)	Aa3	AA-	AA-	AA
Tax and Revenue Anticipation Notes	MIG1	SP-1+	n/a	n/a
Solid Waste Resources Revenue Bonds	Aa2	A+	AA	AA
<b><u>Business-type Activities</u></b>				
Airports Senior Revenue Bonds	Aa2	AA	AA	n/a
Airports Subordinate Revenue Bonds	Aa3	AA-	AA-	n/a
Harbor	Aa2	AA	AA	n/a
Power	Aa2	AA-	AA-	AA
Water	Aa2	AA+	AA	AA+
Wastewater System Senior Revenue Bonds	Aa2	AA+	AA+	AA+
Wastewater System Subordinate Revenue Bonds	Aa3	AA	AA	AA

<sup>1</sup>Moody's Investors Service rates MICLA Lease Revenue Refunding Bonds, Series 2018-C (Real Property - Taxable) (Dolby Theater) at A1.

In August 2022, Fitch Ratings assigned a 'AAA' rating to the City's General Obligation (GO) bonds, series 2022-A issued on September 28, 2022. In addition, Fitch affirmed the City's Issuer Default Rating (IDR) at 'AA' and 'AAA' rating for the City's outstanding GO bonds, series 2017-A, 2017-B, 2021-A and 2021-B. The rating Outlook is stable. Fitch Ratings concluded that the City's 'AA' IDR reflects its strong operating performance with solid revenue growth largely outpacing managed expenditure growth and that the City also benefits from a moderate debt burden and superior gap-closing capacity.

**Debt Policies**

The City's Debt Management Policies establish guidelines for the structure and management of the City Council-controlled departments' debt. These guidelines include target and ceiling levels for certain debt ratios to be used for financial planning purposes. The policy places certain restrictions on the types of items that can be financed, limiting financing only to those items with a useful life of six years or more. In accordance with this policy, the ratio of annual debt payments cannot exceed 15.0% of General Fund revenues for voter-approved and non-voter approved debt overall, and cannot exceed 6.0% of General Fund revenues for non-voter approved debt alone. The 6.0% ceiling for non-voter approved debt may be exceeded, only if there is a guaranteed new revenue stream for the debt payments and the additional debt will not cause the ratio to exceed 7.5%, or there is no guaranteed revenue stream but the 6.0% ceiling shall not be exceeded for more than one year. For 2022, the ratios were 4.7% for overall debt and 3.0% for non-voter approved debt. As of June 30, 2022, the City had \$739.0 million of General Obligation bonds, excluding bond premium outstanding.

The City's Variable Rate Debt Policy sets forth the purposes and the criteria for using variable rate debt, and the factors to be considered in determining the appropriate amount of the variable rate debt. It also requires diversification of remarketing agents and counterparties. Budgeting, monitoring and reporting requirements are also included in the policy.

As of June 30, 2022, the City is in compliance with the aforementioned policies.

Information related to the City's legal debt margin and pledged revenue bond coverage for the City's enterprise funds is found in the Statistical Section – Debt Capacity.

## CAPITAL ASSETS

The City's investment in capital assets for its governmental and business-type activities as of June 30, 2022 amounted to \$56.7 billion, net of accumulated depreciation and amortization. This investment in capital assets, which accounts for 64.9% of the City's total assets, includes land, buildings, facilities, equipment, infrastructure, intangibles, construction in progress, nuclear fuel and a natural gas field. The following table presents the City's capital assets (in thousands):

**CITY OF LOS ANGELES**  
**Summary of Capital Assets Used in Operations**  
**(amounts expressed in thousands)**

	Governmental Activities		Business-type Activities		Total	
	FY 2022	FY 2021	FY 2022	FY 2021	FY 2022	FY 2021
Not Depreciated / Amortized						
Land	\$ 900,643	\$ 900,604	\$ 3,004,806	\$ 3,001,333	\$ 3,905,449	\$ 3,901,937
Infrastructure	452,049	459,170	--	--	452,049	459,170
Construction in Progress	1,278,438	1,189,903	7,471,675	8,156,313	8,750,113	9,346,216
Intangible Assets	53,158	50,989	60,144	60,144	113,302	111,133
Nuclear Fuel	--	--	40,291	39,316	40,291	39,316
Natural Gas Field	--	--	128,695	139,416	128,695	139,416
Subtotal	<u>2,684,288</u>	<u>2,600,666</u>	<u>10,705,611</u>	<u>11,396,522</u>	<u>13,389,899</u>	<u>13,997,188</u>
Depreciated / Amortized, Net						
Buildings, Facilities and Equipment	3,580,318	3,678,888	36,992,203	34,607,246	40,572,521	38,286,134
Intangible RTU assets	112,062	--	94,652	--	206,714	--
Infrastructure	2,219,653	2,181,954	--	--	2,219,653	2,181,954
Intangible Assets	68,164	62,739	265,402	252,830	333,566	315,569
Subtotal	<u>5,980,197</u>	<u>5,923,581</u>	<u>37,352,257</u>	<u>34,860,076</u>	<u>43,332,454</u>	<u>40,783,657</u>
Total	<u>\$ 8,664,485</u>	<u>\$ 8,524,247</u>	<u>\$ 48,057,868</u>	<u>\$ 46,256,598</u>	<u>\$ 56,722,353</u>	<u>\$ 54,780,845</u>

Note: FY 2021 figures have not been restated for the effect of GASB 87.

Major capital assets activities during the year are as follows:

### Governmental Activities

- Completed building construction and improvements, including transfers from construction in progress, amounted to \$91.8 million. These building projects included \$76.8 million for recreational, cultural and community centers, \$10.2 million for bridge housing, and \$4.8 million for transportation facilities.
- Capitalized charges for various projects under construction totaled \$252.0 million. These projects included \$69.5 million for recreational, cultural and community centers, \$4.6 million for municipal facilities projects, \$77.9 million for the Sixth Street Viaduct replacement, \$71.3 million for various public work projects, \$23.3 million for transportation projects, and \$5.4 million for police and fire facilities.
- Total capitalized infrastructure assets amounted to \$119.9 million.
- Acquisition of capitalized machinery and equipment totaled \$64.6 million, while those retired, salvaged, deleted, or sold amounted to \$26.5 million.
- Intangible assets, including net additions to construction in progress, amounted to \$21.9 million.
- The City recognized net RTU assets of \$112.1 million

The modified approach is used in reporting the City's bridges infrastructure system. The City's 2022 Infrastructure Assessment of Bridges and Tunnels Report reported that 70.9% of the City's structures have a grade of "B" or better and concluded that the current overall rating of the City structures comply with the adopted City's Condition Level Policy. The needed costs for preservation and maintenance were \$1.2 million, and \$0.7 million was actually spent. See additional information in Note 1E of the Notes to the Basic Financial Statements and the Required Supplementary Information Section.

**Business-type Activities**

- Airports' net capital assets increased by \$0.5 billion, or 3.4%. Major capital assets activities at LAX included \$280.7 million for renovations at Terminals 1 to 8, \$220.1 million for construction of Automated People Mover System (APM), \$225.5 million for construction of Consolidated Rental Car Facility (ConRAC), \$98.7 million for construction of runways and taxiways, \$73.9 million for Baggage Optimization Project, \$67.2 million interior improvements and security upgrades at Tom Bradley International Terminal (TBIT) and Bradley West, and \$64.3 million Receiving Station Project (RS-X). Airports adopted GASB Statement No. 87, Leases, and recognized net RTU assets of \$52.3 million.
- Harbor's net capital assets decreased by \$50.8 million or 1.4% as the increase in accumulated depreciation associated with the Harbor's existing facilities and equipment more than offset the increase in new capital assets associated with capital project development and construction in progress, as well as the recognition of discontinued projects in the amount of \$22.5 million. The major capital assets activities during the fiscal year were: \$30.0 million for construction at the San Pedro and Wilmington waterfronts, \$15.0 million for various transportation projects and other facility and street improvements, \$8.6 million for various projects at berths with liquid bulk oil cargo handling facilities, \$6.6 million for redevelopment projects at the Everport Terminal, \$5.8 million for various homeland security projects, \$5.2 million for buildings and facilities improvements and remodel, pilot system enhancement, port pilot station wharf modification, fire alarm and security system installation and various utility projects, \$3.4 million for improvement project at LAX cargo support facility, \$2.4 million for environmental enhancement projects, \$1.6 million for various projects at the Pasha Terminal including roof replacement, electrical infrastructure improvement, and wharf restoration, \$1.4 million for redevelopment projects at various terminals including wharf rehabilitation, facility expansion, and infrastructure improvements, \$1.4 million for various miscellaneous projects for parking/storage lot construction, barge landing ramp upgrade, building cover replacement, and dockside facility improvements, and \$1.1 million for on-deck railyard expansion project at the Fenix (Berth 300-306) terminal.
- Power's plant additions totaled \$1.2 billion. Approximately \$333.4 million of the \$1.2 billion in additions were construction work in progress (CWIP) expenditures and the remaining \$895.5 million were direct additions to utility plant categories. Major CWIP additions/expenditures during the year included \$81.0 million for Scattergood-Olympic 230kV underground transmission cable project, \$39.0 million for Victorville to Los Angeles Basin Power Injection Upgrade, \$33.0 million for re-expansion of Barren Ridge Switching Station, \$30.0 million for Distribution Automation System upgrade, \$25.0 million for design and construction of new Receiving Station to serve LAX, \$15.0 million to install new 230kV line between Haskell Switching Station and Sylmar Switching Station, \$14.0 million for implementation support cost for new Enterprise Resource Planning (ERP) Software, \$10.0 million for Receiving Station Transformer Replacement Program, and \$10.0 million for design and construction of new office facilities. \$80.0 million in CWIP projects were transferred from CWIP to plant accounts. Transfers from CWIP included \$28.0 million for Valley – Rinaldi 230 kV Line 1 & 2 upgrade and reconductoring, \$11.0 million for the Budget System Replacement Project, \$8.0 million for Substations Automation System Upgrade, and \$7.0 million for the Generating Station Transformer Replacement Program. Approximately \$641.0 million and \$13.0 million were direct additions to distribution and transmission plant accounts, respectively. Major direct additions included \$143.0 million for replacement of deteriorated poles and crossarms, \$86.0 million for new business line customer facilities, \$80.0 million for reliability replacement of 4.8 kV and 34.5 kV cables, \$29.0 million for customer stations design and construction, \$22.0 million to design and replace aging distribution infrastructure, and \$18.0 million for installing, reinforcing, and modifying 34.5 kV trunk and peddler circuits.
- Water added utility plant cost with a total amount of \$860.0 million. Approximately \$520.1 million of the \$860.0 million in additions were construction work in progress (CWIP) expenditures and \$336.4 million represents direct additions by utility plant categories. Approximately \$359.9 million in CWIP projects were transferred from CWIP to plant accounts. Major CWIP additions/expenditures during the year included \$203.0 million for the Tujunga and North Hollywood centralized treatment to remove contamination, \$24.0 million for the Headworks Flow Control Station, \$24.0 million for City Trunk Line South Unit 3 installation, \$20.0 million for River Supply Conduit Upper Reach Unit 7, \$20.0 million for Century Trunk Line rehabilitation, \$20.0 million for North Hollywood West Wellhead Treatment Plant, \$14.0 million for North Haiwee Dam #2 seismic improvements,

**Management's Discussion and Analysis (Unaudited)**

\$12.0 million for Coronado Trunk Line new regulator station, and \$11.0 million to replace pipes at Foothill Trunk Line. Approximately \$152.2 million and \$117.5 million of additions were transferred from CWIP to distribution plant accounts and source of water supply accounts, respectively. Major projects transferred from CWIP included \$140.0 million for the LA Reservoir UV Disinfection Plant, \$75.0 million for the Century Trunk Line Unit 1 rehabilitation, \$48.0 million for the Tujunga Spreading Grounds Improvements, and \$26.0 million for mainline replacement at various water districts. Direct additions are mostly related to improvements in distribution infrastructure as part of the Water System's reliability program. Many of the Water System's assets were installed between 1920 and 1970, thus the reliability program evaluates water main infrastructure to determine which assets should be replaced first to reduce leaks and the frequency of water service disruptions due to water main breaks. Approximately \$232.8 million of the additions are for improvements to the distribution system. During fiscal year 2022, the Water System invested \$198.0 million in programs to replace mains, services, reservoirs, tanks, and meters, including continuing replacement of existing meters with lead-free meters and fittings in accordance with the Water System's goal to increase the reliability and safety of its distribution system.

- Sewer's net capitalized additions and betterments to its depreciable assets, including transfers from construction in progress, amounted to \$235.9 million. Of this amount, \$40.5 million was an addition from construction in progress, \$87.7 million was capitalized for collection system, \$86.8 million relates to treatment plants and equipment, \$0.2 million for pumping plants, and \$20.8 million was used for site improvements and to acquire other equipment and vehicles. The ongoing capital improvement program (CIP) of the Sewer includes Secondary Sewer Renewal Program for \$2.3 million, the Hyperion Water Reclamation Plant Digester Gas Utilization Plant Facility for \$0.2 million, and the North Outfall Sewer Rehabilitation for \$29.8 million. Additional CIP large projects capitalized during fiscal year 2022 are Hyperion Secondary Clarifiers Upgrade for \$28.4 million, the DAR 05 Hollywood/Wilshire Plan for \$15.0 million, the Hyperion DCS Replacement for \$13.0 million, the Hyperion IPS Order Control Improvements for \$12.8 million, and Arlington Ave Sewer Rehabilitation for \$12.2 million.

Significant commitments that include construction contracts are discussed in Note 5C of the Notes to the Basic Financial Statements. As of June 30, 2022, the City's contractual commitments for various capital projects amounted to \$296.2 million for governmental activities and \$484.7 million for business-type activities. The City's policy affecting capital assets can be found in Note 1E of the Notes to the Basic Financial Statements. Additional information can be found in Note 4F.

**ECONOMIC FACTORS AFFECTING NEXT YEAR'S BUDGET**

The City's fiscal year 2023 total budget is \$11.8 billion. Of this amount, \$5.6 billion (47.2%) is appropriated for departmental expenditures. The remaining \$6.2 billion (52.8%) is appropriated for non-departmental expenditures such as human resources benefits, pension contributions, capital expenditures, and debt service. The sources of funds included in the budget are \$7.4 billion in General Fund receipts, \$3.5 billion in special fund revenues, and \$858.9 million in special fund available balances. The \$477.5 million estimated July 1 balance included in the budget for the fiscal year 2023 Reserve Fund represents 6.4% of the General Fund receipts, above the City's policy of setting aside at least 5.0% of General Fund receipts in the Reserve Fund.

The 2023 General Fund budgeted receipts of \$7.4 billion, projected a decrease of \$145.2 million or (1.9%), lower than the 2022 receipts, as shown on the next page (in millions):

## Management's Discussion and Analysis (Unaudited)

	FY 2023 Budget	FY 2022 Receipts	Increase (Decrease)	
			Amount	Percentage
Taxes	\$ 5,592.2	\$ 5,283.0	\$ 309.2	5.9 %
Licenses, permits, fees and fines	1,402.9	1,264.6	138.3	10.9
Intergovernmental	126.0	45.1	80.9	179.4
Interest	36.6	28.5	8.1	28.4
Other	11.5	11.7	(0.2)	(1.7)
Transfers from other funds	276.8	958.3	(681.5)	(71.1)
Total	\$ 7,446.0	\$ 7,591.2	\$ (145.2)	(1.9)%

Note: Transfers from other funds include the Reserve Fund, Power Fund, Special Parking Revenue Fund, and American Rescue Plan Fund.

With the recovery of most revenue sources in fiscal year 2022, combined with the receipt of federal funds, the City ended fiscal year 2022 in a stable financial position. The 2023 Budget assumes the City will continue economic recovery from the pandemic-related downturn and return to a stable state. Although revenues were largely stable during the first half of fiscal year 2023, the economy for the remainder of the fiscal year remains uncertain. Factors such as a persistent 40-year high inflation resulting in high interest rates and disruptions caused by the war abroad threaten to slow down recovery trends and could negatively impact the City's revenues.

In its Second Financial Status Report (FSR), issued on December 1, 2022, the City Administrative Officer (CAO) reported that General Fund revenue through October is \$37 million above plan. Given that this was based on only four months of receipts, this surplus is not necessarily indicative of year-end receipts. The FSR also identified \$88.9 million in expenditures above plan, though the CAO continues to believe that this is manageable. However, the FSR identified areas of risk including shortfalls in documentary transfer tax and parking citation receipts. Documentary transfer tax receipts and other economically sensitive revenues continue to face increasing downside risk due to declining real estate sales volumes and overall economic contraction. Also, the delayed implementation of the City's new payroll system, and new agreements with employee unions would likely increase costs beyond what was anticipated in the Budget.

In addition, potential new expenditures could arise from the urgent need to fix the major crisis facing the City. The new City leadership was ushered into office with a promise to tackle the affordable housing and historic homelessness crisis facing the City. To address homelessness, the new Mayor, on December 12, 2022, declared homelessness as a local emergency, and subsequently announced a new program, Inside Safe, designed to move the unhoused throughout the City into motel and hotel rooms. While the voters also passed Measure ULA, a new tax to authorize affordable housing programs and resources for tenants at risk of homelessness, the constitutionality of the Measure is currently being challenged in court. Even if the outcome of the litigation ultimately favors the City, any delay in City's ability to start collecting this revenue would negatively impact funding for any new programs, potentially resulting in a need to dip into the reserve if the City chooses to pursue new programs that exceed the costs of available, ongoing revenues.

As of the date of the FSR, the balance in the Reserve Fund of \$528 million or 7.1 percent of 2023 General Fund revenue, remains above the five percent Reserve Fund policy, but factors such as the overspending identified in the report, the impact of inflation on City operational costs, and the risk of economic downturn may require the use of the Reserve Fund. While using the Reserve Fund to weather economic crises is appropriate, using the Reserve Fund in the interim to pay for new, ongoing programs could provide budgetary challenges in future years if new, ongoing revenues are not available to sustain those programs.

## REQUEST FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, customers, creditors, and other users with a general overview of the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the City Controller, 200 North Main Street, City Hall East Room 300, Los Angeles, CA 90012, or email to [controller.mejia@lacity.org](mailto:controller.mejia@lacity.org).

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## **Basic Financial Statements**

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**CITY OF LOS ANGELES**  
**Statement of Net Position**  
**June 30, 2022**  
(amounts expressed in thousands)

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and Pooled Investments	\$ 6,692,032	\$ 5,086,653	\$ 11,778,685
Other Investments	727	103,087	103,814
Receivables, Net	4,250,507	1,659,611	5,910,118
Inventories	52,265	304,778	357,043
Prepaid Items and Other Assets	9,272	1,048,351	1,057,623
Restricted Assets	10,572	5,297,064	5,307,636
Investment in Joint Ventures	--	5,546	5,546
Properties Held for Housing Development	106,301	--	106,301
Regulatory Assets	--	1,219,653	1,219,653
Net Pension Asset	2,691,538	1,668,531	4,360,069
Net OPEB Asset	221,088	297,905	518,993
Capital Assets			
Not Depreciated / Amortized	2,684,288	10,705,611	13,389,899
Depreciated / Amortized, Net	5,980,197	37,352,257	43,332,454
<b>TOTAL ASSETS</b>	<b>22,698,787</b>	<b>64,749,047</b>	<b>87,447,834</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Debt Refunding	38,251	100,704	138,955
Asset Retirement Obligation	--	29,219	29,219
Pensions	2,170,076	625,355	2,795,431
OPEB	566,848	254,685	821,533
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>2,775,175</b>	<b>1,009,963</b>	<b>3,785,138</b>
<b>LIABILITIES</b>			
Accounts Payable and Accrued Expenses	748,334	1,227,815	1,976,149
Obligations Under Securities Lending Transactions	98,676	91,653	190,329
Accrued Interest Payable	18,391	436,095	454,486
Internal Balances	45,420	(45,420)	--
Unearned Revenue	416,268	--	416,268
Deposits and Advances	250,388	245,221	495,609
Other Liabilities	145,719	71,724	217,443
Long-term Liabilities			
Due Within One Year	841,723	1,217,001	2,058,724
Due In More Than One Year			
Bonds and Notes Payable (Net of Amount Due Within One Year)	2,455,550	33,587,904	36,043,454
Net Pension Liability	3,649,863	713,786	4,363,649
Net OPEB Liability	906,744	--	906,744
Asset Retirement Obligation	--	224,277	224,277
Other (Net of Amount Due Within One Year)	3,144,311	798,266	3,942,577
<b>TOTAL LIABILITIES</b>	<b>12,721,387</b>	<b>38,568,322</b>	<b>51,289,709</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Business Activities	--	187,190	187,190
Derivative Instruments	--	100,746	100,746
Debt Refunding	6,124	205,783	211,907
Leases	16,311	553,540	569,851
Pensions	5,735,467	2,319,290	8,054,757
OPEB	1,461,796	807,902	2,269,698
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>7,219,698</b>	<b>4,174,451</b>	<b>11,394,149</b>
<b>NET POSITION</b>			
Net Investment in Capital Assets	6,465,677	15,874,736	22,340,413
Restricted for:			
Capital Projects	320,098	--	320,098
Debt Service	286,112	920,182	1,206,294
Public Safety	189,299	--	189,299
Public Works and Sanitation	174,193	--	174,193
Transportation	628,762	--	628,762
Culture and Recreation	655,764	--	655,764
Community Development and Housing	2,053,090	--	2,053,090
Passenger/Customer Facility Charges	--	267,664	267,664
Other Purposes	--	599,140	599,140
Unrestricted (Deficit)	(5,240,118)	5,354,515	114,397
<b>TOTAL NET POSITION</b>	<b>\$ 5,532,877</b>	<b>\$ 23,016,237</b>	<b>\$ 28,549,114</b>

The notes to the financial statements are an integral part of this statement.

**CITY OF LOS ANGELES**

**Statement of Activities**  
**For the Fiscal Year Ended June 30, 2022**  
(amounts expressed in thousands)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>GOVERNMENTAL ACTIVITIES</b>							
General Government	\$ 1,726,188	\$ 139,567	\$ 713,482	--	\$ (873,139)	--	\$ (873,139)
Protection of Persons and Property	2,624,309	764,516	138,364	--	(1,721,429)	--	(1,721,429)
Public Works	513,475	302,181	173,984	24,733	(12,577)	--	(12,577)
Health and Sanitation	552,619	497,516	72,314	--	17,211	--	17,211
Transportation	563,804	121,011	367,365	41,159	(34,269)	--	(34,269)
Cultural and Recreational Services	713,767	195,270	--	33,291	(485,206)	--	(485,206)
Community Development	987,179	215,229	620,678	207	(151,065)	--	(151,065)
Interest on Long-Term Debt	98,054	--	--	--	(98,054)	--	(98,054)
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>7,779,395</b>	<b>2,235,290</b>	<b>2,086,187</b>	<b>99,390</b>	<b>(3,358,528)</b>	<b>--</b>	<b>(3,358,528)</b>
<b>BUSINESS-TYPE ACTIVITIES</b>							
Airports	1,742,407	1,407,938	10,386	45,638	--	(278,445)	(278,445)
Harbor	462,493	627,842	20,502	11,906	--	197,757	197,757
Power	4,370,903	4,593,760	202,788	100,865	--	526,510	526,510
Water	1,487,767	1,606,678	73,985	41,137	--	234,033	234,033
Sewer	669,062	739,666	59,795	11,723	--	142,122	142,122
Convention Center	43,337	33,606	--	--	--	(9,731)	(9,731)
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>	<b>8,775,969</b>	<b>9,009,490</b>	<b>367,456</b>	<b>211,269</b>	<b>--</b>	<b>812,246</b>	<b>812,246</b>
<b>TOTAL</b>	<b>\$ 16,555,364</b>	<b>\$ 11,244,780</b>	<b>\$ 2,453,643</b>	<b>\$ 310,659</b>	<b>(3,358,528)</b>	<b>812,246</b>	<b>(2,546,282)</b>
<b>GENERAL REVENUES</b>							
Property Taxes				2,628,691	--	2,628,691	
Utility Users' Taxes				634,186	--	634,186	
Business Taxes				1,019,226	--	1,019,226	
Sales Taxes				693,438	--	693,438	
Other Taxes				311,068	--	311,068	
Documentary Transfer				271,480	--	271,480	
Transient Occupancy				105,577	--	105,577	
Parking Occupancy				146,478	--	146,478	
Franchise Income				8,112	--	8,112	
Miscellaneous				35,874	--	35,874	
Grants and Contributions Not Restricted to Specific Programs				(110,102)	(281,224)	(391,326)	
Other				71,551	409,490	481,041	
Unrestricted Investment Earnings (Losses)				225,015	(225,015)	--	
Other				6,040,594	(96,749)	5,943,845	
<b>TRANSFERS</b>							
<b>TOTAL GENERAL REVENUES AND TRANSFERS</b>				2,682,066	715,497	3,397,563	
<b>CHANGE IN NET POSITION</b>							
<b>NET POSITION, JULY 1</b>				2,850,811	22,286,309	25,137,120	
Change in Accounting Principle, GASB 87 Implementation				--	14,431	14,431	
<b>NET POSITION JULY 1, AS RESTATED</b>				2,850,811	22,300,740	25,151,551	
<b>NET POSITION, JUNE 30</b>				\$ 5,532,877	\$ 23,016,237	\$ 28,549,114	

The notes to the financial statements are an integral part of this statement.

**CITY OF LOS ANGELES**

**Balance Sheet**  
**Governmental Funds**  
**June 30, 2022**  
**(amounts expressed in thousands)**

	<b>Municipal Improvement Corporation</b>		
	<b>General</b>	<b>Special Revenue</b>	<b>Debt Service</b>
<b>ASSETS</b>			
Cash and Pooled Investments	\$ 1,992,342	\$ 32,731	\$ 27,870
Other Investments	727	--	--
Taxes Receivable (Net of Allowance for Uncollectibles of \$33,227)	1,116,337	--	--
Accounts Receivable (Net of Allowance for Uncollectibles of \$481,813)	147,123	--	--
Special Assessments Receivable	4,459	--	--
Investment Income Receivable	10,463	58	17
Intergovernmental Receivable	284,965	--	582
Leases Receivable	1,977	--	--
Loans Receivable (Net of Allowance for Uncollectibles of \$1,313,558)	1,382	--	--
Due from Other Funds	111,970	--	--
Inventories	39,228	--	--
Prepaid Items and Other Assets	408	--	--
Advances to Other Funds	26,859	--	99,142
Restricted Assets	--	--	--
Properties Held for Housing Development	--	--	--
<b>TOTAL ASSETS</b>	<b>\$ 3,738,240</b>	<b>\$ 32,789</b>	<b>\$ 127,611</b>
<b>LIABILITIES</b>			
Accounts, Contracts and Retainage Payable	\$ 286,482	\$ 12,336	\$ 184
Obligations Under Securities Lending Transactions	39,182	179	--
Accrued Salaries and Overtime Payable	181,678	--	--
Accrued Compensated Absences Payable	5,385	--	--
Claims and Judgments Payable	42,358	--	--
Intergovernmental Payable	953	--	--
Due to Other Funds	102,491	2,165	--
Unearned Revenue	302,455	--	--
Deposits and Advances	21,739	--	--
Interest Payable	--	--	--
Advances from Other Funds	56,130	--	--
Other Liabilities	66,079	94	--
Liability for Excess CRA Bond Proceeds	--	--	--
<b>TOTAL LIABILITIES</b>	<b>1,104,932</b>	<b>14,774</b>	<b>184</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Property Taxes	86,191	--	--
Taxes Other than Property	699,740	--	--
Receivables from Other Government Agencies	135,673	--	--
Interest Receivable on Loans and Others	212,092	--	--
Leases	1,918	--	--
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>1,135,614</b>	<b>--</b>	<b>--</b>
<b>FUND BALANCES</b>			
Nonspendable	66,495	--	--
Restricted	--	18,015	127,427
Committed	85,078	--	--
Assigned	724,278	--	--
Unassigned	621,843	--	--
<b>TOTAL FUND BALANCES</b>	<b>1,497,694</b>	<b>18,015</b>	<b>127,427</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 3,738,240</b>	<b>\$ 32,789</b>	<b>\$ 127,611</b>

Continued...

**CITY OF LOS ANGELES**

**Balance Sheet - (Continued)**  
**Governmental Funds**  
**June 30, 2022**  
**(amounts expressed in thousands)**

	Nonmajor Governmental Funds	Total
<b>ASSETS</b>		
Cash and Pooled Investments	\$ 4,639,089	\$ 6,692,032
Other Investments	--	727
Taxes Receivable (Net of Allowance for Uncollectibles of \$33,227)	19,401	1,135,738
Accounts Receivable (Net of Allowance for Uncollectibles of \$481,813)	119,831	266,954
Special Assessments Receivable	11,936	16,395
Investment Income Receivable	12,332	22,870
Intergovernmental Receivable	287,450	572,997
Leases Receivable	14,957	16,934
Loans Receivable (Net of Allowance for Uncollectibles of \$1,313,558)	2,217,237	2,218,619
Due from Other Funds	83,949	195,919
Inventories	13,037	52,265
Prepaid Items and Other Assets	8,864	9,272
Advances to Other Funds	76,494	202,495
Restricted Assets	10,572	10,572
Properties Held for Housing Development	106,301	106,301
<b>TOTAL ASSETS</b>	<b>\$ 7,621,450</b>	<b>\$ 11,520,090</b>
<b>LIABILITIES</b>		
Accounts, Contracts and Retainage Payable	\$ 246,049	\$ 545,051
Obligations Under Securities Lending Transactions	59,315	98,676
Accrued Salaries and Overtime Payable	16,620	198,298
Accrued Compensated Absences Payable	--	5,385
Claims and Judgments Payable	--	42,358
Intergovernmental Payable	4,032	4,985
Due to Other Funds	126,151	230,807
Unearned Revenue	113,813	416,268
Deposits and Advances	228,649	250,388
Interest Payable	268	268
Advances from Other Funds	156,897	213,027
Other Liabilities	36,918	103,091
Liability for Excess CRA Bond Proceeds	42,628	42,628
<b>TOTAL LIABILITIES</b>	<b>1,031,340</b>	<b>2,151,230</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Property Taxes	10,994	97,185
Taxes Other than Property	--	699,740
Receivables from Other Government Agencies	197,078	332,751
Interest Receivable on Loans and Others	680,705	892,797
Leases	14,393	16,311
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>903,170</b>	<b>2,038,784</b>
<b>FUND BALANCES</b>		
Nonspendable	21,901	88,396
Restricted	3,944,443	4,089,885
Committed	1,810,604	1,895,682
Assigned	2,814	727,092
Unassigned	(92,822)	529,021
<b>TOTAL FUND BALANCES</b>	<b>5,686,940</b>	<b>7,330,076</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 7,621,450</b>	<b>\$ 11,520,090</b>

The notes to the financial statements are an integral part of this statement.

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**CITY OF LOS ANGELES**

**Reconciliation of the Balance Sheet of Governmental Funds  
to the Statement of Net Position  
June 30, 2022  
(amounts expressed in thousands)**

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<b>Total Fund Balances - Governmental Funds</b>	\$ 7,330,076
Amounts Reported for Governmental Activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	8,664,485
Deferred outflows of resources are reported in the statement of net position, but not recognized in the governmental funds.	2,775,175
Unavailable revenues are reported as deferred inflows of resources in the governmental funds, but are recognized as revenues when earned in governmental activities.	2,022,473
Deferred inflows of resources are reported in the statement of net position, but not recognized in the governmental funds.	(7,203,387)
Long-term liabilities, including net of net pension and OPEB asset, net pension and OPEB liability and bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(8,055,945)</u>
<b>Net Position of Governmental Activities</b>	<u><u>\$ 5,532,877</u></u>

The notes to the financial statements are an integral part of this statement.

**CITY OF LOS ANGELES**  
**Statement of Revenues, Expenditures  
and Changes in Fund Balances**  
**Governmental Funds**  
**For the Fiscal Year Ended June 30, 2022**  
**(amounts expressed in thousands)**

	<u>Municipal Improvement Corporation</u>		
	General	Special Revenue	Debt Service
<b>REVENUES</b>			
Property Taxes	\$ 2,492,320	\$ --	\$ --
Sales Taxes	694,218	--	--
Utility Users' Taxes	632,433	--	--
Business Taxes	756,960	--	--
Other Taxes	778,563	--	--
Licenses and Permits	31,493	--	--
Intergovernmental	43,171	--	608
Charges for Services	341,191	--	--
Services to Enterprise Funds	327,326	--	--
Fines	116,805	--	--
Special Assessments	2,691	--	--
Investment Earnings	35,770	202	29
Change in Fair Value of Investments	(145,900)	(797)	--
Program Income	--	--	--
Other	<u>62,094</u>	<u>247</u>	<u>130</u>
<b>TOTAL REVENUES</b>	<u>6,169,135</u>	<u>(348)</u>	<u>767</u>
<b>EXPENDITURES</b>			
Current			
General Government	1,573,832	--	2,143
Protection of Persons and Property	3,414,251	--	--
Public Works	201,042	--	--
Health and Sanitation	164,898	--	--
Transportation	139,871	--	--
Cultural and Recreational Services	79,454	--	--
Community Development	108,209	--	--
Capital Outlay	53,975	95,499	--
Debt Service			
Principal	20,682	--	344,663
Interest	3,752	--	56,411
Cost of Issuance	<u>867</u>	<u>--</u>	<u>578</u>
<b>TOTAL EXPENDITURES</b>	<u>5,760,833</u>	<u>95,499</u>	<u>403,795</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>408,302</u>	<u>(95,847)</u>	<u>(403,028)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	910,652	--	221,965
Transfers Out	(1,060,079)	--	--
Issuance of Long-Term Debt	--	80,000	--
Premium on Issuance of Long-Term Debt	--	--	--
Issuance of Refunding Bonds	--	--	154,205
Premium on Issuance of Refunding Bonds	--	--	41,226
Payment to Refunding Bond Escrow Agent	--	--	--
Lease Liabilities Issued	<u>14,842</u>	<u>--</u>	<u>--</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(134,585)</u>	<u>80,000</u>	<u>417,396</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>273,717</u>	<u>(15,847)</u>	<u>14,368</u>
<b>FUND BALANCES, JULY 1</b>	<u>1,223,977</u>	<u>33,862</u>	<u>113,059</u>
<b>FUND BALANCES, JUNE 30</b>	<u>\$ 1,497,694</u>	<u>\$ 18,015</u>	<u>\$ 127,427</u>

Continued...

**CITY OF LOS ANGELES**

**Statement of Revenues, Expenditures  
and Changes in Fund Balances - (Continued)**  
**Governmental Funds**  
**For the Fiscal Year Ended June 30, 2022**  
**(amounts expressed in thousands)**

	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES</b>		
Property Taxes	\$ 139,825	\$ 2,632,145
Sales Taxes	--	694,218
Utility Users' Taxes	--	632,433
Business Taxes	--	756,960
Other Taxes	59,380	837,943
Licenses and Permits	65,808	97,301
Intergovernmental	2,212,290	2,256,069
Charges for Services	1,091,578	1,432,769
Services to Enterprise Funds	5,055	332,381
Fines	13,058	129,863
Special Assessments	149,174	151,865
Investment Earnings	44,729	80,730
Change in Fair Value of Investments	(218,588)	(365,285)
Program Income	30,869	30,869
Other	53,045	115,516
<b>TOTAL REVENUES</b>	<b>3,646,223</b>	<b>9,815,777</b>
<b>EXPENDITURES</b>		
Current		
General Government	60,098	1,636,073
Protection of Persons and Property	430,695	3,844,946
Public Works	278,870	479,912
Health and Sanitation	372,124	537,022
Transportation	372,649	512,520
Cultural and Recreational Services	602,362	681,816
Community Development	882,479	990,688
Capital Outlay	270,594	420,068
Debt Service		
Principal	135,469	500,814
Interest	28,457	88,620
Cost of Issuance	1,639	3,084
<b>TOTAL EXPENDITURES</b>	<b>3,435,436</b>	<b>9,695,563</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>210,787</b>	<b>120,214</b>
<b>OTHER FINANCING SOURCES (USES)</b>		
Transfers In	946,269	2,078,886
Transfers Out	(793,792)	(1,853,871)
Issuance of Long-Term Debt	211,940	291,940
Premium on Issuance of Long-Term Debt	2,859	2,859
Issuance of Refunding Bonds	65,490	219,695
Premium on Issuance of Refunding Bonds	4,042	45,268
Payment to Refunding Bond Escrow Agent	(69,369)	(69,369)
Lease Liabilities Issued	6,927	21,769
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>374,366</b>	<b>737,177</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>585,153</b>	<b>857,391</b>
<b>FUND BALANCES, JULY 1</b>	<b>5,101,787</b>	<b>6,472,685</b>
<b>FUND BALANCES, JUNE 30</b>	<b>\$ 5,686,940</b>	<b>\$ 7,330,076</b>

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**CITY OF LOS ANGELES**

**Reconciliation of the Statement of Revenues,  
Expenditures and Changes in Fund Balances of Governmental Funds  
to the Statement of Activities  
For the Fiscal Year Ended June 30, 2022  
(amounts expressed in thousands)**

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<b>Net Change in Fund Balances - Total Governmental Funds</b>	\$ 857,391
Amounts reported for Governmental Activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. Donated capital assets are reported as capital contributions in governmental activities but are not financial resources and are not reported in governmental funds. This is the amount by which donated capital assets and capital outlays exceeded depreciation in the current period.	26,000
Amortization of gains (losses) on refunding of debt is reported as interest expense in governmental activities, but is not reported for governmental funds.	(13,638)
Change in unavailable revenues are reported as changes in deferred inflows of resources for governmental funds, but were recognized as revenues for governmental activities.	387,492
Accrued interest expense on long-term debt is reported in the statement of activities, but does not require the use of current financial resources. Amortization of bond premiums and discounts are expensed as a component of interest expense on the statement of activities. This amount represents the net accrued interest expense and the amortization of bond premiums and discounts not reported in governmental funds.	
Change in accrued interest expense	\$ 2,847
Net amortization of bond premiums and discounts	<u>(16,201)</u>
Total net interest expense and amortization of discount/premium	(13,355)
The issuance of long-term debt (e.g. bonds) provides current financial resources to the governmental funds, while the repayment of the principal on long-term debt consumes the current financial resources of governmental funds. Neither transaction, however has any effect on net position.	36,126
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	(100,231)
Changes in net pension asset, net pension liability, net OPEB asset, net OPEB liability, deferred outflows of resources and deferred inflows of resources related to pensions and OPEB do not require the use of current financial resources, and therefore, are not reported in the governmental funds.	<u>1,502,281</u>
<b>Change in Net Position of Governmental Activities</b>	<u>\$ 2,682,066</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF LOS ANGELES**

**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2022**  
**(amounts expressed in thousands)**

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary)</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Basis)</u>	
<b>REVENUES</b>				
Taxes	\$ 5,049,601	\$ 5,235,219	\$ 5,283,009	\$ 47,790
Licenses, Permits, Fees and Fines	1,368,410	1,330,931	1,264,536	(66,395)
Intergovernmental	94,285	63,825	45,060	(18,765)
Interest	20,603	27,600	28,500	900
Other	11,488	11,488	11,730	242
<b>TOTAL REVENUES</b>	<b>6,544,387</b>	<b>6,669,063</b>	<b>6,632,835</b>	<b>(36,228)</b>
<b>EXPENDITURES</b>				
Current				
General Government	2,539,134	2,383,687	2,018,426	365,261
Protection of Persons and Property	2,669,388	2,785,054	2,696,011	89,043
Public Works	440,255	519,613	471,838	47,775
Health and Sanitation	344,662	361,811	330,617	31,194
Transportation	204,941	213,403	175,904	37,499
Cultural and Recreational Services	53,294	64,105	52,902	11,203
Community Development	187,437	217,250	180,205	37,045
Pension and Retirement Contributions	2,406	2,161	2,161	--
Capital Outlay	128,088	156,070	51,335	104,735
<b>TOTAL EXPENDITURES</b>	<b>6,569,605</b>	<b>6,703,154</b>	<b>5,979,399</b>	<b>723,755</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(25,218)</b>	<b>(34,091)</b>	<b>653,436</b>	<b>687,527</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from Other Funds	2,160,459	2,579,872	2,368,339	(211,533)
Payments of Loans to Other Funds	--	--	(25,018)	(25,018)
Loans from Other Funds	--	--	560	560
Transfers to Other Funds	(2,202,249)	(2,545,781)	(2,529,043)	16,738
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(41,790)</b>	<b>34,091</b>	<b>(185,162)</b>	<b>(219,253)</b>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	<b>(67,008)</b>	<b>--</b>	<b>468,274</b>	<b>468,274</b>
<b>FUND BALANCE, JULY 1</b>	<b>67,008</b>	<b>67,008</b>	<b>--</b>	<b>(67,008)</b>
Appropriation of Fund Balance and Carryforward Appropriations	--	(67,008)	--	67,008
Encumbrances Lapsed	--	--	26,343	26,343
Reversion to Reserve Fund	--	--	(494,617)	(494,617)
<b>FUND BALANCE, JUNE 30</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ --</b>	<b>--</b>

The notes to the financial statements are an integral part of this statement.

**CITY OF LOS ANGELES**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2022**  
(amounts expressed in thousands)

	<b>Business-type Activities - Enterprise Funds</b>			
	<b>Airports</b>	<b>Harbor</b>	<b>Power</b>	<b>Water</b>
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash, Pooled and Other Investments				
Unrestricted	\$ 1,423,350	\$ 1,144,153	\$ 1,574,470	\$ 570,654
Restricted	483,262	11,488	602,311	227,937
Investments Held by Escrow and Fiscal Agents				
Unrestricted	2,341	--	--	--
Restricted	1,974,742	--	--	--
Loans and Notes Receivable	--	--	74,425	--
Accounts Receivable				
Accounts Receivable				
(Net of Allowance for Uncollectibles of \$391,355)	22,020	37,404	567,487	114,709
Accrued Unbilled Revenue	2,099	--	--	--
Investment Income Receivable	6,964	6,417	3,168	110
Intergovernmental Receivable	25,329	2,851	4,743	2,657
Leases Receivable	54,691	36,008	--	--
Restricted Passenger/Customer Facility Charges Receivable	21,133	--	--	--
Due from Other Funds	--	--	53,751	--
Inventories	1,568	2,820	242,125	37,939
Prepaid Items and Other Assets	9,085	471	720,557	248,251
<b>TOTAL CURRENT ASSETS</b>	<b>4,026,584</b>	<b>1,241,612</b>	<b>3,843,037</b>	<b>1,202,257</b>
<b>NONCURRENT ASSETS</b>				
Restricted Assets				
Pooled Cash and Cash Equivalents, and Other Investments	--	10,399	899,648	84,864
Investments Held by Escrow and Fiscal Agents	--	37,452	655,384	53,174
Total Restricted Assets	--	47,851	1,555,032	138,038
Long-term Investment				
Investment in Joint Ventures	--	5,546	--	--
Capital Assets				
Land	1,272,794	1,106,805	241,103	203,653
Construction in Progress	3,562,349	304,167	931,642	2,139,016
Buildings, Facilities and Equipment	14,441,597	5,072,464	22,299,174	11,431,336
Natural Gas Field	--	--	128,695	--
Nuclear Fuel	--	--	40,291	--
Right-to-use Lease Assets	78,538	2,219	20,642	10,404
Intangible Assets	111,306	25,360	250,929	--
Accumulated Depreciation/Amortization	(4,502,318)	(2,820,344)	(9,824,828)	(3,656,298)
Total Capital Assets, Net	<b>14,964,266</b>	<b>3,690,671</b>	<b>14,087,648</b>	<b>10,128,111</b>
Other Noncurrent Assets				
Loans and Notes Receivable	--	--	1,361	--
Derivative Instruments - LT	--	--	100,746	--
Advances to Other Funds	--	--	--	--
Regulatory Assets	--	--	1,002,634	217,019
Net Pension Asset	--	9,885	1,120,640	538,006
Net OPEB Asset	30,574	11,791	172,652	82,888
Leases Receivable, Net of Current Portion	187,331	272,849	25,335	3,470
Prepaid Items and Other Assets	4,697	--	64,933	--
Total Other Noncurrent Assets	<b>222,602</b>	<b>294,525</b>	<b>2,488,301</b>	<b>841,383</b>
<b>TOTAL NONCURRENT ASSETS</b>	<b>15,186,868</b>	<b>4,038,593</b>	<b>18,130,981</b>	<b>11,107,532</b>
<b>TOTAL ASSETS</b>	<b>19,213,452</b>	<b>5,280,205</b>	<b>21,974,018</b>	<b>12,309,789</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Debt Refunding	41,885	9,343	11,347	3,191
Asset Retirement Obligation	--	--	29,219	--
Pensions	160,532	69,159	261,071	134,593
OPEB	28,524	11,959	141,825	72,377
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>230,941</b>	<b>90,461</b>	<b>443,462</b>	<b>210,161</b>

Continued...

**CITY OF LOS ANGELES**

**Statement of Net Position - (Continued)**  
**Proprietary Funds**  
**June 30, 2022**  
**(amounts expressed in thousands)**

	Business-type Activities - Enterprise Funds		
	Nonmajor Convention Center		Total
	Sewer		
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash, Pooled and Other Investments			
Unrestricted	\$ 356,306	\$ 17,720	\$ 5,086,653
Restricted	128,022	--	1,453,020
Investments Held by Escrow and Fiscal Agents			
Unrestricted	--	--	2,341
Restricted	--	--	1,974,742
Loans and Notes Receivable			
Accounts Receivable			
Accounts Receivable			
(Net of Allowance for Uncollectibles of \$391,355)	155,583	3,351	900,554
Accrued Unbilled Revenue	48,826	--	50,925
Investment Income Receivable	423	--	17,082
Intergovernmental Receivable	--	--	35,580
Leases Receivable	--	--	90,699
Restricted Passenger/Customer Facility Charges Receivable	--	--	21,133
Due from Other Funds	34,907	--	88,658
Inventories	20,326	--	304,778
Prepaid Items and Other Assets	--	357	978,721
<b>TOTAL CURRENT ASSETS</b>	<b>744,393</b>	<b>21,428</b>	<b>11,079,311</b>
<b>NONCURRENT ASSETS</b>			
Restricted Assets			
Pooled Cash and Cash Equivalents, and Other Investments	101,658	--	1,096,569
Investments Held by Escrow and Fiscal Agents	5,590	--	751,600
<b>Total Restricted Assets</b>	<b>107,248</b>	<b>--</b>	<b>1,848,169</b>
Long-term Investment			
Investment in Joint Ventures	--	--	5,546
Capital Assets			
Land	40,859	139,592	3,004,806
Construction in Progress	534,501	--	7,471,675
Buildings, Facilities and Equipment	8,859,181	597,239	62,700,991
Natural Gas Field	--	--	128,695
Nuclear Fuel	--	--	40,291
Right-to-use Lease Assets	18,170	--	129,973
Intangible Assets	--	--	387,595
Accumulated Depreciation/Amortization	(4,648,749)	(353,621)	(25,806,158)
<b>Total Capital Assets, Net</b>	<b>4,803,962</b>	<b>383,210</b>	<b>48,057,868</b>
Other Noncurrent Assets			
Loans and Notes Receivable	--	--	1,361
Derivative Instruments - LT	--	--	100,746
Advances to Other Funds	10,532	--	10,532
Regulatory Assets	--	--	1,219,653
Net Pension Asset	--	--	1,668,531
Net OPEB Asset	--	--	297,905
Leases Receivable, Net of Current Portion	--	--	488,985
Prepaid Items and Other Assets	--	--	69,630
<b>Total Other Noncurrent Assets</b>	<b>10,532</b>	<b>--</b>	<b>3,857,343</b>
<b>TOTAL NONCURRENT ASSETS</b>	<b>4,921,742</b>	<b>383,210</b>	<b>53,768,926</b>
<b>TOTAL ASSETS</b>	<b>5,666,135</b>	<b>404,638</b>	<b>64,848,237</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Debt Refunding	34,938	--	100,704
Asset Retirement Obligation	--	--	29,219
Pensions	--	--	625,355
OPEB	--	--	254,685
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>34,938</b>	<b>--</b>	<b>1,009,963</b>

Continued...

**CITY OF LOS ANGELES**

**Statement of Net Position - (Continued)**  
**Proprietary Funds**  
**June 30, 2022**  
**(amounts expressed in thousands)**

	<b>Business-type Activities - Enterprise Funds</b>			
	<b>Airports</b>	<b>Harbor</b>	<b>Power</b>	<b>Water</b>
<b>LIABILITIES</b>				
<b>CURRENT LIABILITIES</b>				
Accounts, Contracts and Retainage Payable	\$ 253,054	\$ 46,417	\$ 587,290	\$ 184,671
Obligations Under Securities Lending Transactions	27,512	15,996	36,925	11,220
Accrued Salaries and Overtime Payable	14,087	7,193	62,027	29,307
Accrued Compensated Absences Payable	6,587	10,282	109,400	55,890
Due to Other Funds	--	--	--	53,751
Deposits and Advances	--	--	--	242,521
Accrued Interest Payable	65,292	11,735	237,859	109,933
Bonds and Notes Payable - Current Portion	297,281	40,210	269,485	168,244
Lease Liabilities	7,568	--	4,631	2,335
Other Current Liabilities	42,524	59,402	--	16,666
<b>TOTAL CURRENT LIABILITIES</b>	<b>713,905</b>	<b>191,235</b>	<b>1,307,617</b>	<b>874,538</b>
<b>LONG-TERM LIABILITIES</b>				
Bonds and Notes Payable - Noncurrent Portion				
(Net of Unamortized Premiums and Discounts of \$3,933,788)				
Bonds and Notes Payable - Noncurrent Portion	11,545,992	591,516	12,057,939	6,706,501
Net Pension Liability	545,697	168,089	--	--
Asset Retirement Obligation	--	--	224,277	--
Lease Liabilities, Net of Current Portion	46,684	506	12,779	6,449
Other Long-term Liabilities	142,860	112,102	305,300	115,833
<b>TOTAL LONG-TERM LIABILITIES</b>	<b>12,281,233</b>	<b>872,213</b>	<b>12,600,295</b>	<b>6,828,783</b>
<b>TOTAL LIABILITIES</b>	<b>12,995,138</b>	<b>1,063,448</b>	<b>13,907,912</b>	<b>7,703,321</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Business Activities	--	--	187,190	--
Derivative Instruments	--	--	100,746	--
Debt Refunding	53,326	--	58,802	75,208
Pensions	339,974	107,660	1,266,441	605,215
OPEB	108,200	37,179	446,763	215,760
Leases	229,347	296,225	24,759	3,209
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>730,847</b>	<b>441,064</b>	<b>2,084,701</b>	<b>899,392</b>
<b>NET POSITION</b>				
Net Investment in Capital Assets	5,029,385	3,065,012	2,122,139	3,213,602
Restricted for:				
Debt Service	--	37,452	749,956	113,555
Passenger/Customer Facility Charges	267,664	--	--	--
Other Purposes	226,048	--	253,830	48,216
Unrestricted	195,311	763,690	3,298,942	541,864
<b>TOTAL NET POSITION</b>	<b>\$ 5,718,408</b>	<b>\$ 3,866,154</b>	<b>\$ 6,424,867</b>	<b>\$ 3,917,237</b>

Continued..

**CITY OF LOS ANGELES**

**Statement of Net Position - (Continued)**  
**Proprietary Funds**  
**June 30, 2022**  
**(amounts expressed in thousands)**

	<b>Business-type Activities - Enterprise Funds</b>			
	<b>Nonmajor Convention Center</b>		<b>Total</b>	
	<b>Sewer</b>	<b>Nonmajor Convention Center</b>		
<b>LIABILITIES</b>				
<b>CURRENT LIABILITIES</b>				
Accounts, Contracts and Retainage Payable	\$ 40,777	\$ 2,415	1,114,624	
Obligations Under Securities Lending Transactions	--	--	91,653	
Accrued Salaries and Overtime Payable	--	577	113,191	
Accrued Compensated Absences Payable	--	301	182,460	
Due to Other Funds	19	--	53,770	
Deposits and Advances	--	2,700	245,221	
Accrued Interest Payable	11,276	--	436,095	
Bonds and Notes Payable - Current Portion	195,785	--	971,005	
Lease Liabilities	--	--	14,534	
Other Current Liabilities	2,134	--	120,726	
<b>TOTAL CURRENT LIABILITIES</b>	<b>249,991</b>	<b>5,993</b>	<b>3,343,279</b>	
<b>LONG-TERM LIABILITIES</b>				
Bonds and Notes Payable - Noncurrent Portion				
(Net of Unamortized Premiums and Discounts of \$3,933,788)	2,685,956	--	33,587,904	
Net Pension Liability	--	--	713,786	
Asset Retirement Obligation	--	--	224,277	
Lease Liabilities, Net of Current Portion	16,732	--	83,150	
Other Long-term Liabilities	39,021	--	715,116	
<b>TOTAL LONG-TERM LIABILITIES</b>	<b>2,741,709</b>	<b>--</b>	<b>35,324,233</b>	
<b>TOTAL LIABILITIES</b>	<b>2,991,700</b>	<b>5,993</b>	<b>38,667,512</b>	
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Business Activities	--	--	187,190	
Derivative Instruments	--	--	100,746	
Debt Refunding	18,447	--	205,783	
Pensions	--	--	2,319,290	
OPEB	--	--	807,902	
Leases	--	--	553,540	
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>18,447</b>	<b>--</b>	<b>4,174,451</b>	
<b>NET POSITION</b>				
Net Investment in Capital Assets	2,061,389	383,209	15,874,736	
Restricted for:				
Debt Service	19,219	--	920,182	
Passenger/Customer Facility Charges	--	--	267,664	
Other Purposes	71,046	--	599,140	
Unrestricted	539,272	15,436	5,354,515	
<b>TOTAL NET POSITION</b>	<b>\$ 2,690,926</b>	<b>\$ 398,645</b>	<b>\$ 23,016,237</b>	

The notes to the financial statements are an integral part of this statement.

**CITY OF LOS ANGELES**

**Statement of Revenues, Expenses and Changes in Fund Net Position  
Proprietary Funds  
For the Fiscal Year Ended June 30, 2022  
(amounts expressed in thousands)**

Business-type Activities - Enterprise Funds				
	Airports	Harbor	Power	Water
<b>OPERATING REVENUES</b>				
Charges for Services	\$ 250,171	\$ 485,842	\$ 4,593,760	\$ 1,606,678
Rents, Concessions and Royalties	1,140,158	86,837	--	--
Other Operating Revenues	17,609	55,163	--	--
<b>TOTAL OPERATING REVENUES</b>	<b>1,407,938</b>	<b>627,842</b>	<b>4,593,760</b>	<b>1,606,678</b>
<b>OPERATING EXPENSES</b>				
Fuel for Generation	--	--	327,813	--
Purchased Power/Water	--	--	1,309,505	346,568
Maintenance and Repairs	--	--	409,175	411,609
Operating and Administrative	744,900	254,632	1,021,818	223,366
Depreciation and Amortization	628,246	147,272	724,461	218,599
<b>TOTAL OPERATING EXPENSES</b>	<b>1,373,146</b>	<b>401,904</b>	<b>3,792,772</b>	<b>1,200,142</b>
<b>OPERATING INCOME (LOSS)</b>	<b>34,792</b>	<b>225,938</b>	<b>800,988</b>	<b>406,536</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Investment Income (Loss)	(78,736)	(46,231)	(118,115)	(34,325)
Interest Expense	(360,842)	(18,962)	(371,045)	(206,965)
Interest Income from Leases	7,961	10,234	--	--
Other Income (Expenses), Net	188,115	(15,359)	119,597	26,201
<b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>	<b>(243,502)</b>	<b>(70,318)</b>	<b>(369,563)</b>	<b>(215,089)</b>
<b>INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS</b>				
Capital Contributions	(208,710)	155,620	431,425	191,447
Transfers Out	45,638	11,906	100,865	41,137
	--	--	(225,015)	--
<b>CHANGE IN NET POSITION</b>	<b>(163,072)</b>	<b>167,526</b>	<b>307,275</b>	<b>232,584</b>
<b>NET POSITION, JULY 1, AS PREVIOUSLY REPORTED</b>	<b>5,874,994</b>	<b>3,690,683</b>	<b>6,117,592</b>	<b>3,684,653</b>
Cumulative Effect of Change in Accounting Principle, GASB 87 Implementation	6,486	7,945	--	--
<b>NET POSITION, JULY 1 RESTATED</b>	<b>5,881,480</b>	<b>3,698,628</b>	<b>6,117,592</b>	<b>3,684,653</b>
<b>NET POSITION, JUNE 30</b>	<b>\$ 5,718,408</b>	<b>\$ 3,866,154</b>	<b>\$ 6,424,867</b>	<b>\$ 3,917,237</b>

Continued...

**CITY OF LOS ANGELES**

**Statement of Revenues, Expenses and Changes in Fund Net Position - (Continued)**  
**Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2022**  
(amounts expressed in thousands)

	Business-type Activities - Enterprise Funds		
	Sewer	Nonmajor Convention Center	Total
<b>OPERATING REVENUES</b>			
Charges for Services	\$ 728,010	\$ 2,592	\$ 7,667,053
Rents, Concessions and Royalties	--	16,149	1,243,144
Other Operating Revenues	11,656	14,865	99,293
<b>TOTAL OPERATING REVENUES</b>	739,666	33,606	9,009,490
<b>OPERATING EXPENSES</b>			
Fuel for Generation	--	--	327,813
Purchased Power/Water	--	--	1,656,073
Maintenance and Repairs	--	1,497	822,281
Operating and Administrative	369,274	29,470	2,643,460
Depreciation and Amortization	177,633	12,370	1,908,581
<b>TOTAL OPERATING EXPENSES</b>	546,907	43,337	7,358,208
<b>OPERATING INCOME (LOSS)</b>	192,759	(9,731)	1,651,282
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Investment Income (Loss)	(3,834)	17	(281,224)
Interest Expense	(122,155)	--	(1,079,969)
Interest Income from Leases	--	--	18,195
Other Income (Expenses), Net	102,405	--	420,959
<b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>	(23,584)	17	(922,039)
<b>INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS</b>			
Capital Contributions	169,175	(9,714)	729,243
Transfers Out	11,723	--	211,269
	--	--	(225,015)
<b>CHANGE IN NET POSITION</b>	180,898	(9,714)	715,497
<b>NET POSITION, JULY 1, AS PREVIOUSLY REPORTED</b>	2,510,028	408,359	22,286,309
Cumulative Effect of Change in Accounting Principle, GASB 87 Implementation	--	--	14,431
<b>NET POSITION, JULY 1 RESTATED</b>	2,510,028	408,359	22,300,740
<b>NET POSITION, JUNE 30</b>	\$ 2,690,926	\$ 398,645	\$ 23,016,237

The notes to the financial statements are an integral part of this statement.

**CITY OF LOS ANGELES**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2022**  
(amounts expressed in thousands)

	<b>Business-type Activities - Enterprise Funds</b>			
	<b>Airports</b>	<b>Harbor</b>	<b>Power</b>	<b>Water</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from Customers and Users	\$ 1,423,504	\$ 626,878	\$ 4,626,373	\$ 1,563,392
Receipts for Interfund Services	--	--	760,946	630,743
Payments to Suppliers	(282,644)	(81,425)	(2,351,603)	(437,084)
Payments to Employees	(429,348)	(143,331)	(865,306)	(391,409)
Payments for Interfund Services	(128,719)	(45,531)	(929,717)	(803,511)
Cash Received from Nonoperating Revenues	--	--	--	--
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>582,793</b>	<b>356,591</b>	<b>1,240,693</b>	<b>562,131</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfers Out	--	--	(225,015)	--
Cash Received from Noncapital Grants	10,386	1,981	202,788	73,985
Payments for Grant Expenses	--	--	(18,284)	--
<b>NET CASH PROVIDED BY (USED FOR) NONCAPITAL FINANCING ACTIVITIES</b>	<b>10,386</b>	<b>1,981</b>	<b>(40,511)</b>	<b>73,985</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition and Construction of Capital Assets	(1,402,536)	(97,708)	(1,231,704)	(849,132)
Proceeds from Sales of Capital Assets	--	228	--	--
Receipts from Passenger/Customer Facility Charges	188,462	--	--	--
Proceeds from Sale of Bonds, Notes and Loans	2,588,291	--	1,298,327	341,177
Payments on Bonds, Notes and Loans - Interest	(447,451)	(30,413)	(497,096)	(264,695)
Payments on Bonds, Notes and Loans - Principal	(354,772)	(88,335)	(187,683)	(105,081)
Payments on Leases	(15,103)	253	--	--
Interest Received on Leases	7,988	10,234	--	--
Payments of Bonds and Notes Expenses	(2,518)	--	--	--
Capital Contributions/Grants Received	29,676	11,454	100,926	53,353
Federal Bond Subsidies	--	--	25,475	14,641
Proceeds from Insurance Recovery for Damage of Capital Assets	--	5,345	--	--
<b>NET CASH PROVIDED BY (USED FOR) CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<b>592,037</b>	<b>(188,942)</b>	<b>(491,755)</b>	<b>(809,737)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Investment (Loss) Income	(79,458)	(44,605)	(106,179)	(33,466)
Cash Collateral Receipts Under Securities Lending Transactions	11,733	8,722	--	--
Purchase of Investment Securities	(19,465)	(7,229)	(1,022)	(330)
Proceeds from Notes Receivable	--	--	68,365	--
Receipts from Bond Reserve Fund	--	4,982	--	--
<b>NET CASH PROVIDED BY (USED FOR) INVESTING ACTIVITIES</b>	<b>(87,190)</b>	<b>(38,130)</b>	<b>(38,836)</b>	<b>(33,796)</b>

Continued...

**CITY OF LOS ANGELES**

**Statement of Cash Flows - (Continued)**  
**Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2022**  
(amounts expressed in thousands)

	<b>Business-type Activities - Enterprise Funds</b>		
	<b>Nonmajor Convention Center</b>		<b>Total</b>
	<b>Sewer</b>		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from Customers and Users	\$ 771,930	\$ 30,775	\$ 9,042,852
Receipts for Interfund Services	--	--	1,391,689
Payments to Suppliers	(55,724)	(17,864)	(3,226,344)
Payments to Employees	--	(9,032)	(1,838,426)
Payments for Interfund Services	(280,383)	(2,836)	(2,190,697)
Cash Received from Nonoperating Revenues	46,670	--	46,670
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>482,493</b>	<b>1,043</b>	<b>3,225,744</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfers Out	--	--	(225,015)
Cash Received from Noncapital Grants	59,795	--	348,935
Payments for Grant Expenses	--	--	(18,284)
<b>NET CASH PROVIDED BY (USED FOR) NONCAPITAL FINANCING ACTIVITIES</b>	<b>59,795</b>	<b>--</b>	<b>105,636</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Acquisition and Construction of Capital Assets	(237,218)	(69)	(3,818,367)
Proceeds from Sales of Capital Assets	--	--	228
Receipts from Passenger/Customer Facility Charges	--	--	188,462
Proceeds from Sale of Bonds, Notes and Loans	483,919	--	4,711,714
Payments on Bonds, Notes and Loans - Interest	(53,315)	--	(1,292,970)
Payments on Bonds, Notes and Loans - Principal	(556,250)	--	(1,292,121)
Payments on Leases	--	--	(14,850)
Interest Received on Leases	--	--	18,222
Payments of Bonds and Notes Expenses	(4,222)	--	(6,740)
Capital Contributions/Grants Received	15,261	--	210,670
Federal Bond Subsidies	--	--	40,116
Proceeds from Insurance Recovery for Damage of Capital Assets	--	--	5,345
<b>NET CASH PROVIDED BY (USED FOR) CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<b>(351,825)</b>	<b>(69)</b>	<b>(1,250,291)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Investment (Loss) Income	(4,003)	17	(267,694)
Cash Collateral Receipts Under Securities Lending Transactions	--	--	20,455
Purchase of Investment Securities	--	--	(28,046)
Proceeds from Notes Receivable	--	--	68,365
Receipts from Bond Reserve Fund	--	--	4,982
<b>NET CASH PROVIDED BY (USED FOR) INVESTING ACTIVITIES</b>	<b>(4,003)</b>	<b>17</b>	<b>(201,938)</b>

Continued...

**CITY OF LOS ANGELES**

**Statement of Cash Flows - (Continued)**  
**Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2022**  
(amounts expressed in thousands)

<b>Business-type Activities - Enterprise Funds</b>					
	<b>Airports</b>	<b>Harbor</b>	<b>Power</b>	<b>Water</b>	
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>					
CASH AND CASH EQUIVALENTS, JULY 1	\$ 1,098,026	\$ 131,500	\$ 669,591	\$ (207,417)	
<b>CASH AND CASH EQUIVALENTS, JUNE 30</b>	<u>2,785,669</u>	<u>1,024,141</u>	<u>2,406,838</u>	<u>1,090,872</u>	
	<u><u>\$ 3,883,695</u></u>	<u><u>\$ 1,155,641</u></u>	<u><u>\$ 3,076,429</u></u>	<u><u>\$ 883,455</u></u>	
<b>CASH AND CASH EQUIVALENTS COMPONENTS</b>					
Unrestricted Cash, Pooled and Other Investments	\$ 1,423,350	\$ 1,144,153	\$ 1,574,470	\$ 570,654	
Restricted Cash, Pooled and Other Investments	483,262	11,488	1,501,959	312,801	
Unrestricted Investments, Held by Escrow and Fiscal Agents	2,341	--	--	--	
Restricted Investments Held by Escrow and Fiscal Agents	1,974,742	--	--	--	
<b>TOTAL CASH AND CASH EQUIVALENTS, JUNE 30</b>	<u><u>\$ 3,883,695</u></u>	<u><u>\$ 1,155,641</u></u>	<u><u>\$ 3,076,429</u></u>	<u><u>\$ 883,455</u></u>	
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>					
Operating Income (Loss)	\$ 34,792	\$ 225,938	\$ 800,988	\$ 406,536	
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided By Operating Activities:					
Depreciation and Amortization	628,246	147,272	724,461	218,599	
Depletion	--	--	10,810	--	
Amortization of Nuclear Fuel	--	--	10,810	--	
Bad Debts Provision	272	852	112,606	18,949	
Other Nonoperating (Expenses) Revenues	336	--	--	--	
Changes in Assets, Liabilities, and Deferred Outflows and Inflows of Resources:					
Accounts Receivable	(12,475)	5,107	(296,885)	(48,312)	
Accrued Unbilled Revenue	34,029	--	--	--	
Lease receivable	35,210	5,646	(25,335)	(3,470)	
Prepaid Items and Other Assets	(4,002)	(55)	549,910	(3,907)	
Due from Other Funds	--	--	(33,620)	--	
Inventories	--	51	(35,109)	(3,024)	
Other Assets	--	--	(59,199)	86,864	
Accounts, Contracts and Retainage Payable	(32,631)	12,235	108,172	(1,626)	
Accrued Salaries and Overtime Payable	5,110	(373)	973	6,079	
Accrued Compensated Absences Payable	(927)	--	10,801	--	
Overrecovered Costs-Pension	--	--	174,607	89,955	
Due to Other Funds	--	--	--	33,620	
Deposits and Advances	--	--	--	569	
Net Pension and OPEB Assets, Liabilities and Related Deferred Outflows and Inflows of Resources	(61,677)	(20,548)	(818,308)	(262,374)	
Deferred Inflows Related to Leases	(40,750)	(12,568)	24,759	3,209	
Other Liabilities	(2,740)	(6,966)	(7,429)	20,464	
<b>TOTAL ADJUSTMENTS</b>	<u><u>548,001</u></u>	<u><u>130,653</u></u>	<u><u>439,705</u></u>	<u><u>155,595</u></u>	
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u><u>\$ 582,793</u></u>	<u><u>\$ 356,591</u></u>	<u><u>\$ 1,240,693</u></u>	<u><u>\$ 562,131</u></u>	
<b>NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Net Proceeds of Refunding Bonds Deposited with an Irrevocable Trust Account	\$ 435,936	\$ --	\$ 438,600	\$ 686,100	
Defeased Debt and Costs Paid Through Escrow with Revenue Bonds	(435,936)	--	(438,500)	(682,100)	
Acquisition of Capital Assets Included in Accounts and Contracts Payable	102,548	4,817	92,500	60,105	
Changes in Contributions in Relation to Capital Assets	(15,962)	--	--	--	
Write-Off (Loss) on Discontinued Construction Project	--	22,503	--	--	
Amortization of Deferred Charges on Refunding Sewage Disposal Contracts Capital Contributions	--	--	--	--	

Continued..

**CITY OF LOS ANGELES**

**Statement of Cash Flows - (Continued)**  
**Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2022**  
(amounts expressed in thousands)

	<b>Business-type Activities - Enterprise Funds</b>		
	<b>Nonmajor Convention Center</b>		<b>Total</b>
	<b>Sewer</b>		
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>			
CASH AND CASH EQUIVALENTS, JULY 1	\$ 186,460	\$ 991	\$ 1,879,151
<b>CASH AND CASH EQUIVALENTS, JUNE 30</b>	<u>399,526</u>	<u>16,729</u>	<u>7,723,775</u>
	<u><u>\$ 585,986</u></u>	<u><u>\$ 17,720</u></u>	<u><u>\$ 9,602,926</u></u>
<b>CASH AND CASH EQUIVALENTS COMPONENTS</b>			
Unrestricted Cash, Pooled and Other Investments	\$ 356,306	\$ 17,720	\$ 5,086,653
Restricted Cash, Pooled and Other Investments	229,680	--	2,539,190
Unrestricted Investments, Held by Escrow and Fiscal Agents	--	--	2,341
Restricted Investments Held by Escrow and Fiscal Agents	--	--	1,974,742
<b>TOTAL CASH AND CASH EQUIVALENTS, JUNE 30</b>	<u><u>\$ 585,986</u></u>	<u><u>\$ 17,720</u></u>	<u><u>\$ 9,602,926</u></u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>			
Operating Income (Loss)	\$ 192,759	\$ (9,731)	\$ 1,651,282
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided By Operating Activities:			
Depreciation and Amortization	177,633	12,370	1,908,581
Depletion	--	--	10,810
Amortization of Nuclear Fuel	--	--	10,810
Bad Debts Provision	(404)	--	132,275
Other Nonoperating (Expenses) Revenues	46,670	--	47,006
Changes in Assets, Liabilities, and Deferred Outflows and Inflows of Resources:			
Accounts Receivable	32,668	(2,831)	(322,728)
Accrued Unbilled Revenue	--	--	34,029
Lease receivable	--	--	12,051
Prepaid Items and Other Assets	--	(161)	541,785
Due from Other Funds	--	--	(33,620)
Inventories	724	--	(37,358)
Other Assets	--	--	27,665
Accounts, Contracts and Retainage Payable	(14,984)	869	72,035
Accrued Salaries and Overtime Payable	--	59	11,848
Accrued Compensated Absences Payable	--	22	9,896
Overrecovered Costs-Pension	--	--	264,562
Due to Other Funds	47,427	--	81,047
Deposits and Advances	--	446	1,015
Net Pension and OPEB Assets, Liabilities and Related Deferred Outflows and Inflows of Resources	--	--	(1,162,907)
Deferred Inflows Related to Leases	--	--	(25,350)
Other Liabilities	--	--	3,329
<b>TOTAL ADJUSTMENTS</b>	<u><u>\$ 289,734</u></u>	<u><u>\$ 10,774</u></u>	<u><u>\$ 1,574,462</u></u>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u><u>\$ 482,493</u></u>	<u><u>\$ 1,043</u></u>	<u><u>\$ 3,225,744</u></u>
<b>NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Net Proceeds of Refunding Bonds Deposited with an Irrevocable Trust Account	\$ --	\$ --	\$ 1,560,636
Defeased Debt and Costs Paid Through Escrow with Revenue Bonds	--	--	(1,556,536)
Acquisition of Capital Assets Included in Accounts and Contracts Payable	27,651	--	287,621
Changes in Contributions in Relation to Capital Assets	--	--	(15,962)
Write-Off (Loss) on Discontinued Construction Project	468	--	22,971
Amortization of Deferred Charges on Refunding Sewage Disposal Contracts Capital Contributions	38,589	--	38,589
	1,646	--	1,646

The notes to the financial statements are an integral part of this statement.

**CITY OF LOS ANGELES**

**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2022**  
**(amounts expressed in thousands)**

	Pension and Other Postemployment Benefits Trust Funds	Custodial Funds
<b>ASSETS</b>		
Cash and Pooled Investments	\$ 96,448	\$ 25,077
Accounts Receivable	83,674	--
Special Assessments Receivable	--	752
Investment Income Receivable	218,460	18
Advance to Other Entities	798,915	--
Investments		
Short-term Investments	2,014,618	--
U.S. and Other Government Obligations	7,349,902	--
Domestic Stocks and Bonds	23,041,780	--
International Stocks and Bonds	14,231,796	--
Real Estate	4,932,308	--
Alternative Investments	13,141,914	--
Securities Lending Collateral	2,778,778	--
Fixed Income and Other Investments	2,274,681	--
Prepaid Expense	21	--
Prepaid Health Subsidy	12,550	--
Capital Assets (Net of Accumulated Depreciation/Amortization of \$15,671)	76,393	--
<b>TOTAL ASSETS</b>	<b>71,052,238</b>	<b>25,847</b>
<b>LIABILITIES</b>		
Accounts Payable and Accrued Expenses	230,219	--
Benefits in Process of Payment	46,180	--
Due to Brokers	988,850	--
Fiduciary Liabilities	--	190
Obligations Under Securities Lending Transactions	2,778,778	108
Due to Other Entities	--	3,783
Mortgage Loan Payable - Current Portion	554	--
Mortgage Loan Payable - Noncurrent Portion	211,946	--
Deposits and Advances	38	3,801
<b>TOTAL LIABILITIES</b>	<b>4,256,565</b>	<b>7,882</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Leases	571	--
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>571</b>	<b>--</b>
<b>NET POSITION</b>		
Restricted for:		
Pension Plans	57,878,793	--
Disability Plan	44,850	--
Death Benefit Plan	40,525	--
Postemployment Healthcare Plans	8,830,934	--
Individuals, Organizations and Other Governments	--	17,965
<b>TOTAL NET POSITION</b>	<b>\$ 66,795,102</b>	<b>\$ 17,965</b>

The notes to the financial statements are an integral part of this statement.

**CITY OF LOS ANGELES**

**Statement of Changes in Fiduciary Net Position  
Fiduciary Funds  
For the Fiscal Year Ended June 30, 2022  
(amounts expressed in thousands)**

	Pension and Other Postemployment Benefits Trust Funds	Custodial Funds
<b>ADDITIONS</b>		
Contributions		
Employer	\$ 1,881,287	\$ --
Plan Member	527,128	--
Total Contributions	<u>2,408,415</u>	<u>--</u>
Self-Funded Insurance Premium	13,280	--
Health Insurance Premium Reserve	1,180	--
Tax Collections from Community Facilities Districts	--	8,025
Collections for Clean Fuel Rewards Program	--	338,018
Investment Income		
Net Depreciation in Fair Value of Investments	(6,279,069)	(416)
Interest Income	427,674	3
Income from Alternative Investments	56,725	--
Dividend Income	734,151	--
Securities Lending Income	14,859	--
Other Investment Income	71,326	--
Income from Real Estate Investments	<u>120,582</u>	<u>--</u>
Investment Income	(4,853,752)	(413)
Investment Expense	(344,757)	--
Securities Lending Expense	(3,726)	--
Net Investment Loss	<u>(5,202,235)</u>	<u>(413)</u>
Other Income	444	--
<b>TOTAL ADDITIONS</b>	<b>(2,778,916)</b>	<b>345,630</b>
<b>DEDUCTIONS</b>		
Benefits Payments	3,566,005	--
Refunds of Member Contributions	28,227	--
Administrative Expenses	65,224	--
Payments for Clean Fuel Rewards Program	--	489,034
Debt Service Payments for Community Facilities Districts	--	7,962
<b>TOTAL DEDUCTIONS</b>	<b>3,659,456</b>	<b>496,996</b>
<b>CHANGE IN NET POSITION</b>		
Pension Plans	(5,674,650)	--
Disability Plan	(6,364)	--
Death Benefit Plan	(213)	--
Postemployment Healthcare Plans	(757,145)	--
Individuals, Organizations and Other Governments	--	(151,366)
<b>TOTAL CHANGE IN NET POSITION</b>	<b>(6,438,372)</b>	<b>(151,366)</b>
<b>NET POSITION, JULY 1 RESTATED</b>	<b>73,233,474</b>	<b>169,331</b>
<b>NET POSITION, JUNE 30</b>	<b>\$ 66,795,102</b>	<b>\$ 17,965</b>

The notes to the financial statements are an integral part of this statement.

## NOTES TO THE BASIC FINANCIAL STATEMENTS

The Notes to the Basic Financial Statements (Notes) include disclosures considered necessary for a better understanding of the accompanying basic financial statements. An index to the Notes follows:

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### A. General

The City of Los Angeles (City) was incorporated in 1850 under the provisions of a city charter. The current Charter was approved by the electorate on June 8, 1999 and became operative on July 1, 2000.

The City operates under a mayor-council form of government. As Executive Officer, the Mayor supervises the administrative process of the City and works with the Council in matters relating to legislation, budget, and finance. As governing body of the City, the 15-member full-time Council enacts ordinances, levies taxes, approves utility rates, authorizes contracts and public improvements, adopts zoning and other land use controls, and provides the necessary resources for the budgetary departments and offices of the City. Council action is subject to the approval or veto of the Mayor, and Council may override a mayoral veto by a two-thirds vote. The Charter provides for an independently elected City Attorney and independently elected City Controller.

Public services provided by the City include: police; fire and emergency medical services; residential refuse collection and disposal, wastewater collection and treatment, street maintenance, and other public works functions; enforcement of ordinances and statutes relating to building safety; public libraries; recreation and parks; community and economic development; housing and aging services; land use planning; airports; harbor; power and water services; sewer, and the convention center.

#### B. Reporting Entity

In evaluating how to define the City for financial reporting purposes, management has considered all potential component units. The primary criteria for including a potential component unit within the reporting entity are the governing body's financial accountability and a financial benefit or burden relationship. A primary government is financially accountable and shares a financial benefit or burden relationship if it appoints a voting majority of an organization's governing body and is able to impose its will on the organization, or if there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens, on the primary government. A primary government may also be financially accountable if an organization is fiscally dependent on the primary government regardless of whether the organization has a separately elected governing board, a governing board appointed by a higher level of government, or a jointly appointed board, and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government.

##### 1. Blended Component Unit

Although the following is legally separate from the City, it has been "blended" as though it is part of the City because there is a financial benefit or burden relationship between the City and the component unit; management of the City has operational responsibilities for the component unit; and the component unit provides services entirely to the City.

##### Municipal Improvement Corporation of Los Angeles

The Municipal Improvement Corporation of Los Angeles (MICLA) is a non-profit corporation formed in 1984 for the sole purpose of providing financial assistance to the City for the acquisition of property and equipment, and the construction of buildings and other improvements, for the benefit of the public, through the issuance of lease revenue bonds and commercial paper notes. MICLA's Board of Directors (Board) consists of five members. Appointments to fill vacancies are made by the Board, subject to City Council approval. Board members do not receive compensation. The City indemnifies Board members for any liabilities occurring in connection with the performance of their duties. The City elects to report MICLA as major special revenue and debt service funds.

##### 2. Investment in Joint Ventures

The following entities are joint ventures of the Department of Harbor:

Intermodal Container Transfer Facility Joint Powers Authority (ICTF)  
Alameda Corridor Transportation Authority (ACTA)

### 3. Excluded Organizations

#### Jointly Governed Organizations

The Los Angeles Memorial Coliseum Commission (Commission) was created by a joint powers agreement between the City, the County of Los Angeles (County), and the California Museum of Science and Industry. Its purpose is to provide for the operation and maintenance of the Coliseum. The Commission is not a City function and operates independent of City oversight and financial accountability. City appointees comprise 33% of the Commission.

The Los Angeles Homeless Services Authority (LAHSA) was created by a joint exercise of powers agreement with the County to provide homeless services to residents. It is governed by a ten-member commission. Five members are appointed by the City and five by the County Board of Supervisors. LAHSA operates independently of City oversight and financial accountability.

#### Related Organization

The Housing Authority of the City of Los Angeles (HACLA) is an organization for which the City has appointed the voting majority of the members of the governing body but for which the City is not financially accountable.

The City retains and exercises its authority over the entity only as provided by the Municipal Code and Federal laws. The entity is fiscally independent from the City. The City is unable to impose its will on the daily operations of the entity. The City's accountability to this entity is limited to removal of a commissioner by the Mayor or the entire board by the City Council for cause and under due process.

### 4. Separately Audited Financial Statements

#### City Departments and Component Unit

Separately audited financial statements may be obtained through the Office of the City Controller, 200 North Main Street, Room 300, Los Angeles, California 90012, for the following:

Department of Airports (Airports)

Department of Harbor (Harbor)

Department of Water and Power (DWP)

Sewer Construction and Maintenance Fund (Sewer)

Los Angeles City Employees' Retirement System (LACERS)

Fire and Police Pension System (Pensions)

Water and Power Employees' Retirement, Disability and Death Benefit Insurance Plans (DWP Plans)

Municipal Improvement Corporation of Los Angeles (MICLA)

#### Jointly Governed and Related Organizations

Coliseum Commission: 500 West Temple Street, Los Angeles, CA 90012

LAHSA: 707 Wilshire Blvd., 10<sup>th</sup> Floor, Los Angeles, CA 90017

HACLA: 2600 Wilshire Blvd., Los Angeles, CA 90057

### C. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's business-type activities and certain other governmental functions. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely, to a significant extent, on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or program. Included in the direct expenses are indirect costs, such as fringe benefits, administrative overhead, and liability claims, which are allocated to the specific function or program. Charges for workers' compensation, telephone and information technology services, postage, and fleet services are not allocated and are included as part of the general government functional activity. Amounts reported as program revenues include charges to customers or applicants for goods, services, or privileges provided; and operating and capital grants and contributions, including special assessments, that are restricted to meeting operational or capital requirements of a particular function or segment. Revenues that do not meet the criteria to be reported as program revenues are reported as general revenues. All taxes, even those levied for a specific purpose, are reported as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and individual enterprise funds are reported as separate columns in the fund financial statements.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first and then unrestricted resources as they are needed.

### D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the Proprietary Funds and Fiduciary Funds financial statements. Revenues are recognized when earned and expenses are recognized when a liability is incurred, regardless of the timing of related cash flows.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due, while expenditures related to compensated absences, claims and judgments, and landfill closure and postclosure care costs are recognized to the extent that they are normally expected to be liquidated with expendable available resources and are due and payable at year-end.

Revenues susceptible to accrual are property taxes, business taxes, sales taxes, utility users' taxes, transient occupancy tax, charges for services, special assessments, franchise income, licenses and permits, investment income, and Federal and State grants and subventions. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenues from Federal and State grants and subventions are recognized when applicable eligibility requirements, including time requirements, are met and the resources are available.

# Annual Comprehensive Financial Report

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## Notes to the Basic Financial Statements

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds are charges to customers for sales and services while operating expenses include cost of sales and services, administrative expenses, and depreciation/amortization on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The City reports the following major governmental funds:

The *General Fund* is the primary operating fund of the City. It is used to account for all financial resources of the general government, except those required to be accounted for in other funds.

The *MICLA Special Revenue and Debt Service Funds* account for the activity of the City's public financing entity component unit, which finances the acquisition of real property and equipment, the construction of buildings, and other improvements for the benefit of the public. The assets acquired or constructed by MICLA are leased to the City under long-term lease agreements and become property of the City at the termination of the lease. MICLA derives its operating revenues primarily from rental income (interest portion) paid by the City. The effects of the lease arrangements have been eliminated from the basic financial statements.

The City reports the following major enterprise funds:

The *Airports Fund* accounts for the operation, maintenance and development of City airports: Los Angeles International Airport and Van Nuys Airport.

The *Harbor Fund* accounts for the operations of the Harbor formed for purposes of maritime commerce, navigation, fisheries and water-dependent activities for the benefit of the State of California.

The *Power and Water Funds* account for the operations of DWP in supplying the City and its inhabitants with water and electric power by constructing, operating, and maintaining facilities located throughout the City, and Inyo and Mono Counties.

The *Sewer Fund* accounts for the construction, operations, and maintenance of the City's wastewater collection and treatment system.

The City reports the Convention Center Fund as a nonmajor enterprise fund. The Convention Center Fund accounts for the operation of the Los Angeles Convention Center and Exhibition Hall and other related facilities.

Additionally, the City reports the following fund types:

The *Pension and Other Postemployment Benefits Trust Funds* account for the activities of the City's three single-employer defined benefit pension plans, namely: Fire and Police Pension Plan; Los Angeles City Employees' Retirement Plan; and Water and Power Employees' Retirement and Disability Benefit Plans; and defined benefit postemployment plans provided through the defined benefit pension plans, namely: Fire and Police Health Subsidy Plan, Los Angeles City Employees' Postemployment Healthcare Plan, and Water and Power Employees' Retirees Health and Death Benefit Plans, respectively.

The *Custodial Funds* account for activities carried out exclusively for the benefit of that outside of the City but not administered through other fiduciary trusts or equivalent arrangements such as Clean Fuel Rewards Program, assessments for payments of certain conduit debt and monies seized by the law enforcement pending judgment.

### E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position

#### 1. Cash and Cash Equivalents

For purposes of the statement of cash flows, all governmental and proprietary fund cash and pooled investments with the City Treasurer, cash deposits and other short-term investments that are both readily convertible to known amounts of cash and have maturities of three months or less at the time of purchase, are considered to be cash and cash equivalents.

#### 2 Receivables

The City's receivables are comprised mainly of notes, loans, lease, accounts, and taxes. Accounts receivable and taxes receivable are reported net of an allowance for uncollectible amounts.

##### Loans Receivable

The City uses funds generated from the former Community Redevelopment Agency (CRA), State and Federal funding sources to offer financial assistance and below-market interest rates to qualified developers, individuals and families primarily for housing development, rehabilitation, economic development, and voter approved debt. Repayment terms on these loans can be classified in the following categories: 1) Deferred loans which are due and payable only upon sale or transfer of title to the property; 2) Amortizing loans which have a set monthly payment, which may be interest bearing or principal only; 3) Service payback loans which by their terms result in no money being paid to the City; 4) Forgivable loans which may convert to grants depending on the terms of the loan agreements; 5) Residual receipts loans which require repayments only when the properties have positive cash flows pursuant to a formula set forth in the loan agreement; 6) Renewal deferred loans which have no scheduled debt service other than renewable maturity dates and may be routinely extended; 7) Term loans which are essentially balloon payment loans; and 8) Equity share loans which have a 30-year term with the original principal amount plus a percentage share of the home appreciation paid upon sale, transfer or other repayment event.

In the financial statements, loans receivable are reported net of the allowance for uncollectibles. In estimating the allowance, the following were considered: a) composition of the loan portfolio; b) past write-off experience, c) past market valuation; and d) average year-end allowance balance as a percentage of the total portfolio. The allowance estimate is continually evaluated and adjusted to reflect what management believes to be the net realizable value of the total loan portfolio. The net loans receivable balance of \$2.2 billion includes net interest receivable of \$608.2 million at June 30, 2022.

#### 3. Inventories

Inventories for materials and supplies, valued on an average cost basis for the governmental activities and governmental funds, consist of expendable supplies held for consumption and are recorded as expenditures when purchased in the fund financial statements, but are recorded as expenses when consumed in the government-wide statement of activities.

For the business-type activities and proprietary funds, inventories for materials and supplies are stated at the lower of average cost or fair value except for Airports, which uses cost on a first-in, first-out basis. Fuel is recorded at the lower of cost or fair value on an average cost basis.

#### 4. Restricted Assets

For governmental activities and governmental funds, assets of \$10.6 million are classified as restricted because their use is limited to activities related to low and moderate income housing projects, public works projects, and systematic code enforcement.

Business-type activities' and proprietary funds' restricted assets of \$5.3 billion include amounts restricted for accumulated resources for debt service payments, nuclear decommissioning funds, natural gas fund, hazardous waste treatment storage and disposal fund, bond security funds, construction funds, restricted passenger/customer facility charges, customer security deposits, China Shipping and Community Mitigation Fund, Narcotics/Customs Enforcement Forfeiture Fund, Clean Truck Program and Fee Fund, Batiquitos Environmental Fund and Harbor Restoration Fund.

## 5. Capital Assets

Capital assets, which include property, plant, equipment, intangible assets, and infrastructure assets (e.g. streets and bridges) are reported in the applicable governmental or business-type activities columns in the government-wide statement of net position and in the proprietary funds statement of net position. Generally, assets with an individual cost of at least \$5,000 and an estimated useful life of more than one year are capitalized. Purchased or constructed capital assets and intangible assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Assets acquired by donation are recorded at estimated acquisition value on the date received.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Depreciation, which includes amortization of assets under leases, is computed using the straight-line method over the estimated useful or service lives of the related assets, except as noted below. Lease assets are amortized over the lease term or the life of the asset, whichever is less. See Note 4M for details regarding the City's lease assets.

Power's nuclear fuel is amortized and charged to fuel for generation on the basis of actual thermal energy produced relative to total thermal energy expected to be produced over the life of the fuel.

Power uses the successful efforts method of accounting for its investment in gas producing properties. Costs to acquire the mineral interest in gas producing properties, to drill and equip exploratory wells that find proven reserves, and to drill and equip development wells are capitalized. Costs to drill exploratory wells that do not find proven reserves are expensed. Capitalized costs of gas producing properties are depleted by the unit-of-production method based on the estimated future production of the proven wells. Depletion expense related to the gas field is recorded as a component of fuel for generation expense. During fiscal year 2022, Power recorded \$10.8 million of depletion expense.

The estimated useful lives of the City's capital assets are as follows:

Category	Governmental Activities	Business-type Activities
Infrastructure	10 - 138 years	--
Buildings and facilities	20 - 40 years	10 - 75 years
Equipment and vehicles	3 - 20 years	3 - 20 years
Wastewater collection system	--	80 years
Landplane ports	--	10 - 35 years
Power distribution, hydraulic and steam production, transmission plants	--	4 - 75 years
Treatment and pumping plants	--	5 - 50 years
Wharves and sheds	--	15 - 30 years
Intangible assets	5 - 22 years	20 years

The City's collection of artwork, certain scientific equipment, and zoo animals are not capitalized or depreciated. These capital assets are maintained for public exhibition, education, or research, and are being preserved for future generations. The proceeds from sales of any pieces of the collection are used to purchase other items for the collection.

# Annual Comprehensive Financial Report

## Notes to the Basic Financial Statements

The City's infrastructure assets and the methods the City uses to report them are as follows:

Infrastructure	Reporting Method
Bridges	Modified
Stormwater system	Depreciation
Streets	Depreciation
Traffic signals	Depreciation
Automated traffic surveillance and control	Depreciation
Bikepaths	Depreciation
Fiber optic telecommunication system	Depreciation
Street lighting system	Depreciation
Street pavement markings	Depreciation
Traffic signs	Depreciation

The modified approach is used in reporting the City's bridges infrastructure system. A comprehensive bridge database system, the Bridges and Tunnels System, enables the City to track the entire bridge inventory, the structural condition of various bridge elements, and bridge sufficiency ratings. Condition assessments of these structures are completed in a three-year cycle. The latest assessment report was as of December 31, 2022. A system of letter grades identifies the condition of each structure. Letter grades "A" through "D" represent the condition of the structure as Very Good, Good to Fair, Fair to Poor, and Very Poor. "F" rating symbolizes a failed condition where replacement of the structure is necessary. These letter grades are based on sufficiency ratings, or the overall condition of the structure based on the last inspection. It is the City's policy that at least 70% of the bridges are rated "B" or better and that no bridge shall be rated worse than "D".

The City performs regular inspection and maintenance of the various structural elements for any defects. Funds for annual estimated inspection, maintenance and repair costs are provided in the City's budget. Bridges are excluded in the determination of depreciation provisions for capital assets, while preservation and maintenance costs are charged to expense. Additional information on the condition ratings of City bridges, sufficiency ratings, estimated and actual maintenance, and preservation costs are found in the Required Supplementary Information.

## 6. Compensated Absences

### Accrued Vacation and Sick Leave

Eligible civilian employees accumulate vacation leave up to a maximum of 600 hours, depending on the length of service. Fire sworn employees accumulate vacation leave up to 900 hours, while Police sworn employees have a maximum of 600 hours, depending on the length of service and duty assignment. All employees are paid their accumulated leave upon termination or retirement.

All vacation pay is accrued when incurred in the government-wide, proprietary, and fiduciary funds financial statements. For the governmental funds, earned vacation is recorded as expenditures to the extent that they are normally expected to be liquidated with expendable available resources and are due and payable at year-end. For governmental activities, earned vacation is generally liquidated by the General Fund.

City employees (except those of the DWP) are entitled to 96 hours of sick leave at full pay and 40 hours at 75% of full pay for each calendar year of employment. Police sworn employees are entitled also to 40 hours at 50% of full pay. Fire sworn employees are entitled up to 60 hours at 50% of full pay depending on the duty assignment. Civilian employees may accumulate sick leave up to 800 hours at full pay and 800 hours at 75% of full pay. Fire Department sworn employees under Memoranda of Understanding (MOU) 22 and 23 may accumulate up to 1,632 hours at full pay and 1,080 hours at 75% of full pay depending on the duty assignment.

For eligible civilian employees, the City pays 50% of the excess over the maximum accumulated 800 hours at full pay in the subsequent calendar year. Upon retirement, the City pays 50% of the accumulated sick time at full pay. There is no provision for the payment of the accumulated sick time at 75% of full pay. For Fire sworn employees, the City pays 50% of the excess over the maximum accumulated 800 hours at full pay in the subsequent calendar year. For Police sworn employees, the

## Notes to the Basic Financial Statements

City pays 100% of the accumulated sick time at full pay in the subsequent calendar year. For both Fire and Police sworn employees, the City pays 100% of the accumulated sick time at full pay upon retirement.

DWP employees accumulate 40 hours of sick leave per year to a maximum of 80 hours. Any excess over the maximum is paid to the employee at 100% of their current salary rate. The employee goes on disability after taking ten consecutive days of sick leave.

Vacation and sick leave are accrued as determined by the agreement between the City and the respective employees' collective bargaining group. For governmental funds, compensated absence obligations are recorded in the appropriate governmental funds when due. The portion not currently due is recorded in the government-wide financial statements. For proprietary funds, compensated absences are expensed when earned by employees. At year-end, the accrued but unpaid compensated absence obligations are recorded as current and noncurrent liabilities in the appropriate proprietary funds.

### Accumulated Compensated Time-Off

Accumulated compensated time-off is reported in the government-wide financial statements. For governmental funds, expenditures are recognized to the extent that they are normally expected to be liquidated with expendable available resources and are due and payable at year-end. Also, for governmental activities, accumulated compensated time-off is generally liquidated by the General Fund.

## 7. Regulatory Assets and Liabilities

Regulatory assets and liabilities were created by Power and Water by deferring certain expenses and revenues that are recoverable or payable by future rate charges in accordance with current rate ordinances, so as to evenly match the recognition of revenue and expenses with the electric and water rates charged to retail customers.

## 8. Other Assets

Other assets of Power totaling \$5.7 million as of June 30, 2022 represent future receivables from customers related to costs incurred for renewable energy projects and the investments made in power reliability. The 2012 and 2016 Electric Rate Ordinances allowed these costs to be recovered through current rates. The costs are amortized over a ten-year period and are expected to be fully recovered by the end of calendar year 2022.

## 9. Risk Management

The City is self-administered and self-funded for workers' compensation, most property damage, and the majority of tort liability exposures. Commercial insurance is used where it is legally required, contractually required, or judged to be the most effective way to finance risk. Indemnity and insurance protection is also required from all City contractors, vendors, lessees and permit holders. Insurance coverage has exceeded claims settlements in each of the past three years.

Claims and judgments are recorded when it is probable that an asset has been impaired or a liability has been incurred and the amount of loss can be reasonably estimated. The recorded estimated liability for claims and judgments includes a provision for incurred but not reported (IBNR) liabilities for workers' compensation, tort cases and liabilities for allocated expenses. For the governmental funds, only that portion of the liability is recognized that is normally expected to be liquidated with expendable available resources and is due and payable at year-end. For governmental activities, liability for claims and judgments is generally liquidated by the General Fund.

## 10. Long-term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Gains or losses from refunding of debt are reported

## Notes to the Basic Financial Statements

as deferred inflows or outflows of resources and amortized over the shorter of the life of the refunded debt or refunding debt. Amortization of these balances is recorded as a component of interest expense.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. More detailed information on the City's long-term obligations can be found in Note 41 of the Notes to the Basic Financial Statements.

### 11. Leases

Leases are defined by the general government as the right to use an underlying asset. As a lessee, the City recognizes a lease liability and an intangible right-to-use (RTU) lease asset at the beginning of a lease unless the lease is considered a short-term lease or transfers ownership of the underlying asset. RTU lease assets are measured based on the net present value of the future lease payments at inception, using the City's incremental borrowing rate, plus lease payments made at or before the commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease, plus initial direct costs that are ancillary to place the asset into service. Remeasurement of a lease liability occurs when there is a change in the lease term and/or other changes that are likely to impact the lease liability significantly.

The City calculates the amortization of the discount on the lease liability and reports that amount as outflows of resources. Incremental borrowing rates (IBR) are used for leases that do not have implicit interest rates. IBRs are estimated rates the City would be charged for borrowing the lease payment amounts during the lease term. Payments are allocated first to accrued interest liability and then to the lease liability. Variable lease payments based on the usage of the underlying assets are not included in the lease liability calculations but are recognized as outflows of resources in the period in which the obligation was incurred.

As a lessor, the City recognizes a lease receivable. The lease receivable is measured using the net present value of future lease payments to be received for the lease term and the deferred inflow of resources at the beginning of the lease term. Periodic amortization of the discount on the receivable is reported as interest revenue for that period. Deferred inflows of resources are recognized as inflows on a straight-line basis over the lease term.

This recognition does not apply to short-term leases, contracts that transfer ownership, leases of assets that are investments, or certain regulated leases. Any initial direct costs are reported as an outflow of resources for that period. Re-measurement of lease receivables occurs when there are modifications, including but not limited to changes in the contract price, lease term, and adding or removing an underlying asset to the lease agreements. In the case of a partial or full lease termination, the carrying value of the lease receivable and the related deferred inflow of resources will be reduced and will include a gain or loss for the difference.

City reports the major governmental and enterprise funds, including MICLA Special Revenue and Debt Service Funds, Airports Fund, Harbor Fund, Power and Water Funds, and Sewer Fund, under one primary government reporting legal entity. The lease transactions among City departments, Airports, Harbor, DWP, Sewer, and MICLA are excluded from GASB Statement No. 87 because the control is not conveyed to another legal entity; therefore, the lease agreements should not be reported as leases in the City's basic financial statements.

### 12. Property Taxes

Secured property taxes are levied on or before the first business day of September of each year. They become a lien on real property on January 1 preceding the fiscal year for which taxes are levied. These tax payments can be made in two equal installments; the first is due November 1 and delinquent with penalties after December 10; the second is due February 1 and delinquent with penalties after April 10.

## Notes to the Basic Financial Statements

Secured property taxes that are delinquent and unpaid as of June 30 are declared to be tax defaulted and are subject to redemption penalties, costs, and interest when paid. If the delinquent taxes are not paid at the end of five years, the property can be sold at public auction. The proceeds are used to pay the delinquent amounts due, and any excess is remitted, if claimed, to the taxpayer. Additional tax liens are created when there is a change in ownership of property or upon completion of new construction. Tax bills for these new tax liens are issued throughout the fiscal year and contain various payments and delinquent dates but are generally due within one year. Unsecured personal property taxes are not a lien against real property. These taxes are due on January 1 and become delinquent, if unpaid, on August 31. The County assesses, bills, and collects property taxes for all jurisdictions within its borders and remits the applicable portion less an administrative fee to the City throughout the year. Payments are normally remitted on the 20<sup>th</sup> day of the month.

### 13. Interfund Transactions

Interfund transactions are reflected as loans, services provided, reimbursements, or transfers. Loans are reported as receivables and payables as appropriate and are subject to elimination in the government-wide financial statements. Services provided are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide presentation. More detailed information on the City's interfund transactions can be found in Note 4G of the Notes to the Basic Financial Statements.

### 14. Fund Equity

In the fund financial statements, governmental funds report fund balances based on the extent to which the City is bound to observe constraints on the use of the governmental funds' resources. Fund balances are classified as follows:

- Nonspendable - includes amounts that are either 1) not in spendable form, or 2) legally or contractually required to be maintained intact. Inventories, prepaid items, and certain advances to other funds are classified as nonspendable fund balances.
- Restricted - includes amounts that can only be used for specific purposes due to constraints imposed by external resource providers or by enabling legislation. Restrictions may be changed or lifted only with the consent of resource providers.
- Committed - includes amounts that can be used for specific purposes pursuant to an ordinance passed by the Council and approved by the Mayor. Commitments may be changed or lifted only by the City taking the same formal action that imposed the constraint originally.
- Assigned - includes amounts that are not classified as nonspendable, restricted or committed, but are intended to be used by the City for specific purposes. Intent is expressed by action of the Council to assign amounts to be used for specific purposes. The Council may authorize executive officers to assign fund balances for specific purposes through Council files.
- Unassigned - includes amounts that are not assigned to other funds and do not meet the criteria for being classified as restricted, committed, or assigned in the General Fund, which is the only fund that reports a positive unassigned fund balance amount. Fund balances that can be utilized for economic stabilization, emergencies and contingencies that do not qualify as restricted or committed are reported as unassigned. In other governmental funds, the unassigned classification is used only if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes.

In circumstances when an expenditure is made for a purpose for which amounts are available in multiple fund balance categories, fund balance is depleted in the order of restricted, committed, assigned and unassigned.

# Annual Comprehensive Financial Report

## Notes to the Basic Financial Statements

Fund balances for all the major and nonmajor governmental funds as of June 30, 2022, were distributed as follows (in thousands):

	MICLA			Nonmajor Governmental Funds	Total
	General	Special Revenue	Debt Service		
<b>NONSPENDABLE</b>					
Advances to Other Funds	\$ 26,859	\$ --	\$ --	\$ --	\$ 26,859
Inventories	39,228	--	--	13,037	52,265
Prepaid Items and Other Assets	408	--	--	8,864	9,272
	<u>66,495</u>	<u>--</u>	<u>--</u>	<u>21,901</u>	<u>88,396</u>
<b>RESTRICTED</b>					
Affordable Housing, Community Development and Services	--	--	--	2,054,884	2,054,884
Debt Service	--	--	127,427	147,649	275,076
Fee Supported Programs	--	--	--	5,294	5,294
Fire and Crime Prevention and Emergency Services	--	--	--	29,110	29,110
Fire and Police Facilities	--	--	--	6,785	6,785
Governmental Functions and Services	--	--	--	16,536	16,536
Library and Cultural Activities	--	--	--	103,743	103,743
Other Capital Projects and Improvements	--	18,015	--	3,552	21,567
Recreation and Parks	--	--	--	767,361	767,361
Stormwater and Sanitation Projects and Services	--	--	--	184,779	184,779
Street Projects and Maintenance	--	--	--	25,769	25,769
Transit Projects and Services	--	--	--	598,981	598,981
	<u>--</u>	<u>18,015</u>	<u>127,427</u>	<u>3,944,443</u>	<u>4,089,885</u>
<b>COMMITTED</b>					
Affordable Housing, Community Development and Services	80,368	--	--	432,987	513,355
Fee Supported Programs	--	--	--	780,467	780,467
Fire and Crime Prevention and Emergency Services	4,326	--	--	11,604	15,930
Street Projects and Maintenance	--	--	--	190,188	190,188
Governmental Functions and Services	384	--	--	94,981	95,365
Library and Cultural Activities	--	--	--	44,432	44,432
Other Capital Projects and Improvements	--	--	--	4,451	4,451
Recreation and Parks	--	--	--	41,676	41,676
Stormwater and Sanitation Projects and Services	--	--	--	150,813	150,813
Transit Projects and Services	--	--	--	59,005	59,005
	<u>85,078</u>	<u>--</u>	<u>--</u>	<u>1,810,604</u>	<u>1,895,682</u>
<b>ASSIGNED</b>					
Affordable Housing, Community Development and Services	1,395	--	--	2,814	4,209
Fire and Crime Prevention and Emergency Services	7,604	--	--	--	7,604
Governmental Functions and Services	534,782	--	--	--	534,782
Library and Cultural Activities	5,337	--	--	--	5,337
Other Capital Projects and Improvements	30,273	--	--	--	30,273
Community and Economic Development	26,471	--	--	--	26,471
Health and Sanitation	12,819	--	--	--	12,819
Public Safety	54,317	--	--	--	54,317
Public Works and Transportation	51,280	--	--	--	51,280
	<u>724,278</u>	<u>--</u>	<u>--</u>	<u>2,814</u>	<u>727,092</u>
<b>UNASSIGNED</b>					
Reserve, Emergency and Contingency	507,222	--	--	--	507,222
Economic Stabilization	114,621	--	--	--	114,621
Unassigned	--	--	--	(92,822)	(92,822)
	<u>621,843</u>	<u>--</u>	<u>--</u>	<u>(92,822)</u>	<u>529,021</u>
	<u>\$ 1,497,694</u>	<u>\$ 18,015</u>	<u>\$ 127,427</u>	<u>\$ 5,686,940</u>	<u>\$ 7,330,076</u>

### Reserve Fund

The Reserve Fund is where unrestricted cash is set aside outside the budget for unforeseen expenditures and emergencies. The Charter and Administrative Code provide for a Reserve Fund Policy which establishes an Emergency Reserve Account and a Contingency Reserve Account.

Funds for urgent economic necessity based on a significant economic downturn, an earthquake or other natural disaster after the budget is completed are provided in the Emergency Reserve Account. To utilize funds from this account, a finding by the Mayor, with confirmation by the Council is required, as well as a determination that no other viable sources of funds are available.

The Contingency Reserve Account provides additional funding in the event that there are unanticipated expenses or revenue shortfalls impacting programs approved in the current year budget. Funds must be appropriated by a vote of at least a majority of the Council with mayoral concurrence, or by a super-majority of the Council in the event of a mayoral veto.

The Reserve Fund Policy establishes a minimum level for the Reserve Fund of 5% of the budgeted General Fund receipts, with a minimum of 2.75% in the Emergency Account, and any additional funds allocated to the Contingency Reserve Account. As of June 30, 2022, the City's Reserve, Emergency and Contingency fund balance was \$507.2 million.

### Budget Stabilization Fund

The purpose of the Budget Stabilization Fund (BSF) is to set aside savings during periods of robust economic growth that can then be drawn upon to stabilize revenues during economic downturns. This Fund is comprised of excess revenue from seven economy-sensitive General Fund taxes: Property Tax, Utilities Users' Tax, Business Tax, Sales Tax, Transient Occupancy Tax, Documentary Tax, and Parking Users' Tax.

Pursuant to the Los Angeles Administrative Code Section 5.120.4, when budgeted growth in the cumulative receipts from the seven General Fund taxes exceeds the Average Annual Ongoing Growth Threshold (the average ongoing annual growth over the prior 20 years), the budget must include a deposit into the Fund, subject to certain exceptions. For every one-half percent that revenues exceed the Average Annual Ongoing Growth Threshold, five percent of the value of that excess revenue must be deposited into the BSF, not to exceed 25 percent of the excess growth. When growth of these receipts falls short of the Average Annual Ongoing Growth Threshold, the Budget may include a withdrawal from the BSF in the amount of five percent of the value of the lost revenue for each one percent of growth below the Growth Threshold.

The City's BSF does not meet the criteria for a stabilization arrangement for reporting the funds as either restricted or committed. As such, the BSF is reported as unassigned fund balance in the General Fund. As of June 30, 2022, the BSF's fund balance was \$114.6 million.

## **15. Deferred Outflows/Inflows of Resources**

A deferred outflow of resources is defined as a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. A deferred inflow of resources is defined as an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Unamortized portions of the gain and loss on refunding debt are reported as deferred inflows and deferred outflows of resources, respectively. Deferred outflows of resources are reported for loss on debt refunding, changes in the value of the asset retirement obligation, and changes related to pensions and other postemployment benefits (OPEB). Deferred inflows of resources are reported for changes related to pensions and OPEB, gains on debt refunding, changes in the fair value of hedging derivative instruments, leases, and regulated business activities. In addition to this, when an asset is recorded in the governmental fund financial statements but the revenue is not available, a deferred inflow of resources is reported until such time as the revenue becomes available.

## Notes to the Basic Financial Statements

For purposes of measuring the net pension and OPEB assets and liabilities, deferred outflows of resources and deferred inflows of resources related to pensions and OPEB, pension and OPEB expenses, information about the fiduciary net position, and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported by Pensions, LACERS, and DWP Plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. Reported results pertain to liability and asset information as of the measurement date of June 30, 2021. Deferred inflows of resources related to leases are measured at the value of the lease receivable in addition to any payments received at or before the commencement of the lease term that relate to future periods that is recognized as revenue over the term of the lease.

Power reported deferred inflows of resources from regulated business activities of \$187.2 million at June 30, 2022, which pertain to revenues collected from customers where funds are deferred for future stabilization or deferred because the earnings process is not complete, consistent with accounting standards applicable to regulated utilities. For the fiscal year ended June 30, 2022, Power did not recognize any of this revenue.

### 16. Net Position

The government-wide and proprietary fund financial statements utilize a net position presentation. Net position is categorized as follows:

- Net investment in capital assets - This category groups all capital assets into one component of net position. Accumulated depreciation/amortization and the outstanding balances of debt that are attributable to the acquisition, construction, or improvement of these assets reduce the balance in this category. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction or improvement of those assets or related debt are also included in this component of net position.
- Restricted net position - This category represents either external restrictions imposed by creditors (such as bond covenants), grantors, contributors, or laws and regulations of other governments, or restrictions imposed by law through constitutional provisions or enabling legislation. At June 30, 2022, the governmental activities restricted net position totaled \$4.3 billion, of which \$1.1 billion is restricted by enabling legislation. Business-type activities' restricted net position totaled \$1.8 billion, of which \$521.1 million is restricted by enabling legislation.
- Unrestricted net position - This category represents net position of the City that is not "restricted" or "net investment in capital assets."

### 17. Use of Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the amounts in the financial statements and accompanying notes. Actual results could differ from the estimates.

### 18. Reclassifications

Certain reclassifications have been made to amounts reported in the governmental funds and separately audited financial statements of certain proprietary funds, Pension and Other Postemployment Benefits Trust funds, and other component units to conform to the City reporting entity's report format and to account for transactions between the City's reporting entity and such entities in accordance with GAAP.

### 19. Adoption of New GASB Pronouncements

The City adopted the following GASB statements in fiscal year 2022:

GASB Statement No. 87, “Leases.” Issued in June 2017, this statement establishes a uniform approach for lease accounting based on the principle that leases are financings of the right to use an underlying asset. In accordance with the statement, parties to a lease agreement, the lessee and lessor, are required to recognize a lease liability and an intangible RTU lease asset, and a lease receivable and deferred inflow of resources, respectively. The new lease standard also requires enhanced disclosure, which includes a general description of the leasing arrangement, the aggregated amount of resource inflows and outflows recognized from lease contracts, and the disclosure of the long-term effect of lease arrangements on a government’s resources. Effective July 1, 2021, the City adopted GASB’s No. 87 – Leases, using the facts and circumstances that existed at the beginning of the period of implementation. Due to the sheer number of leases, the City considered it impractical to apply the standards retroactively. As a result of adoption, there was no impact on the City’s beginning net position for governmental activities. In contrast, the beginning position for the fiscal year ended June 30, 2022, for business-type activities has been restated by the cumulative effect of \$14.4 million shown below in Note 1E.21. The governmental activities’ aggregated beginning balances for lease assets and the lease liability for the fiscal year ended June 30, 2022, are approximately \$114.2 million. Additional disclosures of the City’s implementation for GASB Statement No. 87 are included in Notes 4F Capital Assets, 4I Long-Term Liabilities, and 4M Leases.

GASB Statement No. 92, “Omnibus 2020.” Issued in January 2020, this statement was issued for clarity and consistency by addressing practice issues identified from the implementation and application of certain GASB statements. The City implemented this statement at the beginning of the fiscal year 2022 without material impact.

GASB Statement No. 93, “Replacement of Interbank Offered Rates.” Issued in March 2020, this statement is to address accounting and financial reporting implications that result from the replacement of an interbank offered rate (IBOR) such as the London Interbank Offered Rate (LIBOR). It also identifies appropriate benchmark interest rates for hedging derivative instruments. The removal of LIBOR as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2021. All other requirements of this statement are effective for reporting periods beginning after June 15, 2020. The City implemented the non-LIBOR portion of this statement in the fiscal year 2021 and the LIBOR portion in the fiscal year 2022 without material impact.

GASB Statement No. 97, “Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32.” Issued in June 2020, this statement will result in more consistent financial reporting of defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans (e.g., certain Section 457 plans), while mitigating the costs associated with reporting those plans. The City implemented this statement at the beginning of the fiscal year 2022 without material impact.

GASB Statement No. 99, “Omnibus 2022” Issued in April 2022, this statement is to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by (1) practice issues that have been identified during the implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The statement addresses a variety of topics, including the extension of the use of LIBOR, accounting for Supplemental Nutrition Assistance Program (SNAP) distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments as well as clarification of provisions in Statement No. 34 and terminology updates related to Statements No. 53 and 63. These requirements are effective upon issuance and have no material impact. Other requirements under this statement will be effective for future adoption. See Note 1E.20 below.

### 20. Recent GASB Pronouncements for Future Adoption

The City is currently analyzing its accounting practices to determine the potential impact on the financial statements of the following recent GASB statements:

GASB Statement No. 91, “Conduit Debt Obligations.” Issued in May 2019, this statement provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The statement will be effective beginning fiscal year 2023.

GASB Statement No. 94, “Public-Private and Public-Public Partnerships and Availability Payment Arrangements.” Issued in March 2020, this statement is to improve financial reporting by establishing the definitions of public-private and public-public partnership arrangements (PPPs) and available payment arrangements (APAs) and providing uniform guidance on accounting and financial reporting for transactions that meet those definitions. The statement will be effective beginning fiscal year 2023.

GASB Statement No. 96, “Subscription-Based Information Technology Arrangements.” Issued in May 2020, this statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for governments by (1) defining a SBITA, (2) establishing that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability, (3) providing the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA, and (4) requiring note disclosures regarding a SBITA. The statement will be effective beginning fiscal year 2023.

GASB Statement No. 99, “Omnibus 2022” Issued in April 2022, the statement is to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by (1) practice issues that have been identified during the implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees.

The requirements related to the extension of the use of LIBOR, accounting for Supplemental Nutrition Assistance Program (SNAP) distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement No. 34, as amended, and terminology updates related to Statement No. 53 and Statement No. 63 are effective upon issuance. The requirements related to leases, PPPs, and SBITAs will be effective beginning fiscal year 2023. The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement No. 53 will be effective beginning fiscal year 2024.

GASB Statement No. 100, “Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62.” Issued in June 2022, the statement provides guidance on the accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The statement will be effective beginning fiscal year 2024.

GASB Statement No. 101, “Compensated Absences.” Issued in June 2022, the statement provides guidance on the recognition and measurement of compensated absences by amending and updating certain previously required disclosures under a unified model better to meet the information needs of financial statement users. The statement will be effective beginning fiscal year 2025.

## 21. Restatements and Effects of New Pronouncements

The City adjusted the cumulative effect of applying the provision of GASB Statement No. 87 as a restatement of the net beginning position. As a result, adjustments to the beginning net position of \$6.5 million and \$7.9 million for Airports and Harbor, respectively, were recognized as summarized below.

	Beginning of Year (amounts expressed in thousands)		
	July 1, 2021 As Previously Reported	Cumulative Effect of Change in Accounting Principle	July 1, 2021 As Restated
<b>Governmental Activities</b>			
Capital assets amortized, net	\$ --	\$ 114,239	\$ 114,239
Lease liabilities	--	114,239	114,239
<b>Business-type Activities</b>			
Airports			
Accrued interest receivable	\$ 4,788	\$ 702	\$ 5,490
Lease receivable	--	277,232	277,232
Capital assets amortized, net	--	64,728	64,728
Lease liabilities	--	66,079	66,079
Deferred inflows of resources related to leases	--	270,097	270,097
Net position	5,874,994	6,486	5,881,480
Harbor			
Accrued interest receivable	\$ 3,647	\$ 2,317	\$ 5,964
Lease receivable	--	314,435	314,435
Capital assets amortized, net	--	1,149	1,149
Lease liabilities	--	1,164	1,164
Deferred inflows of resources related to leases	--	308,792	308,792
Net position	3,690,683	7,945	3,698,628
Power			
Capital assets amortized, net	\$ --	\$ 16,781	\$ 16,781
Lease liabilities	--	16,781	16,781
Water			
Capital assets amortized, net	\$ --	\$ 8,564	\$ 8,564
Lease liabilities	--	8,564	8,564
Sewer			
Capital assets amortized, net	\$ --	\$ 18,170	\$ 18,170
Lease liabilities	--	18,170	18,170
<b>Fiduciary Activities</b>			
LACERS			
Lease receivable	\$ --	\$ 605	\$ 605
Capital assets amortized, net	--	1,606	1,606
Lease liabilities	--	1,633	1,633
Deferred inflows of resources related to Leases	--	598	598
Net position	22,805,340	(20)	22,805,320

**NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

**A. Explanation of Certain Differences Between the Governmental Funds Balance Sheet and the Government-wide Statement of Net Position**

The governmental funds balance sheet includes a reconciliation between *total fund balances-governmental funds* and *net position of governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that long-term liabilities, including net pension and OPEB liabilities net of net pension and OPEB assets and bonds payable, are not due and payable in the current period and therefore are not reported in the funds. The details of this \$8.1 billion difference are as follows (in thousands):

Direct Placements	\$ 50,341
Bonds and Notes	2,449,996
Add: Issuance Premium/Discount (to be amortized as interest expense)	187,846
Loans Payable to HUD	38,664
Financed Purchase Obligations	30,549
Lease Liabilities	114,405
Accrued Interest Payable	18,123
Accrued Compensated Absences	775,444
Claims and Judgments Payable	2,693,578
Landfill Liability	41,558
Estimated Pollution Remediation Liability	11,460
Net Pension Liability (net of Net Pension Asset)	958,325
Net OPEB Liability (net of Net OPEB Asset)	<u>685,656</u>
Net adjustments to reduce governmental fund balances to arrive at governmental activities net position	<u>\$ 8,055,945</u>

**B. Explanation of Certain Differences Between the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances and the Government-wide Statement of Activities**

The governmental funds statement of revenues, expenditures and changes in fund balances includes a reconciliation between *net change in fund balances-total governmental funds* and *change in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The details of this \$26.0 million difference are as follows (in thousands):

Capital Outlays	\$ 420,068
Capital Outlays Not Capitalized	(23,305)
Donated Capital Assets	3,257
Depreciation Expense	<u>(374,020)</u>
Net adjustments to increase net change in fund balances of governmental funds to arrive at change in net position of governmental activities	<u>\$ 26,000</u>

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## Notes to the Basic Financial Statements

Another element of that reconciliation states that the issuance of long-term debt provides current financial resources to the governmental funds while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. The details of this \$36.1 million difference are as follows (in thousands):

Debt Issued or Incurred	
General Obligation Bonds	\$ (277,430)
Lease Revenue Bonds	(154,205)
MICLA Commercial Paper Notes	(80,000)
Leases	(21,769)
Principal Repayments	
General Obligation Bonds	165,875
Lease Revenue Bonds	149,663
Revenue Bonds	17,480
MICLA Commercial Paper Notes	195,000
Financed Purchase Obligations	12,250
Leases	21,603
HUD Loans	7,659
Net adjustments to increase net change in fund balances of governmental funds to arrive at change in net position of governmental activities	<u>\$ 36,126</u>

Another element of that reconciliation states that some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. The details of this \$100.2 million difference are as follows (in thousands):

Decrease in Accrued Compensated Absences	\$ (6,017)
Increase in Estimated Claims and Judgments	107,093
Decrease in Accrued Landfill Liability	(257)
Decrease in Pollution Remediation Liability	(588)
Net adjustments to decrease net change in fund balances of governmental funds to arrive at change in net position of governmental activities	<u>\$ 100,231</u>

### NOTE 3. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

#### A. Budgets and Budgetary Basis of Accounting

Under the City Charter, the Mayor is required each year to submit to the Council a proposed budget by April 20th for the forthcoming fiscal year commencing July 1st. The proposed budget is based on the Mayor's budget priorities, the responses of the City Administrative Officer and City departments to the Mayor's Budget Policy Letter, which is distributed early in the fiscal year, and estimates of receipts from the City's various revenue sources. The Council's Budget and Finance Committee reviews the Mayor's Proposed Budget and reports its recommendations to the full Council. The Council must legally adopt the Mayor's Proposed Budget, as modified by the Council, by June 1st. The Mayor has five working days after adoption to approve or veto any items modified by the Council. The Council then has five working days to override by a two-thirds vote any items changed by the Mayor.

The City Council adopts an annual operating budget for 41 City departments, bureaus, and offices. The annual budget is essentially prepared on a departmental basis, with budgeted receipts and appropriations provided for the General Fund and certain Special Revenue, Debt Service, and Capital Projects Funds. Budgets are generally limited to funds which, in addition to the General Fund, finance the operations of the City departments.

Furthermore, the budgeted receipts and appropriations for the Allocations from Other Governmental Agencies nonmajor special revenue fund (which includes Animal Sterilization Fund, ATSAC Trust Fund, Business Improvement Trust Fund, City Attorney Consumer Protection Fund, City Planning System Development Fund, Coastal Transportation Corridor Trust Fund, CRA Non-Housing Bond Proceeds Fund, Deferred Compensation Plan Trust Fund, DOT Expedited Fee Trust Fund, Economic Development Trust Fund, Federal Emergency Shelter Grant Fund, Foreclosure Registry Program Fund, Housing Impact Trust Fund, Housing Production Revolving Fund, Innovation Fund, Lead Grant, LA Regional Agency Trust Fund, Low and Moderate Income Housing Fund, Medical Intergovernmental Transfer Program Fund, Off-Site Sign Periodic Inspection Fee Fund, Permit Parking Program Revenue Fund, Pershing Square Special Trust Fund, Planning Long-Range Planning Fund, Repair and Demolition Fund, Short-term Enforcement Trust Fund, Sidewalk and Park Vending Trust Fund, Street Banners Revenue Trust Fund, LA County Youth Job Program Fund, Traffic Safety Education Program Fund, Transportation Regulation and Enforcement Fund, Trust of Floor Area Ratio Public Benefits, Used Oil Collection Trust Fund, Ventura/Cahuenga Corridor Plan Fund, Warner Center Mobility Trust Fund, Warner Center Transportation Trust Fund, and West LA Transportation Improvement and Mitigation Fund) are not all-inclusive because the budget provides for only the portion of fund receipts that are expended to finance City department operations.

The City does not budget for the financial activities of all its Governmental Funds. The following Governmental Funds are not included in the City's legally adopted annual operating budget:

#### General Fund

Reserve and certain other account components

#### Special Revenue

Major Fund:

Municipal Improvement Corporation

Nonmajor Funds:

Proposition HHH-Loans Program

Recreation and Parks

Covid-19 Federal Relief

Section 108 Loan Guarantee Program

Transportation Grants

Certain Other Nonmajor Grant Funds

Certain Other Nonmajor Special Revenue Funds

### Debt Service

Major Fund:

Municipal Improvement Corporation

Nonmajor Funds:

General Obligation Bonds Refunding Series 2021-B

Solid Waste Resources

Certain Other Nonmajor Debt Service Funds

### Capital Projects

Nonmajor Funds:

General Obligation Bonds Series 2003-A

General Obligation Bonds Series 2004-A

General Obligation Bonds Series 2005-A

General Obligation Bonds Series 2006-A

General Obligation Bonds Series 2008-A

General Obligation Bonds Series 2009

General Obligation Bonds Series 2011-A

General Obligation Bonds Proposition HHH-

Facilities Program

Recreation and Parks Grant

Parks Assessment

Certain Other Nonmajor Capital Project Funds

For the majority of the funds listed above, expenditure authority is approved by Council action during the fiscal year.

The City's original budget is subject to revision to reflect changes in revenue projections and to make necessary adjustments to appropriations. Transfers of appropriations are approved by the Mayor subject to certain limitations and conditions. Funds appropriated in the general City budget or thereafter by the Council may be transferred to the Reserve Fund or Unappropriated Balance of the General Fund, or appropriated for the same or other purposes amending the budget and other spending authority, upon approval of the Mayor. The City permits intra-departmental transfer between department accounts in an amount not to exceed the limit of \$59,296 or 1% of the budget for the account receiving the transfer, whichever is greater. Approval of the Mayor is required for transfers between departments and/or funds in an amount not to exceed \$50,000. Transfers above these limits require Council approval.

During the fiscal year, capital related appropriations of \$169.3 million that were reappropriated from prior budget years were included in the current annual operating budget.

Unused and unencumbered appropriations lapse at year-end, with the exception of non-capital related continuing appropriations for certain Special Revenue and Capital Projects Funds that are carried forward to the next budget year. Capital related appropriations that are unused and unencumbered at year-end are reappropriated in the subsequent budget year.

The legal level of budgetary control (the level at which expenditures may not legally exceed appropriations) is as follows: The General Fund is by line item within each object by department, except for capital improvement program expenditures, which are controlled by projects. Object levels of expenditures are salaries, expense, equipment, special, capital outlay, and transfers. For the Special Revenue Funds, Debt Service Funds and Capital Projects Funds, the line items consist of departments, projects, debt service, equipment and programs. Because of the large volume of detail, the budget and actual schedules on a budgetary basis have been aggregated by fund and function in the combining and individual fund budgetary schedules.

The City's annual budget is prepared on a modified cash basis of accounting, which is different from GAAP. Revenues are recognized when cash is received, and expenditures include both cash disbursements and current year encumbered appropriations that have not been paid at the end of the budget year. Where no appropriation is adopted, payments of interfund borrowings (or payment of loans to other funds), though recorded as a component of other financing uses, are not treated as budgetary

## Notes to the Basic Financial Statements

transactions and are excluded in the separate budget and actual statements.

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is used in the Governmental Funds, except for certain Special Revenue and Capital Projects Funds whose assets are managed by a third-party trustee. Encumbrance balances will be included within restricted, committed or assigned fund balance based on the source of the constraints as described in Note 1E.14 and 5C. These commitments will be honored in the subsequent year carryforward appropriations.

### **B. Reconciliation of Operations on Budgetary Basis to the GAAP Basis**

The actual results of operations on a budgetary basis compared to the appropriations adopted by the City Council for budgeted major governmental funds are included in the fund financial statements. The comparisons of actual results with the budget for nonmajor funds are presented as supplemental information in the combining schedules.

Because accounting principles applied for purposes of developing data on a budgetary basis differ from those used to present financial information in accordance with GAAP, a reconciliation of the resultant basis and perspective differences on operations for the fiscal year ended June 30, 2022 is presented in the following pages for the City's budgeted major fund. The dollar amounts are expressed in thousands.

<u>General Fund</u>		
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses - Budgetary Basis	\$	468,274
<b>Basis Differences</b>		
Adjustment for net changes to accrued assets and liabilities. The GAAP basis operating statement recognizes revenues as soon as they are both measurable and available, and expenditures generally are recorded when liability is incurred and is due and payable; whereas, the budgetary basis operating statement reflects revenue when received and expenditures when paid.	(24,153)	
Interfund borrowings are recorded in the debtor fund as an other financing source "Loans from Other Funds" and in the creditor fund as an other financing use "Loans to Other Funds" (Budgetary) as opposed to "Due to Other Funds" in the debtor fund and "Due from Other Funds" in the creditor fund (GAAP).	24,458	
Encumbrances, which represent commitments to acquire goods and services, are recorded as the equivalent of expenditures in the budget year incurred (budgetary), as opposed to a reservation of fund balance (GAAP).		
Encumbrances reported as budgetary expenditures	509,434	
Prior year encumbrances expended in current year	(327,864)	
<b>Perspective Difference</b>		
For purposes of the budget, the General Fund is a legal entity that is separate and distinct from the Reserve Fund and other accounts that are classified to have General Fund activity for GAAP purposes.	(385,645)	
<b>Additional Budgeted Funds included as General category but Reported in Nonmajor Special Revenue Funds</b>		
Department of Neighborhood Empowerment	91	
City Ethics Commission	118	
Accessible Housing Fund	9,004	
<b>Net Change in Fund Balance - GAAP Basis</b>	<u>\$</u>	<u>273,717</u>

# Annual Comprehensive Financial Report

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## Notes to the Basic Financial Statements

### C. Deficit Fund Balance

The Workforce Innovation Opportunity Act Fund (WIOA) reported a deficit fund balance of \$2.4 million mainly from timing differences in the receipt of grant funds and front funding by the City of expenditures for various grant related projects. The WIOA deficit will be paid by future grant receipts from reimbursements of eligible government expenditures that have been incurred or transfer from other special revenue funds.

**NOTE 4. DETAILED NOTES ON ALL FUNDS**

**A. Cash, Deposits and Investments**

**1. Summary of Cash and Investments**

At June 30, 2022, the summary of cash, pooled, and other investments for governmental activities, business-type activities, and fiduciary funds is as follows (in thousands):

	Governmental Activities	Business-Type Activities	Fiduciary Funds			Total
			Pension and Other Postemployment Benefits Trust	Custodial Funds		
Cash and Pooled Investments	\$ 6,692,032	\$ 5,086,653	\$ 96,448	\$ 25,077	\$ 11,900,210	
Other investments with Escrow and Fiscal Agents	727	103,087	-	-		103,814
Restricted Assets						
Cash and Pooled Investments	10,572	2,549,589	-	-		2,560,161
Cash and Investments with Escrow and Fiscal Agents	-	2,726,342	-	-		2,726,342
Investments of Retirement Systems	-	-	69,765,777	-		69,765,777
Total Deposits and Investments	<u>\$ 6,703,331</u>	<u>\$ 10,465,671</u>	<u>\$ 69,862,225</u>	<u>\$ 25,077</u>	<u>\$ 87,056,304</u>	
Cash on hand					\$ 289	
Deposits					33,860	
Investments						
Pooled					14,365,389	
Other					72,656,766	
Total Deposits and Investments					<u>\$ 87,056,304</u>	

**Cash and Pooled Investments Held by the City Treasurer.** The City maintains a cash and investment pool governed by the City's investment policy (the Policy) and established pursuant to the California Government Code. Each fund's portion of this pool is displayed on the accompanying governmental fund balance sheets, proprietary fund and fiduciary fund statements of net position as "Cash and Pooled Investments" and "Restricted Assets".

**Other Investments.** The City has investments outside the City Treasurer that are invested pursuant to various governing bond covenants and California Government Code provisions.

Other investments consist primarily of deposits and investments with trustees related to the issuance of bonds, contractor agreements and to certain loan programs operated by the City. These investments are pledged for the payment or security of the bonds, and in lieu of retention upon pending satisfactory completion of a contract.

**Restricted Assets.** Assets that is set aside for a particular purpose, primarily to satisfy regulatory or contractual requirements.

**Investments of Retirement Systems.** LACERS, Pensions and DWP Plans (Retirement Systems) funds are invested pursuant to the Los Angeles City Charter and the Retirement Systems' investment policies established by the Retirement Systems' Boards as required by Article XI Section 1106(d) of the City Charter. The Retirement Systems' Boards adopted asset allocation policies on the types of investments to ensure a diversified portfolio. The objective of each investment policy is to maximize the expected return of the funds at an agreed upon level of risk.

**Investment Risk.** The investments are subject to certain types of risk:

**Interest Rate Risk.** The risk that changes in interest rate will adversely affect the fair value of an investment.

**Credit Risk.** The risk that an issuer or other counterparty to an investment will not fulfill its obligations.

**Concentration of Credit Risk.** The risk of loss attributed to the magnitude of a government's investment in a single issuer.

## Notes to the Basic Financial Statements

Custodial Credit Risk. For deposits, custodial credit risk is the risk that, in the event of the failure of a depository financial institution, the City will not be able to recover deposits or collateral securities from an outside party. For investments, custodial credit risk is the risk that, in the event of the failure of the counterparty to a transaction, the City will not be able to recover the value of investment or collateral securities from an outside party.

Foreign Currency Risk. The risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit.

These risks are addressed separately for the investments related to governmental and business-type activities and those related to the Retirement Systems.

### 2. Deposits

At June 30, 2022, the book balance of the City's deposits was \$33.9 million and the balance per various financial institutions was \$33.8 million. The difference of \$0.1 million represents primarily deposits in transit and other reconciling items. Of the bank balance, \$11.5 million was covered by Federal Deposit Insurance Corporation (FDIC) and \$22.3 million was uninsured. The uninsured deposits of \$22.3 million are held by financial institutions that are legally required by the California Government Code Section 53630 to collateralize the City's deposits by pledging certain eligible securities with a fair value of at least 110% of the City's deposits. The collateral is held by a third-party agent of the bank separate from the depository institution.

The City has a daylight overdraft facility with a bank that maintains the City's operating account, which may be used to facilitate intra-day transfers between City accounts. Any overdraft in the City's account, including any charges, must be repaid immediately without demand, except when the City and the bank agree otherwise or when the bank advises otherwise in writing.

### 3. Pooled Investments

The cash balances of substantially all funds on deposit in the City Treasury are pooled and invested by the City Treasurer for the purpose of maximizing interest earnings through pooled investment activities, but safety and liquidity still take precedence over return. Investments in special investment pools will be managed in accordance with the respective pool's policy, if no policy exists, investments must comply with the California State Government Code Sections 53600-53635 et seq. Special pool participants include the City, Airports, Power, Water, Harbor, Sewer, and MICLA. Interest earned on pooled investments is allocated to and recorded in certain participating funds, as authorized by the Council and permitted by the City Charter and the California Government Code, based on each fund's average daily deposit balance. Unless allocation provisions are specifically stipulated in City ordinance, Council action, or funding source, interest earned on certain funds are allocated to and recorded in the General Fund. The City measures and categorizes its investments using fair value measurement guidelines established by generally accepted accounting principles.

Pursuant to California Government Code Section 53607 (State Code) and the Council File No. 94-2160, the City Treasury shall render to the Council a statement of investment policy (the Policy) annually. Council File No. 11-1740 was adopted on December 2, 2020, as the City's investment policy. This Policy shall remain in effect until the Council and the Mayor approve a subsequent revision-as of June 30, 2022, Council File No. 21-1494 (the subsequent revision) was still pending in Committee. The Policy governs the City's pooled investment practices. The Policy addresses soundness of financial institutions in which the City Treasurer will deposit funds and types of investment instruments permitted by California Government Code Sections 53600-53638, 16340 and 16429.1. The City Treasury further reports that the current policy allows for the purchase of investments with maturities up to thirty (30) years.

# Annual Comprehensive Financial Report

## Notes to the Basic Financial Statements

At June 30, 2022, the investments held in the City Treasury's General and Special Investment Pool Programs and their maturities are as follows (in thousands):

Type of Investments	Amount	Investment Maturity				
		1 to 30 Days	31 to 60 Days	61 to 365 Days	366 Days to 5 Years	Over 5 Years
U.S. Treasury Bills	\$ 14,999	\$ 14,999	\$ -	\$ -	\$ -	\$ -
U.S. Treasury Notes	8,540,010	\$ -	120,034	1,337,215	4,793,230	2,289,531
U.S. Agencies Securities	940,704	233,144	\$ -	243,534	343,285	120,741
Medium-Term Notes	1,449,096	\$ -	29,988	186,249	1,232,859	-
Commercial Paper	2,375,926	980,498	389,077	1,006,351	-	-
Negotiable Certificates of Deposit	42,000	\$ -	\$ -	42,000	-	-
Asset-Backed Securities	257,187	\$ -	\$ -	\$ -	257,187	-
Supranational Obligations	277,748	48,006	33,243	19,987	176,512	-
Short-Term Investment Funds	277,041	277,041	\$ -	\$ -	\$ -	-
Securities Lending Short-Term Repurchase Agreements	190,678	190,678	\$ -	\$ -	\$ -	-
Total General and Special Pools	<u>\$ 14,365,389</u>	<u>\$ 1,744,366</u>	<u>\$ 572,342</u>	<u>\$ 2,835,336</u>	<u>\$ 6,803,073</u>	<u>\$ 2,410,272</u>

#### 4. Fair Value Measurements

The City measures and categorizes its investments using fair value measurement guidelines established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset or liability. The levels of valuation inputs are as follows:

Level 1 - Quoted prices for identical assets or liabilities in an active market

Level 2 - Observable inputs other than quoted market prices

Level 3 - Unobservable inputs

At June 30, 2022, the fair value hierarchy of the City's General and Special Pool investments are as follows (in thousands):

Investments	Amount	Fair Value Measurements Using	
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Investments Subject to Fair Value Hierarchy			
U.S. Treasury Notes	\$ 8,540,010	\$ 100,547	\$ 8,439,463
U.S. Agencies Securities	513,998	-	513,998
Medium-Term Notes	1,449,096	-	1,449,096
Asset-Backed Securities	257,187	-	257,187
Supranational Obligations	196,498	-	196,498
Total Investments Subject to Fair Value Hierarchy	<u>\$ 10,956,789</u>	<u>\$ 100,547</u>	<u>\$ 10,856,242</u>
Investments Not Subject to Fair Value Hierarchy			
Short-Term Investment Funds *	\$ 277,041		
U.S. Treasury Bills *	14,999		
U.S. Agencies Securities *	426,706		
Commercial Paper *	2,375,926		
Supranational Obligations*	81,250		
Negotiable Certificates of Deposit*	42,000		
Securities Lending Short-Term Repurchase Agreement **	190,678		
Total Investments not Subject to Fair Value Hierarchy	<u>\$ 3,408,600</u>		
Total Investments	<u>\$ 14,365,389</u>		

\* These investments are recorded at amortized cost and have remaining maturities of one year or less at the time of purchase.

\*\* These investments are recorded based on the cash collateral received and reinvested in repurchase agreements.

## Notes to the Basic Financial Statements

Investments classified in Level 1 of the fair value hierarchy, valued at \$100.5 million, are valued using observable unadjusted quoted prices in an active market.

Investments classified in Level 2, totaling \$10.9 billion, are valued using matrix pricing obtained from various pricing sources by our custodian bank. At the time of purchase, securities are automatically assigned a primary pricing source, that are used in the portfolio valuation report which are evaluated based on market inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers, and reference data.

*Interest Rate Risk.* The Policy limits the maturity of its investments to thirty years for the U.S. Treasury and U.S. Agency obligations; five years for medium-term notes, CD placement service, negotiable certificates of deposit, collateralized bank deposits, mortgage-backed and asset-backed securities, and supranational obligations; one year for repurchase agreements; 270 days for commercial paper; 92 days for reverse repurchase and securities lending agreements; and no maturity for mutual funds. The Policy also allows City funds with longer-term investments horizons, to be invested in securities that at the time of the investment have a term remaining to maturity in excess of five years, but with a maximum final maturity of thirty years.

*Credit Risk.* The Policy establishes minimum credit rating requirements for investments. There are no credit quality requirements for Local Agency Bonds, U.S. Treasury Obligations, State of California Obligations, California Local Agency Obligations, and U.S. Agency (U.S. government sponsored enterprises) Obligations. The City's \$940.7 million investments in U.S. government sponsored enterprises consist of securities issued by the Federal Home Loan Bank - \$456.5 million, Federal National Mortgage Association (Fannie Mae) - \$303.8 million, Federal Home Loan Mortgage Corporation (Freddie Mac) - \$14.4 million, Federal Farm Credit Bank - \$148.1 million, and Tennessee Valley Authority - \$17.9 million. Of the City's \$940.7 million investments in U.S. Agencies securities, \$514.0 million were rated AA+ by S&P and Aaa by Moody's while the remaining \$426.7 million from discount notes were rated A-1+ by S&P and P-1 by Moody's .

Medium-term notes must have at least an A rating at the time of purchase. The City's investment in medium-term notes of \$1.4 billion were rated A3 or better by Moody's. Of this amount, \$1.3 billion were A or better with only \$0.1 billion rated at BBB+ by S&P as of June 30, 2022.

Commercial paper must be issued by corporations organized and operating within the U.S., have assets in excess of \$500 million, and debt other than commercial paper must be in a rating category of A or its equivalent or higher by a nationally recognized statistical rating organization (NRSRO), or the issuing corporation must be organized within the United States as a special purpose corporation, trust, or LLC, have program wide credit enhancements, and have commercial paper that is rated A-1 or higher, or the equivalent, by a NRSRO. The City's investments in commercial paper of \$2.4 billion were rated P-1 by Moody's of which \$1.9 billion were rated A-1+/A-1 by S&P and \$0.5 billion were not rated .

Mutual funds must receive the highest ranking by not less than two NRSROs. The City did not have any investments in mutual funds as of June 30, 2022.

Municipal bonds have no minimum rating requirement. The City did not have any investments in Municipal bonds as of June 30, 2022.

Supranational obligations must have a minimum of AA rating or better. The City's \$196.5 million investments in supranational obligations were rated AAA by S&P and Aaa by Moody's. The City also had investments in supranational obligation discount notes rated at A-1+ by S&P and P-1 by Moody's.

Investments in asset-backed securities of \$41.8 million were rated AAA by S&P and Aaa by Moody's, \$142.8 million were rated AAA by S&P not rated by Moody's, and the remaining \$72.6 million were not rated by S&P but were rated Aaa by Moody's.

*Concentration of Credit Risk.* The Policy does not allow more than 40% of its investment portfolio be invested in commercial paper, 30% in negotiable certificates of deposit, medium-term notes and supranational obligations, 20% in money market mutual funds, mortgage-backed and asset-backed

## Notes to the Basic Financial Statements

securities, reverse repurchase and securities lending agreements. The Policy further provides for a maximum concentration limit of 10% in any one issuer including its related entities. There is no percentage limitation on the amounts that can be invested in U.S. Treasury and U.S. Agency obligations. The City's pooled investments comply with these requirements. GAAP requires disclosure of certain investments in any one issuer that represent 5% or more of total investments. Of the City's total pooled investments as of June 30, 2022, there were no investments in any one issuer exceeding the 5% threshold.

The following table identifies the investment types that are authorized by the Policy as of June 30, 2022:

Investment Type	Maximum Maturity	Maximum Specified % of Portfolio	Minimum Credit Quality Requirements
Local Agency Bonds	5 Years	None	None
U.S. Treasury Obligations	30 Years	None	None
State Obligations	5 Years	None	None
CA Local Agency Obligations	5 Years	None	None
U.S. Agency Obligations	30 Years	None	None
Commercial Paper	270-Days	40% <sup>A</sup>	A1/P1 <sup>B</sup>
Negotiable Certificates of Deposit	5 Years	30% <sup>C</sup>	None
Placement Service Deposits	5 Years	30% <sup>D</sup>	None
Placement Service Certificates of Deposit	5 Years	30% <sup>D</sup>	None
Repurchase Agreements	1 Year	None	None
Reverse Repo/Securities Lending Agreements	92-Days	20%	None <sup>E</sup>
Medium-Term Notes	5 Years	30%	A> <sup>F</sup>
Money Market and Mutual Funds	N/A	20% <sup>G</sup>	Multiple <sup>H, I</sup>
Collateralized Bank Deposits <sup>J</sup>	5 Years or less	None	None
Mortgage Pass-through and Asset-Backed Securities	5 Years or less	20%	A>
Voluntary Investment Program Fund <sup>K</sup>	N/A	None	None
Supranational Obligations <sup>L</sup>	5 Years or less	30%	AA>
Local Agency Investment Fund (LAIF)	N/A	None	None

Other restrictions on investments are summarized as follows:

- <sup>A</sup> No more than 40 percent of the Local Agency's money may be invested in eligible commercial paper. Notwithstanding section 53601, the City of Los Angeles shall be subject to the concentration limits of this section for counties and for cities and counties in eligible commercial paper.
- <sup>B</sup> Issuing corporation must be organized and operating within the United States, have assets in excess of \$500 million, and debt other than commercial paper must be in a rating category of A or its equivalent or higher by a nationally recognized statistical rating organization, or the issuing corporation must be organized within the United States as a special purpose corporation, trust, or LLC, have program wide credit enhancements, and have commercial paper that is rated A-1 or higher, or the equivalent, by a nationally recognized statistical rating agency.
- <sup>C</sup> No more 30 percent of the agency's money may be in negotiable certificates of deposit that are authorized under Section 53601(i).
- <sup>D</sup> No more than 30 percent of the agency's money may be invested in deposits, including certificates of deposit, through a placement service (excludes negotiable certificates of deposit authorized under Section 53601(i)).
- <sup>E</sup> Reverse repurchase agreements must be made with primary dealers of the Federal Reserve Bank of New York or with a nationally or state chartered bank that has a significant relationship with the local agency. The local agency must have held the securities used for the agreements for at least 30 days.
- <sup>F</sup> Medium-term notes are defined in Section 53601 as "all corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States."

## Notes to the Basic Financial Statements

- G No more than 10 percent invested in any one mutual fund. This limitation does not apply to money market mutual funds.
- H A mutual fund must receive the highest ranking by not less than two nationally recognized rating agencies or the fund must retain an investment advisor who is registered with the SEC (or exempt from registration), has assets under management in excess of \$500 million, and has at least five years' experience investing in instruments authorized by Section 53601 and 53635.
- I A money market mutual fund must receive the highest ranking recognized statistical rating organizations or retain an investment advisor registered with the SEC or exempt from registration and who has not less than five years' experience investing in money market instruments with assets under management in excess of \$500 million.
- J Investments in notes, bonds, or other obligation under Section 53601(n) require that collateral be placed into the custody of a trust company or the trust department of a bank that is not affiliated with the issuer of the secured obligation, among other specific collateral requirements.
- K Local entities can deposit between \$200 million and \$10 billion into the Voluntary Investment Program Fund, upon approval by their governing bodies. Deposits in the fund will be invested in the Pooled Money Investment Account.
- L Only those obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development (IBRD), International Finance Corporation (IFC), and Inter-American Development Bank (IADB), with a maximum remaining maturity of five years or less.

*General Investment Pool Securities Lending Program.* Securities lending is permitted and limited under provisions of California Government Code Section 53601. The Council approved the Securities Lending Program (the SLP) on October 22, 1991 under Council File No. 91-1860, which complies with the California Government Code. The objectives of the SLP in priority order are safety of loaned securities and prudent investment of cash collateral to enhance revenue from the investment program. The SLP is governed by a separate policy and guidelines.

The City's custodial bank acts as the securities lending agent. In the event a counterparty defaults by reason of an act of insolvency, the bank shall take all actions, which it deems necessary or appropriate to liquidate permitted investment and collateral in connection with such transaction, and shall make a reasonable effort for two business days (Replacement Period) to apply the proceeds thereof to the purchase of securities identical to the loaned securities not returned. If during the Replacement Period the collateral liquidation proceeds are insufficient to replace any of the loaned securities not returned, the bank shall, subject to payment by the City of the amount of any losses on any permitted investments, pay such additional amounts as necessary to make such replacement.

Under the provisions of the SLP, and in accordance with the California Government Code, no more than 20% of the fair value of the General Investment Pool (the Pool) is available for lending. The City loans out U.S. Treasury Notes, U.S. Agencies Securities, and Medium-Term Notes. The City receives cash as collateral on the loaned securities, which is reinvested in securities permitted under the Policy. In addition, the City receives securities as collateral on loaned securities, which the City has no ability to pledge or sell without borrower default. In accordance with the California Government Code, the securities lending agent marks to market the value of both the collateral and the reinvestments daily. Except for open loans where either party can terminate a lending contract on demand, term loans have a maximum life of 92 days. Earnings from securities lending accrue to the Pool and are allocated on a pro-rata basis to all Pool participants.

During fiscal year 2022, collateralizations on all loaned securities were compliant with the required 102% of the fair value. The City can sell collateral securities only in the event of borrower default. The lending agent provides indemnification for borrower default. There were no violations of legal or contractual provisions and no borrower or lending agent default losses during the fiscal year. There was no credit risk exposure to the City because the amounts owed to the borrowers exceeded the amounts borrowed. Loaned securities are held by the City's agents in the City's name and are not subject to custodial credit risk.

## Notes to the Basic Financial Statements

The following table provides information on securities lent and collateral received as of June 30, 2022 (in thousands):

Type of Investments Lent		
For Cash Collateral		
U.S. Treasury Notes	\$	110,981
U.S. Agencies Securities		19,583
Medium-Term Notes		<u>56,531</u>
Total Cash Collateral		187,095
For Non-Cash Collateral		
U.S. Treasury Notes		933,246
U.S. Agencies Securities		12,027
Medium-Term Notes		<u>7,496</u>
Total Non-Cash Collateral		<u>952,769</u>
Total Fair Value of Securities Lent	\$	<u>1,139,864</u>
Type of Collateral Received		
Cash Collateral *	\$	190,677
Non-Cash Collateral **		
For Lent U.S. Treasury Notes, U.S. Agencies Securities and Medium-Term Notes		<u>971,366</u>
Total Collateral Received	\$	<u>1,162,043</u>

\* Amount represents cash collateral received and reinvested in repurchase agreements that have the mark-to-market value of the cash collateral pool at 102% for the liquidity of the portfolio and 100% for the duration portfolio for fiscal year 2022.

\*\* The City has no ability to pledge or sell collateral securities without borrower default.

### 5. Other Investments

Other deposits and investments maintained outside the City Treasury are invested pursuant to policies adopted by the boards of commissioners of the City's pension systems and Water and Power, governing bond covenants or California Government Code provisions. Investments made under these provisions are reported as follows:

- Investments are stated at fair value.
- Pensions and other postemployment benefits investments are reported in accordance with generally accepted accounting principles.
- Real estate investments are recorded in the financial statements under the equity method, and are carried at fair value as determined by real estate fund managers based on a periodic appraisals, and reports of investment advisors.
- The fair value of real estate investments was determined using a practical expedient based on the investments' net asset values per share or its equivalent.
- Investments denominated in foreign currencies are translated to the U.S. dollar at the rate of exchange in effect at the statement of fiduciary net position date, with resulting gains and losses recorded in the statement of changes in fiduciary net position.
- The fair value of alternative investments is estimated based on audited financial statements provided by the individual fund managers, which are based on the net asset value.
- Mortgages are valued on the basis of future principal and interest payments, and are discounted at prevailing interest rates for similar investments.

# Annual Comprehensive Financial Report

## Notes to the Basic Financial Statements

The City's other investments as of June 30, 2022 are as follows (in thousands):

DWP	\$ 809,304
Pensions	29,436,522
LACERS	21,000,984
DWP Plans	19,328,271
Others	2,081,685
Total	<u>\$ 72,656,766</u>

### Department of Water and Power (DWP)

The City Charter grants the Board of Water and Power Commissioners control over the investments of all financial assets of DWP.

At June 30, 2022, the investments of DWP outside of the City's investment pool programs and their maturities are as follows (in thousands):

Type of Investments	Amount*	Investment Maturities				
		1 to 30 Days	31 to 60 Days	61 to 365 Days	366 Days to 5 Years	Over 5 Years
U.S. Government Securities	\$ 58,033	\$ -	\$ 1,000	\$ 19,992	\$ 27,978	\$ 9,063
U.S. Agencies Securities	201,717	11,154	-	49,125	126,705	14,733
Supranationals	43,945	-	-	21,921	22,024	-
Medium-Term Notes	129,150	4	6,451	43,573	79,122	-
Commercial Paper	22,303	8,496	998	12,809	-	-
Negotiable Certificates of Deposit	47,949	6,174	-	41,775	-	-
California Local Agency Bonds	111,254	5,200	21,036	14,877	70,141	-
California State Bonds	12,544	-	-	9,061	3,483	-
Other State Bonds	52,357	7,150	495	18,145	26,567	-
Money Market Funds	29,306	29,306	-	-	-	-
Total	<u>\$ 708,558</u>	<u>\$ 67,484</u>	<u>\$ 29,980</u>	<u>\$ 231,278</u>	<u>\$ 356,020</u>	<u>\$ 23,796</u>

\*Excluded investment derivative instruments of \$100.7 million.

DWP holds investment derivative instruments that are measured at fair value in the amount of \$100.7 million on a recurring basis. Because investing is not a core part of the DWP's mission, DWP determines that the disclosures related to these investments only need to be disaggregated by major type. DWP categorizes its fair value measurements within the fair value hierarchy established by U.S. generally accepted accounting principles. More detailed information on the Power Derivative Instruments can be found in Note 4N of the Notes to the Basic Financial Statements.

# Annual Comprehensive Financial Report

## Notes to the Basic Financial Statements

At June 30, 2022, DWP's summary of the fair value hierarchy of investments are as follows (in thousands):

	Amount*	Fair Value Measurements Using				
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)		
						Not Classified
<b>Investments by Fair Value Level</b>						
Debt Securities						
U.S. Government Securities	\$ 58,033	\$ 58,033	-		- \$	-
U.S. Agencies Securities	201,717	-	201,717		-	-
Supranationals	43,945	-	43,945		-	-
Medium-Term Notes	129,150	-	129,150		-	-
California Local Agency Bonds	111,254	-	111,254		-	-
California State Bonds	12,544	-	12,544		-	-
Other State Bonds	52,357	-	52,357		-	-
Total Debt Securities	<u>609,000</u>	<u>58,033</u>	<u>550,967</u>		-	-
Other						
Commercial Paper	22,303	-	22,303		-	-
Negotiable Certificates of Deposit	47,949	-	47,949		-	-
Money Market Funds	29,306	-	-		29,306	
Total Other	<u>99,558</u>	<u>-</u>	<u>70,252</u>		-	29,306
Total Investments by Fair Value Level	<u>\$ 708,558</u>	<u>\$ 58,033</u>	<u>\$ 621,219</u>		- \$	<u>\$ 29,306</u>

\*Excluded investment derivative instruments of \$100.7 million.

Debt and other securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities classified in Level 2 of the fair value hierarchy are valued using a multidimensional relationship model or matrix pricing model utilizing market data including, but not limited to, benchmark yields, reported trades, and broker-dealer quotes. Money market funds with maturity dates of one year or less from the statement of net position and thus are recorded at amortized cost and not required to be classified.

*Interest Rate Risk.* DWP's investment policy limits the maturity of its investments to a maximum of 30 years for U.S. Government and U.S. Agencies securities; 5 years for supranational securities, medium-term corporate notes, municipal bonds, California local agency obligations, California State obligations, and other state obligations; 270 days for commercial paper; 397 days for certificates of deposit; and 180 days for bankers acceptances.

*Credit Risk.* Under its investment policy and the California Government Code, DWP is subject to the prudent investor standard of care in managing all aspects of its portfolios. The prudent investor standard requires that DWP "shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and in familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency."

The U.S. government securities in the portfolio consist of securities issued by or explicitly guaranteed by the U.S. government. All of the U.S. government securities in the portfolio, \$58.0 million as of June 30, 2022 carried the highest or second highest credit ratings of the Nationally Recognized Statistical Rating Organizations (NRSROs) that rated them.

The U.S. Agencies securities in the portfolio consist of securities issued by government-sponsored enterprises, which are not explicitly guaranteed by the U.S. government. As of June 30, 2022, \$191.4 million (94.9%) was rated with AAA or AA credit ratings by the NRSROs that rated them and \$10.3 million (5.1%) was not rated.

## Notes to the Basic Financial Statements

DWP's investment policy specifies that supranational notes must be rated AA or its equivalent or better by an NRSRO upon purchase. As of June 30, 2022, all of the DWP's investments in supranational notes were rated with the highest possible credit ratings by each of the NRSROs.

DWP's investment policy specifies that medium-term corporate notes must be rated in a rating category of A or its equivalent or better by a NRSRO upon purchase. Of DWP's investments in corporate notes as of June 30, 2022, \$13.7 million (10.7%) was rated in the category of AAA, \$31.2 million (24.1%) was rated in the category of AA, \$84.2 million (65.2%) was rated in the category of A by at least one NRSRO.

DWP's investment policy specifies that commercial paper must be of the highest ranking or of the highest letter and number rating as provided for by at least two NRSROs. As of June 30, 2022, all of the DWP's investments in commercial paper were rated with at least the highest letter and number rating as provided by at least two NRSROs.

DWP's investment policy provides that negotiable certificates of deposit must be of the highest ranking or letter and number rating as provided for by at least two NRSROs and that for non-negotiable certificates of deposit, the full amount of principal and interest is insured by the Federal Deposit Insurance Corporation (FDIC) or National Credit Union Administration. As of June 30, 2022, DWP's investments in certificates of deposits included \$47.9 million of negotiable certificates of deposit with at least the highest letter and number rating as provided by at least two NRSROs.

DWP's investment policy specifies that bankers acceptances must be of the highest ranking or letter and number rating as provided for by at least two NRSROs. As of June 30, 2022, there were no investments in bankers acceptances. all of DWP's investments in bankers acceptances were rated with at least the highest letter and number rating as provided by at least two NRSROs.

DWP's investment policy specifies that California Local Agency bonds, which include municipal commercial paper, must be rated in a rating category of A or its equivalent or better by a NRSRO. Of DWP's investments in California Local Agency bonds as of June 30, 2022, \$14.2 million (12.7%) was rated in the category of AAA; \$92.1 million (82.8%) was rated in the category of AA and \$5.0 million (4.5%) was rated in the category of A or the equivalent or better rating by at least one NRSRO.

DWP's investment policy specifies that California State bonds must be rated in a rating category of A or its equivalent or better by a NRSRO. Of DWP's investments in California State bonds as of June 30, 2022, \$2.9 million (23.0%) was rated in the category of AAA, \$8.1 million (64.9%) was rated in the category of AA, \$1.5 million (12.1%) was rated in the category of A or the equivalent or better short-term rating by at least one NRSRO.

DWP's investment policy specifies that obligations of other states in addition to California must be rated in a rating category of A or its equivalent or better by a NRSRO. Of DWP's investments in other state obligations as of June 30, 2022, \$15.2 million (29.0%) was rated in the category of AAA, \$28.4 million (54.2%) was rated in the category of AA, \$8.8 million (16.8%) was rated in the category of A or the equivalent or better short-term rating by at least one NRSRO.

DWP's investment policy specifies that money market funds may be purchased as allowed under the California Government Code, which requires that the fund must have either (1) attained the highest ranking or highest letter and numerical rating provided by not less than two NRSROs or (2) retained an investment advisor registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience in managing money market mutual funds with assets under management in excess of \$500.0 million. As of June 30, 2022, each of the money market funds in the portfolio had the highest possible ratings by at least two NRSROs.

**Concentration of Credit Risk:** DWP's investment policy specifies that there is no percentage limitation on the amount that can be invested in U.S. government agencies securities, except that a maximum of 30% of the cost value of the portfolio may be invested in the securities of any single U.S. government agency issuer. Included within DWP's total investments as of June 30, 2022, \$57.5 million (8.1%) was invested in securities issued by the Federal Farm Credit Bank, \$45.0 million (6.4%) was invested in securities issued by the Federal Home Loan Mortgage Corporation, \$63.2 million (8.9%) was invested in securities issued by the Federal Home Loan Bank, \$25.6 (3.6%) million was invested in securities

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## Notes to the Basic Financial Statements

issued by the Federal National Mortgage Association, and \$10.4 million (3.6%) was invested in securities issued by the Federal Agricultural Mortgage Corporation.

### Fire and Police Pension and Health Subsidy Plans (Pensions)

At June 30, 2022, the Pensions' investments are as follows (in thousands):

Investment Type	Health Subsidy		
	Pensions Plan	Plan	Total
Short-Term Investments	\$ 822,596	\$ 88,160	\$ 910,756
U.S. Government Obligations	2,774,048	297,301	3,071,349
Domestic Corporate Bonds	2,181,686	233,817	2,415,503
International Bonds	48,347	5,181	53,528
Domestic Stocks	8,729,791	935,592	9,665,383
International Stocks	4,343,927	465,549	4,809,476
Real Estate	1,945,509	208,505	2,154,014
Alternative Investments	4,517,483	484,150	5,001,633
Security Lending Collateral	1,223,730	131,150	1,354,880
Total	<u>\$ 26,587,117</u>	<u>\$ 2,849,405</u>	<u>\$ 29,436,522</u>

At June 30, 2022, Pensions has the following recurring fair value measurements (in thousands):

Investments by Fair Value Level	Fair Value Measurements Using			
	Amount	Quoted Prices for Identical Assets or Liabilities in an Active Market (Level 1)	Observable Inputs Other than Quoted Market Prices (Level 2)	Unobservable Inputs (Level 3)
Debt Securities				
U.S. Treasuries	\$ 2,453,839	\$ -	\$ 2,453,839	\$ -
U.S. Agencies	530,433	-	530,433	-
Municipal/Provincial Bonds	14,157	-	14,157	-
Collateralized Debt Obligations	444,046	-	442,249	1,797
Commercial Paper	36,919	-	36,919	-
Corporate Bonds	2,012,315	-	2,012,315	-
Total Debt Securities	<u>5,491,709</u>	<u>-</u>	<u>5,489,912</u>	<u>1,797</u>
Equity Securities				
Common Stock	14,372,403	14,354,604	2,125	15,674
Preferred Stock	102,228	98,711	-	3,517
Other	228	25	-	203
Total Equity Securities	<u>14,474,859</u>	<u>14,453,340</u>	<u>2,125</u>	<u>19,394</u>
Real Estate	<u>794,699</u>	<u>191,939</u>	<u>-</u>	<u>602,760</u>
Derivatives	<u>(18,387)</u>	<u>415</u>	<u>(18,802)</u>	<u>-</u>
Total Investments by Fair Value Level	<u>\$ 20,742,880</u>	<u>\$ 14,645,694</u>	<u>\$ 5,473,235</u>	<u>\$ 623,951</u>
Investments Measured at the Net Asset Value (NAV)				
Private Equity Partnerships	\$ 4,944,864			
Real Estate	1,359,315			
Hedge Funds	75,156			
Corporate Debt Securities	48,671			
Total Investments Measured at NAV	<u>\$ 6,428,006</u>			

Equity securities classified in Level 1 are valued using prices quoted in active markets for those securities. Debt and equity securities such as U.S. Treasuries, U.S. Agencies, municipal bonds, collateralized debt obligations, commercial paper, corporate bonds and other equity securities are classified in Level 2. They are valued using quoted prices for identical securities in markets that are not active. The value prices observed used market-based inputs.

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## Notes to the Basic Financial Statements

Debt securities, namely collateralized debt obligations and corporate bonds, classified in Level 3 are valued using unobservable inputs which can be extrapolated data, proprietary models or indicative quotes. Other equity securities classified in Level 3 are valued using uncorroborated indicative quotes.

Real estate corporate accounts investments are valued based on an independent appraisal or other methods using various techniques including models. Real estate corporate accounts are scheduled for independent appraisal on a rolling 3-year period.

Pensions' investments such as private equity partnerships, commingled real estate funds, hedge funds, asset/mortgage-backed security funds and commercial mortgages are valued using the net asset value (NAV). Real estate pooled investments are valued based on an independent appraisal or other methods using various techniques including models. Hedge funds generally do not have readily obtainable fair values and take the form of limited partnerships. Valuation is either based on the partnerships audited financial statements or from the most recently available internal valuation.

Investments measured at the NAV are as follows (in thousands):

Investment Strategy	Fair Value	Unfunded Commitments	Redemption Frequency (if currently eligible)	Redemption Notice Period
Private Equity Funds and Partnerships	\$ 4,944,864	\$ 2,450,100	N/A	--
Real Estate <sup>(1)</sup>	1,359,315	725,552	Quarterly	90-179 days
Hedge Funds	75,156	--	Quarterly	90 days
Corporate Debt Securities	48,671	--	Anytime	--
Total Investments Measured at NAV	<u>\$ 6,428,006</u>	<u>\$ 3,175,652</u>		

<sup>(1)</sup> This type of investment includes \$697.9 million of commingled real estate committed and funded that can be redeemed quarterly with 90 to 179 days redemption notice period.

**Interest Rate Risk.** Pensions manages its exposure to interest rate risk by requiring a fixed income investment manager to maintain the effective duration of their portfolio within a specified range of (1) the Bloomberg Barclays US Aggregate Bond Index for core fixed income investments, (2) the Bloomberg Barclays US Government/Credit Long-Term Bond Index for long duration investments, and (3) the B of A ML High Yield Master II Index for high yield investments. The longer the duration, the greater the sensitivity to interest rate changes. Information about the sensitivity of Pensions' investments to interest rate fluctuations is provided in the following table that shows the weighted average effective duration of Pensions' fixed income investments by investment type:

Investment Type	Amount (in thousands)	Weighted Average Maturity (in years)
Asset-Backed Securities	\$ 241,432	10.86
Bank Loans	36,919	4.88
Commercial Mortgage-Backed	173,293	21.13
Corporate Bonds	1,863,157	10.27
Corporate Convertible Bonds	8,154	10.90
Government Agencies Bonds	61,151	7.02
Government Bonds	1,298,560	9.92
Government Mortgage-Backed Securities	497,879	23.48
Government Issued Commercial Mortgage-Backed	3,077	2.93
Index Linked Government Bonds	1,243,780	8.23
Municipal/Provincial Bonds	15,122	33.63
Non-Government Backed Collateralized Mortgage Obligations	50,266	21.94
Sukuk	993	4.94
Asset/Mortgage-Backed Securities/Other Fixed Income Funds	46,597	N/A
<b>Total</b>	<b>\$ 5,540,380</b>	

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## Notes to the Basic Financial Statements

Investments that are highly sensitive to interest rate risk at June 30, 2022 are as follows (in thousands):

Investment Type	Amount
Asset-Backed Securities	\$ 241,432
Commercial Mortgage-Backed	173,293
Government Agencies Bonds	61,151
Government Mortgage-Backed Securities	497,879
Index Linked Government Bonds	1,243,780
Non-Government Backed Collateralized Mortgage Obligations	50,266
Total	<u><u>\$ 2,267,801</u></u>

*Credit Risk.* Pensions seeks to maintain a diversified portfolio of fixed income securities in order to obtain the highest total return at an acceptable level of risk within this asset class. As of June 30, 2022, the quality ratings of Pensions' fixed income investments are as follows:

Credit Rating	Amount (in thousands)	Percentage
AAA	\$ 2,566,540	51.75 %
AA	75,176	1.52
A	506,417	10.21
BBB	703,673	14.19
BB	372,461	7.51
B	252,745	5.10
CCC	44,268	0.89
CC	618	0.01
C	582	0.01
Not Rated	436,862	8.81
<b>Subtotal</b>	<b>4,959,342</b>	<b>100.00 %</b>
U.S. Government Issued or Guaranteed Securities	581,038	
<b>Total Fixed Income Investments</b>	<b>\$ 5,540,380</b>	

*Concentration of Credit Risk.* As of June 30, 2022, Pensions' investment portfolio has no concentration of investments of 5% or more of the total investment portfolio in any one entity except those issued or guaranteed by the U.S. Government.

*Custodial Credit Risk.* For deposits, custodial credit risk is the risk that, in the event of a bank failure, the Pensions' deposits and collateral securities in the possession of an outside party would not be recoverable. Deposits are exposed if they are not insured or are not collateralized. As of June 30, 2022, Pensions' exposure to custodial credit risk comprised of foreign currencies held outside the custodial bank amounted to \$15.9 million.

For investment securities, custodial credit risk is the risk that, in the event of the failure of the counterparty, Pensions will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial credit risk if they are not insured, or are not registered in Pensions' name, and held by the counterparty. As of June 30, 2022, Pensions' investments in publicly traded stocks and bonds were not exposed to custodial risk since they are all held by the custodian and are registered in Pensions' name. As of June 30, 2022, Pensions' sole hedge fund investment of \$75.2 million, private equity of \$4.9 billion and commingled real estate funds of \$1.4 billion were exposed to custodial credit risk.

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## Notes to the Basic Financial Statements

**Foreign Currency Risk.** The Pensions' asset allocation policy sets a target of 21% of the total portfolio for non-U.S. equity investments. The majority of Pensions' currency exposure comes from its holdings of foreign stocks. Pensions' foreign investment holdings, including foreign currencies in temporary investments at June 30, 2022, are as follows (in thousands):

Foreign Currency	Fair Value
Australian Dollar	\$ 150,072
Brazilian Real	146,379
British Pound Sterling	537,497
Canadian Dollar	115,816
Chilean Peso	2,865
Chinese Yuan Renminbi	65
Colombian Peso	1,230
Czech Koruna	4,662
Danish Krone	83,102
Euro	1,234,022
HK Offshore Chinese Yuan Renminbi	75,770
Hong Kong Dollar	520,903
Hungarian Forint	1,407
Indian Rupee	178,707
Indonesian Rupiah	30,934
Japanese Yen	704,017
Kenyan Shilling	3,810
Malaysian Ringgit	11,832
Mexican Peso	80,621
New Israeli Shekel	9,230
New Taiwan Dollar	207,827
New Zealand Dollar	3,283
Norwegian Krone	21,691
Philippine Peso	6,371
Polish Zloty	8,888
Qatari Riyal	10,126
Singapore Dollar	37,688
South African Rand	52,195
South Korean Won	196,834
Swedish Krona	96,557
Swiss Franc	331,868
Thai Baht	24,989
Turkish Lira	4,604
United Arab Emirates Dirham	10,880
Total	<u><u>\$ 4,906,742</u></u>

The foreign currency total comprises foreign stocks, foreign bonds, and currency holdings.

**Money-Weighted Rate of Return.** The money-weighted rate of return expresses investment performance, gross of investment expense, adjusted for the changing amounts actually invested. The annual money-weighted rate of return on Pensions' investments, gross of Pensions' investment expense, for the year ended June 30, 2022 was (7.23)% The source for the rate of return was the June 30, 2022 Monthly Returns Analysis provided by the custodian bank, Northern Trust.

**Securities Lending Transactions.** Pensions has entered into various short-term arrangements with its custodian, whereby investments are loaned to various brokers, as selected by the custodian. The lending arrangements are collateralized by cash, letters of credit, and marketable securities held on the Pensions' behalf by the custodian. These agreements provide for the return of the investments and for a payment of: a) a fee when the collateral is marketable securities or letters of credit, or b) interest earned when the collateral is cash on deposit.

## Notes to the Basic Financial Statements

Upon direction of the Board, the custodian may loan securities to brokers or dealers or other borrowers upon such terms and conditions as it deems advisable. Collateral for the securities on loan will be maintained at a level of at least 102% of their fair value plus any accrued interest for U.S. securities lending and 105% of the fair value plus any accrued interest for non-U.S. securities lending. At year-end, Pensions has no credit risk exposure to borrowers because the amounts Pensions owes the borrowers exceed the amounts the borrowers owe Pensions.

The borrower has all incidents of ownership with respect to the borrowed securities and collateral including the right to vote and transfer or loan borrowed securities to others. Pensions is entitled to receive all distributions, which are made by the issuer of the borrowed securities, directly from the borrower. Under the agreement, the custodian will indemnify Pensions as a result of the custodian's failure to: (1) make a reasonable determination of the creditworthiness of a potential borrower before lending and, during the term of the loan or loans, the borrower files a petition of bankruptcy or similar action, (2) demand adequate collateral, or (3) otherwise maintain the securities lending program in compliance with the Federal Financial Institutions Examinations Council Supervisory Policy on Securities Lending.

These agreements provide the return of the securities and revenue determined by the type of collateral received (from which the custodian's fee is deducted). The securities on loan to brokers are shown at their fair value on Pensions' statement of fiduciary net position.

Cash received as collateral on securities lending transactions is reported as an asset, and the liabilities from these transactions are reported in the statement of fiduciary net position. Pensions cannot pledge or sell non-cash collateral unless the borrower defaults.

As of June 30, 2022, the fair value of securities on loan was \$1.6 billion and the fair value of collateral received was \$1.7 billion. Of the \$1.7 billion collateral received as of June 30, 2022, \$1,354.9 million was cash collateral and \$305.6 million represented the fair value of non-cash collateral. Non-cash collateral, which Pensions does not have the ability to pledge or sell unless the borrower defaults, is not reported in the statement of fiduciary net position.

The following represents the balances relating to the security lending transactions (in thousands):

Fair value of collateral received for loaned securities as of June 30, 2022:

Securities Lent	Cash	Non-Cash	Total Collateral Securities
U.S. Government and Agency Securities	\$ 341,950	\$ 20,605	\$ 362,555
Domestic Corporate Fixed Income Securities	333,799	42,407	376,206
Domestic Equities	584,665	153,147	737,812
International Fixed Income Securities	8,039	-	8,039
International Equities	86,427	89,399	175,826
	<u>\$ 1,354,880</u>	<u>\$ 305,558</u>	<u>\$ 1,660,438</u>

Fair value of loaned securities as of June 30, 2022:

Securities Lent	Cash	Non-Cash	Total Loaned Securities
U.S. Government and Agency Securities	\$ 334,637	\$ 20,083	\$ 354,720
Domestic Corporate Fixed Income Securities	324,739	41,135	365,874
Domestic Equities	564,703	149,053	713,756
International Fixed Income Securities	7,566	-	7,566
International Equities	77,270	80,364	157,634
	<u>\$ 1,308,915</u>	<u>\$ 290,635</u>	<u>\$ 1,599,550</u>

For fiscal year ended June 30, 2022, securities lending income amounted to \$4.7 million, while securities lending expenses amounted to \$0.7 million.

## Notes to the Basic Financial Statements

**Derivative Instruments.** Pensions, through its outside investment managers, holds investments in swaps, options, rights, and warrants and enters into futures and forward foreign currency contracts to manage portfolio risk or use them as substitutes for owning securities. Forward contracts are subject to credit risk if the counterparties to the contracts are unable to meet the terms of the contract. Futures contracts have little credit risk, as organized exchanges are the guarantors. Due to the level of risk associated with derivative investments, it is reasonably possible that changes in the values of these investments will occur in the near term and that such changes could materially affect the amount reported in the financial statements.

The fair values of the futures that are traded on various exchanges are determined by the price on that exchange. Fair values for the currency forward contracts are determined by the exchange rate of the reference currency on the last day of the reporting period. For options, swaps, rights, and warrants pricing would come from the exchange they are traded on if they are exchange traded securities.

They can also trade as over the counter securities and the fair values would then be determined by the value of a reference security or value that would typically be publicly priced. For assets traded over the counter and held at the custodian bank, an independent pricing service is involved in calculating the price of the derivative security using the value of the reference security or reference value.

The fair value balances and notional amounts of derivative instruments outstanding at June 30, 2022, classified by type, and the changes in fair value of such derivative instruments are as follows (in thousands):

Type	Changes in Fair Value		Fair Value at June 30, 2022		Notional Amount
	Classification	Amount	Classification	Amount	
<b>Investment Derivatives:</b>					
Futures - Shorts	N/A	\$ --	Investment	\$ --	\$ (280,769)
Futures - Longs	Investment Loss	(5,811)	Investment	--	130,114
Forwards	Investment Revenue	3,488	Investment	5,778	--
Options	Investment Loss	(244)	Investment	334	--
Rights/Warrants	Investment Loss	(115)	Investment	230	--
Swaps	Investment Loss	(50,860)	Investment	(18,721)	--

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## Notes to the Basic Financial Statements

### Los Angeles City Employees' Retirement and Postemployment Health Care Plans (LACERS)

At June 30, 2022, LACERS' investments are as follows (in thousands):

Investment Type	Retirement Plan	Postemployment Health Care Plan	Total
Short-Term Investments	\$ 354,767	\$ 69,429	\$ 424,196
U.S. Government Obligations	1,563,416	305,966	1,869,382
Municipal Bonds	12,465	2,439	14,904
Domestic Corporate Bonds	767,102	150,125	917,227
International Bonds	805,609	157,661	963,270
Other Fixed Income	667,572	130,646	798,218
Bank Loans	73,571	14,398	87,969
Opportunistic Debts	298,448	58,408	356,856
Domestic Stocks	4,360,654	853,396	5,214,050
International Stocks	3,586,266	701,845	4,288,111
Mortgage-Backed Securities	483,043	94,533	577,576
Government Agencies	9,461	1,852	11,313
Derivative Instruments	(1,047)	(205)	(1,252)
Real Estate	971,126	190,053	1,161,179
Alternative Investments	3,179,716	622,281	3,801,997
Security Lending Collateral	431,535	84,453	515,988
<b>Total</b>	<b>\$ 17,563,704</b>	<b>\$ 3,437,280</b>	<b>\$ 21,000,984</b>

Equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt and equity securities classified in Level 2 or 3 of the fair value hierarchy are valued using a matrix pricing technique based on the availability of the market price, the pricing source and type, and the country of incorporation of the securities. The hierarchy levels are determined based on the level of corroborative information obtained from other market sources to assert that the prices provided represent observable data.

The exchange traded Future Contracts classified in Level 1 of the fair value hierarchy are valued using a daily settlement when available or as a daily mark to market. The Foreign Exchange Contracts (liabilities) classified in Level 2 of the fair value hierarchy are valued using independent pricing services including London Close mid-evaluation, WM/Reuters Company, Bloomberg, and Thomson Reuters.

Real estate funds classified in Level 3 of the fair value hierarchy are valued based on periodic appraisals in accordance with industry practice, or other valuation methods and techniques including models.

LACERS's remaining investments not categorized under the fair value hierarchy, such as private equity partnerships, real estate commingled funds and other investments which do not have a readily determinable fair value have been valued at the Net Asset Value (NAV). NAV is calculated and used as a practical expedient to estimate fair value of LACERS' interest, unless it is probable that all or a portion of the investments will be sold for an amount different from the NAV. As of June 30, 2022, LACERS had no specific plans to sell investments at amounts different from NAV. These investments are disclosed in the Investments Measured at the NAV.

# Annual Comprehensive Financial Report

## Notes to the Basic Financial Statements

LACERS has the following recurring fair value measurements as of June 30, 2022 (in thousands):

	Amount	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)
<b>Investments by Fair Value</b>				
<b>Debt Securities</b>				
Government Bonds	\$ 2,436,382	\$ -	2,436,167	\$ 215
Government Agencies	55,642	-	55,642	-
Municipal/Provincial Bonds	16,078	-	16,078	-
Corporate Bonds	1,267,995	-	1,261,678	6,317
Bank Loans	87,969	-	87,969	-
Mortgage-Backed Securities	577,576	-	577,576	-
Opportunistic Debts	62,264	-	-	62,264
Funds - Fixed Income ETF	1,858	1,858	-	-
<b>Total Debt Securities</b>	<b>4,505,764</b>	<b>1,858</b>	<b>4,435,110</b>	<b>68,796</b>
<b>Equity Securities</b>				
Common Stock				
Basic Industries	1,178,770	1,178,725	29	16
Capital Good Industries	451,754	451,483	4	267
Consumer and Services	2,093,401	2,092,008	112	1,281
Energy	674,879	674,604	-	275
Financial Services	1,348,108	1,347,891	39	178
Health Care	984,124	984,124	-	-
Information Technology	1,435,686	1,435,436	-	250
Real Estate	717,838	717,490	-	348
Other Funds - Common Stock	562,541	-	562,541	-
Miscellaneous	18,186	15,463	68	2,655
<b>Total Common Stock</b>	<b>9,465,287</b>	<b>8,897,224</b>	<b>562,793</b>	<b>5,270</b>
Preferred Stock	27,031	24,254	2,777	-
Stapled Securities	9,503	9,503	-	-
Convertible Equity	340	340	-	-
<b>Total Equity Securities</b>	<b>9,502,161</b>	<b>8,931,321</b>	<b>565,570</b>	<b>5,270</b>
Real Estate Funds	228,900	-	-	228,900
<b>Total Investments by Fair Value Level</b>	<b>14,236,825</b>	<b>\$ 8,933,179</b>	<b>\$ 5,000,680</b>	<b>\$ 302,966</b>
<b>Investments Measured at the Net Asset Value (NAV)</b>				
Common Fund Assets	796,359			
Private Equity Funds	3,801,997			
Real Estate Funds	932,279			
Opportunistic Debts	294,592			
<b>Total Investments Measured at NAV</b>	<b>5,825,227</b>			
<b>Total Investments Measured at Fair Value (1)</b>	<b>\$ 20,062,052</b>			
<b>Investment Derivative Instruments</b>				
Future Contracts (Liabilities)	\$ (273)	\$ (273)	-	\$ -
Foreign Exchange Contracts (Liabilities)	(858)	-	(858)	-
Rights/Warrants/Options/Swaps	(121)	(110)	(19)	8
<b>Total Investment Derivative Instruments</b>	<b>\$ (1,252)</b>	<b>\$ (383)</b>	<b>\$ (877)</b>	<b>8</b>

(1) Excluded \$(1.3) million of investment derivative instruments and \$516.0 million of securities lending collateral.

Investments Measured at NAV (in thousands):

	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Common Fund Assets (1)	\$ 796,359	\$ -	Daily	2 days
Private Equity Funds (2)	3,801,997	1,765,448	N/A	N/A
Real Estate Funds (3)	932,279	50,837	Daily, Quarterly	1-90 days
Opportunistic Debts (4)	294,592	-	Monthly	30 days
<b>Total Investments Measured at NAV</b>	<b>\$ 5,825,227</b>	<b>\$ 1,816,285</b>		

## Notes to the Basic Financial Statements

(1) Common fund assets - This investment type includes one fund that primarily invests in U.S. bonds. The fair value of the investment has been determined using a practical expedient based on the investment's NAV per share (or its equivalent). This investment can be redeemed daily, with a two-day advance redemption notice period.

(2) Private equity funds - This investment type includes 314 closed-end commingled private equity funds that invest primarily in securities of privately held U.S. and non-U.S. companies. The fair values of these investments have been determined using a practical expedient based on the investments' NAV per share (or its equivalent). These investments are not redeemable. It is expected that these investments will be held for the entire lives of the funds and will not be sold in the secondary market. Distributions from each fund will be received as the underlying assets are liquidated by the fund managers. It is expected that the underlying assets of these funds will be liquidated over the next one to 13 years, depending on the vintage year of each fund.

(3) Real estate funds - This investment type includes 22 commingled real estate funds that invest primarily in U.S. commercial real estate. The fair values of these investments have been determined using a practical expedient based on the investments' NAV per share (or its equivalent). Seven investments, representing approximately 83.6% of the value of this investment type, are in open-end funds, which may be redeemed according to terms specific to each fund. Redemptions generally are subject to the funds' available cash and redemption queues. Fifteen investments, representing approximately 16.4% of the value of this investment type, are in closed-end funds and are not redeemable. It is expected that these investments will be held for the entire lives of the funds and will not be sold in the secondary market. Distributions from each fund will be received as underlying assets are liquidated by the fund managers. It is expected that the underlying assets of these funds will be liquidated over the next one to 12 years, depending on the vintage year of each fund.

(4) Opportunistic debts - This investment type includes two commingled funds: one that invests primarily in senior loans of non-investment grade companies (senior loan fund) and another one invests primarily in the securities and obligations of companies experiencing operational or financial distress (distressed investment fund). The fair values of these investments have been determined using a practical expedient based on the investments' NAV per share (or its equivalent). The senior loan fund, representing approximately 94% of the value of this investment type, can be redeemed monthly. The distressed investment fund, representing approximately 6% of the value of this investment type, is being dissolved and is no longer making new underlying investments. Distributions from this fund will be received as underlying investments are liquidated by the fund manager. The fund is being liquidated.

*Interest Rate Risk.* One of the ways LACERS manages its exposure to interest rate risk is by requiring the fixed income investment managers to maintain their portfolio effective duration within a specified range of the BC U.S. High Yield 2% Capped Index, the BC Intermediate Government Credit Index, the BC Aggregate Bond Index, or the J.P. Morgan EMBI Global Diversified Index, depending on the LACERS' Board's mandates. The effective duration is a measure, in years, of interest-rate sensitivity in debt investments. The longer the effective duration, the greater the sensitivity to interest rate changes.

# Annual Comprehensive Financial Report

## Notes to the Basic Financial Statements

Information about the sensitivity of the fair values of LACERS investments to market interest rate fluctuations as of June 30, 2022 is provided by the following table that shows the weighted average effective duration of LACERS fixed income securities by investment type:

Investment Type	Fair Value (in thousands)	Weighted Average Duration (in years)
Asset-Backed Securities	\$ 74,558	3.09
Bank Loans	87,969	(0.04)
Corporate Bonds	1,164,983	5.92
Government Agencies	55,642	7.48
Government Bonds	1,366,280	7.52
Government Mortgage-Backed Securities	577,576	6.98
Index Linked Government Bonds	1,070,101	4.63
Municipal/Provincial Bonds	16,078	5.91
Non-Government Backed Collateralized Mortgage Obligations (C.M.O.s)	28,455	4.94
Opportunistic Debts	356,856	0.30
Other Fixed Income (Funds)	798,217	6.43
Derivative Instruments	(36)	0.00
Total	<u>\$ 5,596,679</u>	

**Credit Risk.** LACERS seeks to maintain a diversified portfolio of fixed income instruments in order to obtain the highest total return for the fund at an acceptable level of risk within this asset class. The credit quality ratings of investments in fixed income securities by S&P Global Ratings (S&P), a nationally-recognized statistical rating organization, as of June 30, 2022, are as follows:

S&P Ratings	Fair Value (in thousands)	Percentage
AAA	\$ 48,364	1.50 %
AA+	3,747	0.12
AA	817,732	25.33
AA-	32,764	1.01
A+	38,285	1.19
A	51,504	1.60
A-	176,409	5.47
BBB+	234,557	7.27
BBB	213,410	6.61
BBB-	161,562	5.01
BB+	76,921	2.38
BB	77,844	2.41
BB-	150,785	4.67
B+	52,807	1.64
B	285,612	8.85
B-	75,205	2.33
CCC+	88,473	2.74
CCC	73,745	2.28
CCC-	41	--
CC	1,903	0.06
C	30	--
D	4,566	0.14
Not Rated	<u>561,381</u>	<u>17.39</u>
	<u>3,227,647</u>	<u>100.00 %</u>
U.S. Government Guaranteed Securities *	2,369,070	
Total Fixed Income Investments	<u>\$ 5,596,717</u>	

\* Consists of U.S. Government Bonds and GNMA Mortgage-Backed Securities which had the AA+ rating.

**Concentration of Credit Risk.** The investment portfolio as of June 30, 2022, contained no concentration of investments in any one entity that represented 5% or more of the total investment portfolio.

## Notes to the Basic Financial Statements

**Custodial Credit Risk.** Deposits are exposed to custodial credit risk if they are not insured or not collateralized. As of June 30, 2022, LACERS has exposure to such risk in the amount of \$30.3 million, or 0.5% of the fair value of total international investments. The amount represents non-invested cash denominated in foreign currencies, managed by 17 different investment managers, and held outside of LACERS custodial bank. LACERS' policy requires each individual publicly traded equities investment manager to hold no more than 10% of their portfolios in the form of cash. LACERS is in compliance with the policy.

Investment securities are exposed to custodial credit risk if the securities are not insured, are not registered in LACERS' name, and are held by the counterparty, or the counterparty's trust department or agent but not in LACERS name. As of June 30, 2022, LACERS' investments were not exposed to custodial credit risk because all securities were registered in the name of LACERS.

**Foreign Currency Risk.** LACERS' Asset Allocation policy sets a target of 23% of the total portfolio for non-U.S. investments in equities. In addition, fixed income, real estate, and private equity managers may hold non-U.S. investments depending on their individual mandates. Forward currency contracts are permitted primarily to reduce the foreign currency risk.

LACERS' non-U.S. currency investment holdings as of June 30, 2022, which represent 22.95% of the fair value of total investments, are as follows (in thousands):

Foreign Currency	Fair Value
Australian Dollar	\$ 149,583
Brazilian Real	97,565
British Pound Sterling	514,681
Canadian Dollar	310,653
Chilean Peso	10,737
Chinese Yuan Renminbi	88,197
Colombian Peso	23,181
Czech Koruna	25,517
Danish Krone	72,248
Egyptian Pound	5,002
Euro	1,279,353
Hong Kong Dollar	291,980
Hungarian Forint	13,918
Indian Rupee	160,068
Indonesian Rupiah	65,197
Israeli New Shekel	8,246
Japanese Yen	566,676
Malaysian Ringgit	54,044
Mexican Peso	99,080
New Romanian Leu	12,517
New Taiwan Dollar	125,016
New Zealand Dollar	2,772
Norwegian Krone	29,673
Peruvian Nuevo Sol	19,078
Philippine Peso	21,103
Polish Zloty	48,382
Qatari Riyal	3,555
Russian Ruble	5,592
Singapore Dollar	62,135
South African Rand	71,077
South Korean Won	81,116
Swedish Krona	108,092
Swiss Franc	246,099
Thai Baht	34,524
Turkish Lira	3,520
United Arab Emirates Dirham	11,216
Total	<u><u>\$ 4,721,393</u></u>

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## Notes to the Basic Financial Statements

**Highly Sensitive Investments.** Highly-sensitive investments are certain debt investments whose terms may cause their fair value to be highly-sensitive to market interest rate changes. Terms include embedded options, coupon multipliers, benchmark indexes, and reset dates. LACERS' asset-backed investments have embedded prepayment options that will typically cause prepayments by the obligees of the underlying investments when interest rates fall. Prepayments eliminate the stream of future interest payments and, therefore, diminish the fair value of the asset-backed investment.

The following table shows the fair value of LACERS' asset-backed investments by investment type (in thousands):

Investment Type	Fair Value
Asset-Backed Securities	\$ 74,558
Government Agencies	55,642
Government Mortgage-Backed Securities	577,576
Non-Government Backed C.M.O.s	28,455
Total	<u><u>\$ 736,231</u></u>

**Money-Weighted Rate of Return.** For the fiscal year ended June 30, 2022, the aggregate annual money-weighted rate of return on LACERS investments, net of investment expenses was -8.34%. The money-weighted rate of return is a measure of the performance of an investment calculated by finding the rate of return that will set the present values of all cash flows equal to the value of the initial investment. It expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**Derivative Instruments.** LACERS enters into derivative contracts for investment purposes and to manage risks associated with its investment portfolio. For financial reporting purposes, all of LACERS derivatives are classified as investment derivatives.

The notional amount and the fair value of derivative instruments as of June 30, 2022, are as follows (in thousands):

Derivative Type	Notional Amount	Fair Value	Change in Fair Value
Future Contracts:			
Equity Index	\$ 17,077	\$ (237)	(150)
Interest Rate	(14,668)	(36)	301
Currency Forward Contracts	665,164	(858)	(4,002)
Currency Options	N/A	(19)	119
Right / Warrants	N/A	46	(23)
Swaps-Interest Rate	N/A	(2,615)	(1,865)
Swaps-Credit Contracts	N/A	2,467	1,427
Total Value	<u><u>\$ (1,252)</u></u>	<u><u>\$ (4,193)</u></u>	

**Credit Risk.** Derivatives are subject to credit risk that the counterparty to a contract will default. LACERS is exposed to credit risk on reported assets of the investment derivatives that are traded over the counter. The credit risk of exchange traded derivatives for future contracts is considered minimal because the exchange clearing house is the counterparty and guarantees the performance.

LACERS permits investment managers, under the terms of individual guidelines, to use derivative instruments as set forth in each manager's investment guidelines to control portfolio risk. It is the responsibility of these investment managers to actively monitor counterparties on their financial safety and ensure compliance with the investment restrictions. LACERS has no general investment policy with respect to netting arrangements or collateral requirements. However, these individual investment managers have set up the arrangements with the counterparties to net off the positive and negative contracts with the same counterparty in case of the counterparty's default.

As of June 30, 2022, without respect to netting arrangements, LACERS maximum income on derivative instruments subject to credit risk, namely currency forward contracts, is \$6.3 million. All counterparties of these investment derivatives had the credit rating of "A" or "AA" assigned by S&P.

## Notes to the Basic Financial Statements

**Securities Lending Transactions.** Under authority granted by the City Charter, LACERS has entered into various short-term arrangements with its custodian to lend securities to various brokers. There are no restrictions on the number of securities that may be lent, and the custodian determines which lenders' accounts to lend securities from by using an impartial sequential system that matches loan requests with various lenders' accounts. All lenders are deemed to have relatively equal opportunity to profit from the lending of securities. Therefore, should a collateral deficiency occur beyond the custodian's responsibilities, the deficiency is allocated pro rata among all lenders.

Minimum collateralization is 102% of the fair value of the borrowed U.S. securities and 107% for international securities. Collateral consists of cash, government and corporate securities, and commercial bank obligations. Cash collateral is invested in a separate account comprised of money market or high quality short-term investments.

LACERS cannot pledge or sell non-cash collateral unless the borrower defaults. The cash collateral value of securities on loan is reported in the statement of fiduciary net position. As of June 30, 2022, LACERS had no losses on securities lending transactions resulting from default of a borrower or lending agent. All securities loans can be terminated on demand by either LACERS or the borrower. Because of this nature, their duration did not generally match the duration of the investment made with the cash collateral.

The following table represents the fair value of securities on loan, corresponding cash collateral received and cash reinvestment value as of June 30, 2022 (in thousands):

Securities on Loan	Fair Value of Securities on Loan	Cash Collateral Received
U.S. Government and Agency Securities	\$ 91,082	\$ 92,954
Domestic Corporate Fixed Income Securities	197,477	203,288
International Fixed Income Securities	24,024	25,719
Domestic Stocks	166,547	172,516
International Stocks	19,135	21,511
	<hr/> <u>\$ 498,265</u>	<hr/> <u>\$ 515,988</u>

### Water and Power Employees' Retirement, Disability Benefit, Retirees Health Benefit and Death Benefit Plans (DWP Plans)

At June 30, 2022, DWP Plans' investments are as follows (in thousands):

Investment Type	Retirement and Disability Benefit Plans	Retirees Health and Death Benefit Plans	Total
Domestic Stocks	\$ 3,182,555	\$ 578,234	\$ 3,760,789
International Stocks	2,914,291	529,493	3,443,784
Mortgage-Backed Securities	249,310	45,297	294,607
Domestic Corporate Bonds	904,492	164,336	1,068,828
International Bonds	570,055	103,572	673,627
Private Credit	117,944	21,429	139,373
Alternative Investments	3,678,522	659,762	4,338,284
Real Estate	1,373,139	243,976	1,617,115
U.S. Treasuries	1,055,641	191,798	1,247,439
U.S. Agency Notes	973,538	176,881	1,150,419
Municipal Bonds	5,441	989	6,430
Short-Term Investments	575,165	104,501	679,666
Security Lending Collateral	717,900	190,010	907,910
Total	<hr/> <u>\$ 16,317,993</u>	<hr/> <u>\$ 3,010,278</u>	<hr/> <u>\$ 19,328,271</u>

# Annual Comprehensive Financial Report

## Notes to the Basic Financial Statements

DWP Plans has the following recurring fair value measurement as of June 30, 2022 (in thousands):

Investments by Fair Value	Fair Value Measurements Using				Total
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)		
Equity Securities					
Domestic Equities	\$ 3,760,789	\$ -	\$ -	\$ -	\$ 3,760,789
International Equities	3,443,784	-	-	-	3,443,784
Preferred Securities	33,637	-	-	-	33,637
Fixed Income Securities					
U.S. Treasuries	-	1,247,439	-	-	1,247,439
U.S. Agencies	-	1,150,419	-	-	1,150,419
Mortgage and Asset-Backed Securities	-	294,607	-	-	294,607
Corporate Debt - Domestic	-	1,035,191	-	-	1,035,191
Corporate Debt - International	-	450,579	-	-	450,579
Government Debt - International	-	223,048	-	-	223,048
Municipal / Provincial Bonds	-	6,430	-	-	6,430
Real Estate	71,670	-	-	-	71,670
Total Investments by Fair Value	\$ 7,309,880	\$ 4,407,713	\$ -	\$ -	\$ 11,717,593

\* Mutual funds of \$679.7 million and Security Lending Short-Term Investments of \$907.9 million are not included in fair value hierarchy. Investments measured at NAV are also not included within the fair value hierarchy.

Equity securities, preferred securities, and certain real estate funds classified in level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities and real estate funds. Debt securities classified in level 2 of the fair value hierarchy are valued based on evaluated quotes provided by independent pricing services and matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. Mortgage and asset-backed securities classified in level 2 are valued on the basis of discounted future principal and interest payments.

**Fair Value of Investments Measured at the Net Asset Value (NAV).** Below is a summary of the DWP Plans' investments at June 30, 2022 for which fair value is measured based on the NAV (in thousands):

Investments Measured at NAV	Fair Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Private Equity				
Direct Partnership	\$ 1,793,389	\$ 728,930	Not Eligible	Not Eligible
Fund of Funds	510,953	274,755	Not Eligible	Not Eligible
Private Credit				
Open Ended	113,185	86,666	Annually*	90 days
Close Ended	26,188	49,137	Not Eligible	Not Eligible
Real Estate				
Open Ended	887,910	75,000	Quarterly	45-90 days
Close Ended	657,535	634,402	Not Eligible	Not Eligible
Real Return				
Commodities	322,329	-	Daily	2 days
Timberland	37,835	-	Not Eligible	Not Eligible
Short Duration TIPS	651,648	-	Daily	3 days
Hedge Fund				
Fund of Funds	1,022,130	-	Daily	60 days
Total Investments Measured at NAV	\$ 6,023,102	\$ 1,848,890		

\* Certain investment has a three-year lock before eligible for redemption.

DWP Plans' private equity portfolio consists of venture capital, leveraged buyouts, distressed debt, and other special equity funds. DWP Plans' participation is either through direct partnership or fund of funds. Both structures are not eligible for redemption. Instead, distributions are received as underlying investments within the partnerships and funds are liquidated, which on average can occur over the span of 10 to 15 years.

The real estate portfolio consists of investments in domestic and international commercial and industrial real property. DWP Plans is invested in both open ended and close ended funds/partnerships. Open ended funds/partnerships can be redeemed subject to the redemption schedule as listed above. Close ended funds/partnerships are not eligible for redemption. Instead, distributions are received as underlying investments within the funds/partnerships are liquidated, which on average can occur over the span of 10 to 15 years.

Real return investments include a commingled commodities fund, a commingled short duration treasury inflation protected securities fund, and two timberland direct partnerships. The timberland partnerships are not eligible for redemption. The estimated duration of these partnerships ranges from 10 to 15 years.

One hedge fund investment is executed through fund of funds. The underlying third-party hedge fund managers' strategies could include, but are not limited to, convertible arbitrage, distressed securities, fixed income arbitrage, merger arbitrage, long/short credit, long/short equity, etc.

**Credit Risk.** DWP Plans' investment policy is to apply the "prudent person" standards. Investments are made with care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims. DWP Plans' investment policy has been designed to produce the most favorable long-term total portfolio return consistent with reasonable levels of risks. Prudent risk-taking is warranted within the context of overall portfolio diversification.

DWP Plans can invest in both investment grade and high yield fixed income securities. Investment grade fixed income securities that are rated by Moody's, S&P, and Fitch, should have a minimum rating of BBB- or Baa3 by two or more rating agencies. Investment managers for investment grade fixed income securities will notify the DWP Plans' management of subsequent decline in ratings and will develop an investment strategy for investments rated below Baa3 or BBB-.

Active high yield fixed income investment is composed primarily of non-investment grade securities as rated by Moody's, S&P or Fitch. If a bond is rated by all three rating agencies, then it must be graded BB+ or Ba1 or below by two or more rating agencies. If a bond is rated by two rating agencies, it must be rated below investment grade by at least one rating agency.

The credit ratings of DWP Plans' investments at June 30, 2022 are as follows:

Credit Rating	Amount (in thousands)	Percentage
AAA	\$ 196,715	6.87 %
A or Better	181,679	6.35
B or Better	1,313,692	45.89
C or Better	189,987	6.65
Not Rated	980,458	34.25
Subtotal	2,862,531	<u>100.00 %</u>
U.S. Government Issued or Guaranteed Securities	2,397,858	
Total Fixed Income Investments	\$ 5,260,389	

**Custodial Credit Risk.** As of June 30, 2022, DWP Plans' cash balances consist primarily of cash deposits in the City Treasury.

**Concentration of Credit Risk.** According to DWP Plans' investment policy, no more than 5% of investments shall be invested in any one issue, except for investment in the fixed income asset class where no more than 10% of investments shall be invested in any one issue. United States Treasury or United States Agency issues are exempted from this limitation. As of June 30, 2022, there were no investment holdings of more than 5% in any one issue of each fund's net position or in DWP Plans' aggregate net position, except investments issued or guaranteed by the U.S. Government and investments in commingled funds.

# Annual Comprehensive Financial Report

## Notes to the Basic Financial Statements

*Interest Rate Risk.* As of June 30, 2022, DWP Plans' exposure to interest rate risk is as follows:

Investment Type	Amount (in thousands)	Weighted Average Maturity (Years)
U.S. Treasuries	\$ 1,247,439	4.95
U.S. Agency Notes	1,150,419	22.97
Preferred Securities	33,637	--
Mortgage and Asset-Backed Securities	294,607	17.02
Corporate Debt - Domestic	1,035,191	8.93
Corporate Debt - International	450,579	8.73
Government Debt - International	223,048	11.05
Municipal / Provincial Bonds	6,430	17.10
Mutual Funds	679,666	--
Total*	<u>\$ 5,121,016</u>	10.15

\* Not included are private credit investments of \$139.4 million with average redemption periods ranging 5 to 8 years.

DWP Plans has a long-term investment horizon and it utilizes an asset allocation that encompasses a long-run perspective of capital markets. DWP Plans maintains an interest rate risk consistent with its long-term investment horizon.

*Foreign Currency Risk.* DWP Plans' investment policy permits the investment in foreign currency of up to 21.8% of total investments in non-U.S. investments. As of June 30, 2022, DWP Plans' exposure to foreign currency risk is 13.3% of the fair value of total investments, as follows (in thousands):

Foreign Currency	Fair Value
Australian Dollar	\$ 66,837
Brazilian Real	41,405
British Pound Sterling	299,201
Canadian Dollar	157,447
Chinese Yuan Renminbi	6,923
HK Offshore Chinese Yuan	21,007
Chilean Peso	4,487
Colombian Peso	11,367
Czech Koruna	5
Danish Krone	31,012
Euro Currency Unit	859,924
Hong Kong Dollar	150,909
Hungarian Forint	267
Indonesian Rupiah	17,192
Indian Rupee	881
Japanese Yen	382,948
Kazakhstani Tenge	69,382
Malaysian Ringgit	15,370
Mexican New Peso	23,505
New Taiwan Dollar	79,506
New Zealand Dollar	4,868
Norwegian Krone	6,446
Peruvian Nuevo Sol	2,530
Philippine Peso	4,182
Polish Zloty	5,390
Singapore Dollar	15,442
South African Rand	30,654
South Korea Won	46
Swedish Krona	53,871
Swiss Franc	180,035
Thailand Baht	18,229
Turkish Lira	3,735
Ukrainian Hryvnia	441
United Arab Emirates Dirham	12,936
Total	<u>\$ 2,578,380</u>

# Annual Comprehensive Financial Report

## Notes to the Basic Financial Statements

**Money-Weighted Rate of Return.** For the fiscal year ended June 30, 2022, the annual money-weighted rate of return on DWP Plans' investments, net of investment expense, was -5.4%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for changing amounts actually invested.

**Derivative Instruments.** The fair value balances and notional amounts of derivative instruments outstanding at June 30, 2022, classified by type, and the changes in fair values of such derivative instruments are as follows (in thousands):

Type	Changes in Fair Value		Fair Value		Notional Amount
	Classification	Amount	Classification	Amount	
Forward Contracts	Investment Income	\$ 4,302	Investment	\$ 6,649	\$ 609,633

At June 30, 2022, DWP Plans had direct commitments to purchase and/or sell foreign currency in the forms of forward contracts as part of the strategy of hedging its currency risk. The fair values of forward contracts were based on the market price.

**Securities Lending Transactions.** DWP Plans is authorized by the City Charter and the DWP Plans Board's investment policy to lend its investment securities to various brokers, without limit. The lending is managed by the DWP Plans' custodial bank. DWP Plans or the borrowers can terminate the contract with advance notice. The lending arrangements are collateralized by cash and marketable securities (guaranteed by the full faith and credit of the U.S. Government) at (i) 102% with respect to U.S. Securities; (ii) 105% with respect to foreign securities; or (iii) a percentage mutually agreed of the underlying securities' fair value. Equities received are required to be collateralized at 110% with respect to loaned securities' value. The custodial bank will assume the equity risk and indemnify DWP Plans 100% for any shortfall if a loan position is not returned, and proceeds from the sale of equity collateral were insufficient to replace the loan position.

These arrangements provide for the return of the investments and a share of the interest earned on the collateral. The securities on loan to brokers remain the property of the DWP Plans and continue to be included in their respective accounts on the statement of fiduciary net position. DWP Plans does not have the ability to pledge or sell collateral assets unless the borrower is in default of its obligation. As of June 30, 2022, DWP Plans has no credit risk exposure because the value of the collateral received exceeded the value of the securities on loan.

DWP Plans' custodian is the authorized agent to handle DWP Plans' securities lending activity. DWP Plans' custodian may invest the cash collateral received in connection with securities on loan in investments permitted by DWP Plans. DWP Plans bears sole risk of all losses of the invested collateral, including losses incurred in the event of liquidation of the permitted investments. The custodian bank is responsible for the return of loaned securities from borrowers. In lending domestic securities, cash collateral is invested in the lending agent's short-term investment pool, which has an average maturity of 99 days as of June 30, 2022.

The fair values of the underlying securities on loan, collateralized by cash and securities as of June 30, 2022 are (in thousands):

Securities on Loan	Amount
Global Agencies	\$ 2,859
Global Equities	282,335
Global Corporate Fixed	48,206
Global Government Fixed	314,647
U.S. Agency Notes	4,211
U.S. Corporate Fixed	241,507
U.S. Equities	268,155
U.S. Government Fixed	435,291
Total	<u>\$ 1,597,211</u>

# Annual Comprehensive Financial Report

## Notes to the Basic Financial Statements

### Others

Other investments are generally those required to be deposited in accounts established under various bond indentures and will be held, invested and reinvested by the trustees/fiscal agents in permitted investments as defined in the indentures. Investment maturities are scheduled to coincide with bond retirement and interest payments. At June 30, 2022, other investments are as follows (in thousands):

Investment Type	Amount	Investment Maturities				366 Days to 5 Years
		1 to 30 Days	31 to 60 Days	61 to 365 Days	-	
U.S. Government Securities	\$ 31,963	\$ 7,166	\$ 14,630	\$ -	\$ -	\$ 10,167
U.S. Agencies Securities	12,683	-	-	-	12,683	-
Common Stock	646	646	-	-	-	-
State of California LAIF	131,939	-	-	-	131,939	-
Short-Term Investments	1,904,454	62,706	1,841,748	-	-	-
Total	\$ 2,081,685	\$ 70,518	\$ 1,856,378	\$ 144,622	\$ -	\$ 10,167

**Credit Risk.** At June 30, 2022, \$3.3 million of U.S. Agency Securities were rated AA+ by S&P and Aaa by Moody's, the remaining \$9.4 million were not rated individually by S&P or Moody's. The \$1.8 billion of short-term investments were rated AAAm by S&P and Aaa by Moody's, and the remaining balance was not rated by either S&P or Moody's.

As of June 30, 2022, investments in the Local Agency Investment Fund (LAIF) held by fiscal agents totaled \$131.9 million. The total amount invested by all public agencies in LAIF was \$35.8 billion. The LAIF is part of the State's Pooled Money Investment Account (PMIA). As of June 30, 2022, the investments in the PMIA totaled \$231.9 billion, of which 98.1% is invested in non-derivative financial products and 1.9% in structured notes and asset-backed securities. The weighted average maturity of LAIF investments was 311 days as of June 30, 2022. LAIF is not rated.

**Concentration of Credit Risk.** According to the City's Investment Policy, no more than 10% of the portfolio, except U.S. Treasuries and Agencies, may be invested in securities of a single issuer including its related entities. There is no specific requirement in the agreements with fiscal agents that limits the amount fiscal agents may invest in any one issuer. At June 30, 2022, the City had no investment holdings of more than 10% in any one issuer.

At June 30, 2022, the fair value hierarchy of the City's Other Investments are as follows (in thousands):

Investments	Amount	Fair Value Measurements Using	
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
<b>Investments Subject to Fair Value Hierarchy</b>			
U.S. Government Securities	\$ 31,963	\$ 31,963	\$ -
U.S. Agencies Securities	12,683	-	12,683
Common Stock	646	646	-
<b>Total Investments Subject to Fair Value Hierarchy</b>	<b>\$ 45,292</b>	<b>\$ 32,609</b>	<b>\$ 12,683</b>
<b>Investments Not Subject to Fair Value Hierarchy</b>			
State of California LAIF	\$ 131,939		
Short-Term Investments	1,904,454		
<b>Total Investments not Subject to Fair Value Hierarchy</b>	<b>\$ 2,036,393</b>		

### B. Receivables

#### 1. Primary Government

The primary government's net receivables at June 30, 2022 are as follows (in thousands):

	Governmental Activities	Business-type Activities
Gross Receivables		
Taxes	\$ 1,168,965	\$ --
Accounts	748,767	1,342,834
Special Assessments	16,395	--
Investment Income	22,870	17,082
Intergovernmental	572,997	35,580
Leases	16,934	579,684
Loans and Notes	3,532,177	75,786
Total	<u>6,079,105</u>	<u>2,050,966</u>
Allowance for Uncollectibles		
Taxes	(33,227)	--
Accounts	(481,813)	(391,355)
Loans and Notes	(1,313,558)	--
Total	<u>(1,828,598)</u>	<u>(391,355)</u>
Net Receivables	<u>\$ 4,250,507</u>	<u>\$ 1,659,611</u>
Net Receivables not Scheduled for Collection During the Subsequent Year:		
Loans, Notes, Leases, and Intergovernmental	\$ 2,413,622	\$ 490,346

The majority of the governmental activities loans consist of grant funded loans provided as follows:

- Loans to property owners for the upgrading and rehabilitation of residential or rental properties to eliminate the spread of slums and blight and repair earthquake damage;
- Loans to businesses to carry out economic development projects; and
- Loans to community-based organizations to acquire, construct or improve existing public facilities. Interest rates ranged from 0.0% to 14.0% for outstanding interest bearing loans.

The principal and interest are paid either monthly, quarterly, annually (amortizing loans), or when residual receipts are generated in accordance with the loan agreements (residual receipts loans), or deferred until maturity, transfer of title or sale of property occurs (deferred loans). The net loans receivable balance of \$2.2 billion includes net interest receivable of \$608.2 million at June 30, 2022.

The business-type activities loans solely include Power's long-term notes from Intermountain Power Agency (refer to Note 5C).

### C. Restricted Assets

The primary government's restricted assets consisted of the following at June 30, 2022 (in thousands):

	Governmental Activities	Business-type Activities
Cash and Investments		
Pooled Cash and Cash Equivalents, and Other Investments	\$ 10,572	\$ 2,549,589
Investments Held by Escrow and Fiscal Agents	<u>--</u>	<u>2,726,342</u>
Subtotal	<u>10,572</u>	<u>5,275,931</u>
Other Restricted Assets		
Restricted Passenger/Customer Facility Charge Receivable	<u>--</u>	<u>21,133</u>
Total (Refer to Note 1E.4)	<u>\$ 10,572</u>	<u>\$ 5,297,064</u>

### D. Regulatory Assets and Liabilities

Regulatory assets and liabilities are created by the actions of the Board of Water and Power Commissioners by deferring certain expenses and revenues that are recoverable or payable by future rate charges in accordance with the current rate ordinances, so as to more evenly match the recognition of revenues and expenses with the electric rates charged to retail customers.

#### 1. Power Enterprise Fund

Below is a summary of Power's regulatory assets and liabilities at June 30, 2022 (in thousands):

Description	Balance June 30, 2021	Additions	Deductions	Balance June 30, 2022
<b>Assets</b>				
Underrecovered Costs - Long-Term	\$ 35,712	\$ --	\$ (29,978)	\$ 5,734
Regulatory Assets - Legal Settlements	48,000	--	(16,000)	32,000
Regulatory Assets - Solar Incentive Program	177,958	--	(14,038)	163,920
Regulatory Assets- Energy Efficiency Program	633,459	123,546	(105,052)	651,953
Regulatory Assets - Customer Care and Billing System	<u>25,515</u>	<u>--</u>	<u>(3,040)</u>	<u>22,475</u>
Regulatory Assets - Other	884,932	123,546	(138,130)	870,348
Regulatory Assets - Pension	233,406	--	(233,406)	--
Regulatory Assets - OPEB	274,667	--	(142,381)	132,286
Total Regulatory Assets - noncurrent	<u>1,428,717</u>	<u>123,546</u>	<u>(543,895)</u>	<u>1,008,368</u>
Underrecovered Costs - current	129,767	217,973	(129,767)	217,973
Total Regulatory Assets	<u>\$ 1,558,484</u>	<u>\$ 341,519</u>	<u>\$ (673,662)</u>	<u>\$ 1,226,341</u>
<b>Deferred Inflows</b>				
Deferred Inflows from Regulated Business Activities	186,473	717	--	187,190
Total Regulatory Liabilities	<u>\$ 186,473</u>	<u>\$ 717</u>	<u>\$ --</u>	<u>\$ 187,190</u>

Regulatory assets for legal settlements pertain to payments to governmental organizations as a result of an agreement reached from the courts related to the inclusion of capital components in the rates charged. Beginning July 2014, customers' bills include a charge for this legal settlement to be collected over a 10-year period.

Starting April 2011, customers' bills include a charge for Power's solar incentive programs, a multiyear program to provide customers with solar incentives for installing solar panels and necessary equipment to generate energy, which will be collected over a 15-year period. Effective July 2011, customers' bills include a charge, for energy efficiency programs to be collected over a 5 to 15 year period, aimed at reducing energy consumption and improving the environment. At June 30, 2022, Power has 26 energy efficiency programs.

Beginning January 2014, customers' bills include a charge related to training for customer care and billing system, to be collected over a 10-year period. During fiscal year 2019, Power determined certain costs originally capitalized as a regulatory asset were not expected to move forward for regulatory asset rate recovery. Remaining costs in customer care and billing system regulatory assets relate to training costs on the system and will be recovered through future rates.

The pension regulatory asset was established in relation with the implementation of GASB Statement No. 68 and is expected to be amortized over a period not to exceed 15 years. The OPEB regulatory asset was established in relation with the implementation of GASB Statement No. 75 and is expected to be amortized over a period not to exceed 15 years.

As provided in the Electric Rate Ordinance, Power is required to maintain balancing accounts to record the differences between specific costs incurred and amounts billed through rates to recover those costs. The net amount of these balancing accounts is presented on the statement of net position as a current asset when costs are underbilled (current portion of underrecovered costs) or as a

## Notes to the Basic Financial Statements

current liability when costs are overbilled (overrecovered costs). All of these balancing accounts are expected to be settled within a 12-month period through the adjustment of pass-through rates during the billing process and are reported as a component of underrecovered costs in the accompanying statement of net position.

Deferred inflows from business activities represent revenue collected from customers where funds are deferred for future stabilization or deferred because the earnings process is not complete. For the year ended June 30, 2022, Power did not recognize any of this revenue.

Underrecovered costs of \$5.7 million were shown as other noncurrent assets in the statement of net position at June 30, 2022.

### **2. Water Enterprise Fund**

Below is the summary of Water's regulatory assets at June 30, 2022 (in thousands):

Description	Balance June 30, 2021	Additions	Deductions	Balance June 30, 2022
<b>Assets</b>				
Regulatory Assets - Water Conservation Rebates	\$ 107,458	\$ 4,019	\$ (11,929)	\$ 99,548
Regulatory Assets - Stormwater Capture Program	48,500	97	(1,566)	47,031
Regulatory Assets - Customer Care and Billing System	<u>11,311</u>	<u>1</u>	<u>(1,367)</u>	<u>9,945</u>
Regulatory Assets - Other	167,269	4,117	(14,862)	156,524
Regulatory Assets - Pension	105,055	--	(105,055)	--
Regulatory Assets - OPEB	127,859	--	(67,364)	60,495
Underrecovered Costs	9,378	89,979	(9,378)	89,979
<b>Total</b>	<b>\$ 409,561</b>	<b>\$ 94,096</b>	<b>\$ (196,659)</b>	<b>\$ 306,998</b>

Water conservation is an integral part of the water resources management efforts and is a key element of maintaining a sustainable supply of water for the City. Water provides customers with 26 water conservation programs that are designed to reduce indoor and outdoor water usage. Initially the programs included low-flow showerheads and incentives to customers who purchase the high-efficiency toilets and high-efficiency clothes washing machines in an effort to reduce water use. In 2015, the program was expanded to include outdoor water savings through a turf reduction program to encourage replacing water-guzzling grass with low-water use shrubs and permeable walkways. Beginning June 2011, water bills include a charge, related to water conservation program payments to be collected over a period of 5 to 20 years.

The goal of Water's Stormwater Capture Program is to capture stormwater for recharging the basin with water that would otherwise runoff to the ocean, and thus be lost as a usable source to customers. Regulatory assets related to the Watershed Management Programs include investing in dams, reservoirs, and spreading grounds owned by other agencies, but the water collected benefits Water customers. Beginning August 2013, customers' bills include a related charge to be collected over a period of at least 30 years.

In 2013, Water implemented the customer care and billing system (CC&B). The implementation of the system required significant investment in training of the Water's employees. Beginning January 2014, customers' bills include a charge related to training for the CC&B to be collected over a 10-year period. As rates are established at a level sufficient to recover all such costs, the Water System recorded a regulatory asset. During fiscal year 2019, the Water's management determined that certain costs originally capitalized as a regulatory asset were not expected to move forward for regulatory asset rate recovery. Remaining costs in CC&B regulatory asset relate to training costs on the system and will be recovered through future rates.

The pension and OPEB regulatory asset was established in connection with the implementation of GASB Statement No. 68 and No. 75, respectively, is expected to be amortized over a period not to exceed 15 years.

## Notes to the Basic Financial Statements

As provided in the Water System Rate Ordinance, Water is required to maintain balancing accounts to record differences between specific costs incurred and amounts billed through rates to recover those costs. At June 30, 2022, underrecovered costs of \$90.0 million was included in the prepaid items and other assets in the statement of net position.

### E. Joint Ventures

#### 1. Intermodal Container Transfer Facility Joint Powers Authority

Harbor and the Port of Long Beach (POLB) entered into a joint powers agreement to form the Intermodal Container Transfer Facility Joint Powers Authority (ICTF) for the purpose of financing and constructing a facility to transfer cargo containers between trucks and railroad cars. Harbor contributed \$2.5 million to the ICTF as part of the agreement. The facility, which began operations in December 1986, was developed and operated by Southern Pacific Transportation Company (SPTC) under a long-term lease agreement. SPTC was subsequently merged and continues operations as Union Pacific Corporation (UPC). Harbor appoints two members of the ICTF's five-member governing board and accounts for its investment using the equity method. Both Harbor and POLB share income and equity distributions equally.

ICTF has issued bonds in prior years. At June 30, 2022, there were no outstanding bonds.

The ICTF's operations are financed from lease revenues by ICTF activities. The ICTF is empowered to perform those actions necessary for the development of the facility, including acquiring, constructing, leasing, and selling any of its property. Harbor's share of the ICTF's net position at June 30, 2022 was \$5.5 million.

#### 2. Alameda Corridor Transportation Authority

In August 1989, the Alameda Corridor Transportation Authority (ACTA) was established through a Joint Exercise of Powers Agreement between the Cities of Los Angeles and Long Beach, California. The purpose of ACTA is to acquire, construct, finance, and operate a 20-mile-long consolidated transportation corridor; including an improved railroad expressway between the Harbor, the Port of Long Beach, and downtown Los Angeles.

Harbor has no share of the ACTA's net position and income at June 30, 2022, and accordingly, they have not been recorded in Harbor's financial statements. If in the future, ACTA is entitled to distribute income or make equity distributions, Harbor and POLB shall share such income and equity distributions equally.

**F. Capital Assets**

**1. Governmental Activities**

Capital asset activity for governmental activities for the fiscal year ended June 30, 2022 is as follows (in thousands):

	Balance June 30, 2021 Restated*	Additions / Transfers	Deductions / Transfers	Balance June 30, 2022
<b>Capital Assets not Depreciated / Amortized</b>				
Land	\$ 900,604	\$ 39	\$ --	\$ 900,643
Infrastructure	459,170	1,418	(8,539)	452,049
Construction in Progress	1,189,903	251,997	(163,462)	1,278,438
Intangible Assets	50,989	3,819	(1,650)	53,158
<b>Total Capital Assets not Depreciated / Amortized</b>	<b>2,600,666</b>	<b>257,273</b>	<b>(173,651)</b>	<b>2,684,288</b>
<b>Capital Assets Depreciated / Amortized</b>				
Buildings and Improvements	5,483,601	91,820	\$ --	5,575,421
Intangible RTU Buildings, Facilities, and Improvements	111,992	21,769	\$ --	133,761
Machinery, Furniture and Equipment	1,895,369	64,573	(26,537)	1,933,405
Intangible RTU Machinery, Furniture and Equipment	2,246	--	--	2,246
Infrastructure	3,938,187	118,483	(762)	4,055,908
Intangible Assets	190,758	19,753	(277)	210,234
<b>Total Capital Assets Depreciated / Amortized</b>	<b>11,622,153</b>	<b>316,398</b>	<b>(27,576)</b>	<b>11,910,975</b>
<b>Less: Accumulated Depreciation / Amortization</b>				
Buildings and Improvements	(2,308,782)	(134,068)	\$ --	(2,442,850)
Intangible RTU Buildings, Facilities, and Improvements	--	(22,911)	\$ --	(22,911)
Machinery, Furniture and Equipment	(1,391,300)	(120,895)	26,537	(1,485,658)
Intangible RTU Machinery, Furniture and Equipment	--	(1,034)	--	(1,034)
Infrastructure	(1,756,233)	(80,784)	762	(1,836,255)
Intangible Assets	(128,019)	(14,328)	277	(142,070)
<b>Total Accumulated Depreciation / Amortization</b>	<b>(5,584,334)</b>	<b>(374,020)</b>	<b>27,576</b>	<b>(5,930,778)</b>
<b>Total Capital Assets Depreciated / Amortized, Net</b>	<b>6,037,819</b>	<b>(57,622)</b>	<b>\$ --</b>	<b>5,980,197</b>
<b>Governmental Activities Capital Assets, Net</b>	<b>\$ 8,638,485</b>	<b>\$ 199,651</b>	<b>\$ (173,651)</b>	<b>\$ 8,664,485</b>

\*The beginning balance of \$114.2 million has been restated for the adoption of GASB Statement No. 87, Leases. Detailed information can be found in Note 1E.21. New asset categories, including Intangible RTU Buildings, Facilities, and Improvements and Intangible RTU Machinery, Furniture and Equipment for the City's leased assets, and the related accumulated amortization, have been added due to the implementation of the pronouncement.

Depreciation/amortization expense was charged to functions/programs of the governmental activities as follows (in thousands):

Function/Program	Amount
General Government	\$ 43,398
Protection of Persons and Property	80,899
Public Works	58,613
Health and Sanitation	53,385
Transportation	65,431
Cultural and Recreational Services	59,328
Community Development	12,966
<b>Total Depreciation/Amortization Expense - Governmental Activities</b>	<b>\$ 374,020</b>

## Notes to the Basic Financial Statements

Lease related right-to-use assets by major class of underlying assets consist of the following (amounts in thousands):

RTU Asset	Balances June 30, 2022	Accumulated Amortization	Net Balances June 30, 2022
Land	\$ 5,200	\$ (529)	\$ 4,671
Building and Facilities	128,561	(22,382)	106,179
Machinery, Furniture and Equipment	<u>2,246</u>	<u>(1,034)</u>	<u>1,212</u>
Total lease related assets	<u>\$ 136,007</u>	<u>\$ (23,945)</u>	<u>\$ 112,062</u>

In accordance with GASB No. 87, as lessee, the City recognized \$23.9 million of amortization expense as of June 30, 2022.

## 2. Business-type Activities

Capital asset activity for business-type activities for the fiscal year ended June 30, 2022 is as follows (in thousands):

	Balance June 30, 2021 Restated*	Additions / Transfers	Deductions / Transfers	Balance June 30, 2022
Capital Assets not Depreciated / Amortized				
Land	\$ 3,001,333	\$ 3,473	\$ --	\$ 3,004,806
Construction in Progress	8,156,313	2,273,890	(2,958,528)	7,471,675
Intangible Assets	60,144	--	--	60,144
Nuclear Fuel	39,316	11,785	(10,810)	40,291
Natural Gas Field	<u>139,416</u>	<u>89</u>	<u>(10,810)</u>	<u>128,695</u>
Total Capital Assets not Depreciated / Amortized	<u>11,396,522</u>	<u>2,289,237</u>	<u>(2,980,148)</u>	<u>10,705,611</u>
Capital Assets Depreciated / Amortized				
Buildings, Facilities and Equipment	58,637,293	4,136,041	(72,343)	62,700,991
Intangible RTU Buildings, Structures, and Improvements	99,319	2,296	--	101,615
Intangible RTU Machinery, Furniture and Equipment	23,443	4,915	--	28,358
Intangible Assets	<u>305,601</u>	<u>21,850</u>	<u>--</u>	<u>327,451</u>
Total Capital Assets Depreciated / Amortized	<u>59,065,656</u>	<u>4,165,102</u>	<u>(72,343)</u>	<u>63,158,415</u>
Less: Accumulated Depreciation / Amortization				
Buildings, Facilities and Equipment	(24,055,392)	(1,718,772)	65,376	(25,708,788)
Intangible RTU Buildings, Structures, and Improvements	(4,760)	(10,516)	--	(15,276)
Intangible RTU Machinery, Furniture and Equipment	(8,610)	(11,435)	--	(20,045)
Intangible Assets	<u>(52,771)</u>	<u>(9,278)</u>	<u>--</u>	<u>(62,049)</u>
Total Accumulated Depreciation / Amortization	<u>(24,121,533)</u>	<u>(1,750,001)</u>	<u>65,376</u>	<u>(25,806,158)</u>
Total Capital Assets Depreciated / Amortized, Net	<u>34,944,123</u>	<u>2,415,101</u>	<u>(6,967)</u>	<u>37,352,257</u>
Business-type Activities Capital Assets, Net	<u>\$ 46,340,645</u>	<u>\$ 4,704,338</u>	<u>\$ (2,987,115)</u>	<u>\$ 48,057,868</u>

\*The beginning balance of \$109.4 million has been restated (see Note 1E.21) for the adoption of GASB Statement No. 87, Leases. New asset categories Intangible RTU Buildings, Structures and Improvements, and RTU Machinery, Furniture and Equipment for the City's leased assets, and the related accumulated amortization, have been added due to the implementation of the pronouncement.

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## Notes to the Basic Financial Statements

Additions to accumulated depreciation/amortization are accounted for as follows (in thousands):

Depreciation and Amortization Expense Charged to Functions of Business-type Activities:		Amount
Airport	\$	628,246
Harbor		147,272
Power		724,461
Water		218,599
Sewer		177,633
Convention Center		12,370
Total	\$	<u>1,908,581</u>

For Water and Power, depreciation and amortization expense on the statement of revenues, expenses and changes in net position, and cash flows include amortization expense on software and regulatory assets, which is not included in the additions to accumulated depreciation above.

Lease related right-to-use assets by major class of underlying assets consist of the following (in thousands):

RTU Asset	Airports	Harbor	Power	Water	Sewer
Land	\$ 45,911	\$ --	\$ 1,251	\$ 645	\$ --
Building and Facilities	8,688	1,446	16,948	8,556	18,170
Machinery, Furniture and Equipment	<u>23,939</u>	<u>773</u>	<u>2,443</u>	<u>1,203</u>	<u>--</u>
Total Right-to-Use	<u>78,538</u>	<u>2,219</u>	<u>20,642</u>	<u>10,404</u>	<u>18,170</u>
Accumulated Amortization	<u>(26,229)</u>	<u>(1,727)</u>	<u>(3,688)</u>	<u>(1,853)</u>	<u>(1,824)</u>
Total	<u>\$ 52,309</u>	<u>\$ 492</u>	<u>\$ 16,954</u>	<u>\$ 8,551</u>	<u>\$ 16,346</u>

Power has undivided direct interests in several electric generating stations and transmission systems that are jointly owned with other utilities. Power will incur certain minimal operating costs related to the jointly owned facilities regardless of the amount or its ability to take delivery of its share of energy generated. Power's proportionate share of the operating costs of the joint plants is included in the corresponding categories of operating expenses. The following schedule shows the ownership interest in each jointly owned utility plant as included in capital assets in the statement of net position at June 30, 2022:

	Ownership Interest	Share of Capacity (megawatts)	Utility Plant in Service (in thousands)	
			Cost	Accumulated Depreciation
Palo Verde Nuclear Generating Station	5.7 %	224	\$ 634,717	\$ 443,377
Mojave Generating Station	30.0	--	3,409	229
Pacific Intertie DC Transmission Line	40.0	1,240	339,766	104,143
Other Transmission Systems	--	Various	128,846	76,291
Total			<u>\$ 1,106,738</u>	<u>\$ 624,040</u>

### 3. Fiduciary Funds

LACERS' office furniture, equipment and software includes costs for developing the LACERS' new Pension Administration System (PAS). The total capitalized cost of \$9.4 million is being amortized over 15 years using the straight-line method. Office furniture and equipment acquisitions of at least \$5,000 are capitalized and depreciated over five years.

# Annual Comprehensive Financial Report

## Notes to the Basic Financial Statements

On October 9, 2019, LACERS approved the purchase of a commercial office building and underground parking structure located at 977 N. Broadway in Los Angeles, California to serve as LACERS future headquarters building. The purchase was settled at \$33.7 million on October 23, 2019. The purchase price was allocated to Land valued at \$4.0 million and Building valued at \$29.7 million, based on the assessment performed on the fair value of acquired assets. In addition, LACERS incurred \$0.2 million in acquisition costs and subsequent building improvements costing \$10.6 million, of which \$9.8 million were incurred during the fiscal year, which were capitalized as part of the building cost. As of the end of the fiscal year, major capital improvements are still in progress to prepare the building for occupancy. The project has been impacted by the ongoing supply chain delays for construction materials and supplies. Once the building is put to use, LACERS will begin to record depreciation expense of the headquarters.

### G. Interfund Receivables, Payables, and Transfers

The following tables are summaries of the City's interfund balances at June 30, 2022 (in thousands):

#### 1. Due From/To Other Funds

Receivable Fund	Payable Fund	Amount
General	MICLA Special Revenue	\$ 2,165
	Nonmajor Governmental Funds	109,805
		<u>111,970</u>
Nonmajor Governmental Funds	General	67,686
	Nonmajor Governmental Funds	16,244
	Sewer	19
		<u>83,949</u>
Power	Water	53,751
Sewer	General	34,805
	Nonmajor Governmental Funds	102
		<u>34,907</u>
Total		\$ 284,577

The receivable balances of the General Fund are mainly from the various governmental funds, which represent short-term loans to cover tardy receipts of revenues, while the payable balance is composed primarily of encumbered and unexpended budgetary transfers for certain costs allocated to the various Nonmajor Governmental funds. Power's receivable from Water is related to outstanding costs of certain services provided by the fund. The receivable balance of Sewer pertains to reconciliation of related cost reimbursements as of June 30, 2022.

#### 2. Advances To/From Other Funds

Receivable Fund	Payable Fund	Amount
General	Nonmajor Governmental Funds	\$ 26,859
MICLA Debt Service	Nonmajor Governmental Funds	99,142
Nonmajor Governmental Funds	General	50,038
	Nonmajor Governmental Funds	26,456
		<u>76,494</u>
Sewer	General	6,092
	Nonmajor Governmental Funds	4,440
		<u>10,532</u>
Total		\$ 213,027

# Annual Comprehensive Financial Report

## Notes to the Basic Financial Statements

The above balances represent interfund borrowings payable beyond one year. Advances from the General Fund represent borrowings to cover temporary revenue shortfalls required to be maintained intact. The \$99.1 million MICLA Debt Service advances to other funds represent loans for redeeming Special Parking Revenue Fund bonds, Sixth Street Viaduct Improvement Fund; Staples Center Trust Fund, and Bridge Improvement Program Fund. The \$6.1 million Sewer advances to the General Fund pertain to expenditures incurred for the repair of various wastewater facilities damaged during the Northridge earthquake.

### 3. Interfund Transfers

	Transfer In	Transfer Out	Amount
General		Nonmajor Governmental Funds	\$ 685,637
		Power	225,015
			910,652
MICLA Debt Service		General	221,965
Nonmajor Governmental Funds		General	838,114
		Nonmajor Governmental Funds	108,155
			946,269
Total			\$ 2,078,886

Transfers are used to 1) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due; 2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations; and 3) move unrestricted revenues collected in certain enterprise funds to partially finance various programs in the General Fund in accordance with budgetary authorizations.

In fiscal year 2022, significant transfers include the following: 1) \$225.0 million from Power to the General Fund; 2) \$222.0 million from General Fund and MICLA Special Revenue Fund for the purpose of debt requirement obligations; and 3) \$838.1 million budget allocation from the General Fund to finance various departmental programs including \$362.7 million to the Recreation and Parks, \$218.0 million for Library Department, and \$22.9 million for payments of sidewalk and curb repairs.

### H. Accounts Payable and Accrued Expenses

The primary government's accounts payable and accrued expenses at June 30, 2022 are broken down as follows (in thousands):

	Governmental Activities	Business-type Activities
Accounts, Contracts and Retainage Payable	\$ 545,051	\$ 1,114,624
Accrued Salaries and Overtime Payable	198,298	113,191
Intergovernmental Payable	4,985	--
Total	\$ 748,334	\$ 1,227,815

# Annual Comprehensive Financial Report

## Notes to the Basic Financial Statements

### I. Long-Term Liabilities

#### 1. Governmental Activities

##### Changes in Long-Term Liabilities

The changes in the governmental activities long-term liabilities for the fiscal year ended June 30, 2022 are as follows (in thousands):

	Balance June 30, 2021 Restated*	Additions	Deductions	Balance June 30, 2022	Due Within One Year
General Obligation Bonds	\$ 627,460	\$ 277,430	\$ (165,875)	\$ 739,015	\$ 88,770
Lease Revenue Bonds	1,329,696	154,205	(135,535)	1,348,366	115,095
Direct Placements	64,469	--	(14,128)	50,341	10,208
Commercial Paper Notes	330,600	80,000	(195,000)	215,600	--
Revenue Bonds	164,495	--	(17,480)	147,015	18,560
<b>Subtotal Bonds and Notes</b>	<b>2,516,720</b>	<b>511,635</b>	<b>(528,018)</b>	<b>2,500,337</b>	<b>232,633</b>
Add: Unamortized Premium and Discount	171,645	48,127	(31,926)	187,846	--
<b>Total Bonds and Notes</b>	<b>2,688,365</b>	<b>559,762</b>	<b>(559,944)</b>	<b>2,688,183</b>	<b>232,633</b>
Claims and Judgments	2,623,998	424,979	(313,041)	2,735,936	351,988
Loans Payable to HUD	46,323	--	(7,659)	38,664	4,522
Financed Purchase Obligations	42,799	--	(12,250)	30,549	12,432
Lease Liabilities	114,239	21,769	(21,603)	114,405	22,634
Compensated Absences	792,992	390,345	(402,508)	780,829	208,367
Landfill Liability	41,815	84	(341)	41,558	--
Estimated Pollution Remediation Liability	12,048	17,716	(18,304)	11,460	9,147
<b>Total Other Liabilities</b>	<b>3,674,214</b>	<b>854,893</b>	<b>(775,706)</b>	<b>3,753,401</b>	<b>609,090</b>
Net Pension Liability	8,856,477	--	(5,206,614)	3,649,863	--
Net OPEB Liability	2,094,474	--	(1,187,730)	906,744	--
<b>Governmental Activities Long-term Liabilities</b>	<b>\$ 17,313,530</b>	<b>\$ 1,414,655</b>	<b>\$ (7,729,994)</b>	<b>\$ 10,998,191</b>	<b>\$ 841,723</b>

\*The beginning balance of \$114.2 million has been restated (see Note 1E.21) for the adoption of GASB Statement No. 87, Leases.

##### General Obligation Bonds (GO Bonds)

The following summarizes the various voter authorizations for GO Bonds that were outstanding as of June 30, 2022 (in thousands):

Election Date	Project	Amount Authorized	Amount Issued as of June 30, 2022	Amount Authorized But Unissued
November 1998	Zoo Facilities	\$ 47,600	\$ 47,600	\$ --
	Fire, Paramedic, Helicopter and Animal Shelter Projects	532,648	532,648	--
November 2000	Emergency Operations, Fire Dispatch and Police Facilities	600,000	600,000	--
March 2002	Stormwater Projects	500,000	439,500	60,500
November 2004	Homelessness Reduction and Prevention and Housing Projects	1,200,000	574,550	625,450
November 2016		\$ 2,880,248	\$ 2,194,298	\$ 685,950
<b>Total</b>				

# Annual Comprehensive Financial Report

## Notes to the Basic Financial Statements

The bonds are general obligations of the City payable as to principal and interest from proceeds of ad valorem taxes that may be levied, without limitation as to rate or amount, upon property subject to taxation by the City. Principal and interest payments are enforceable through a writ of mandamus, a legal process by which a court can compel specific performance of the City. In the event of a default, bondholders may take the City to court to compel a tax levy given the City's ad valorem taxing power.

In the case of defeasance, all obligations of the City with respect to the outstanding bonds or such portion thereof shall cease and terminate, except (i) the obligation of the City to pay the bond owners all sums due thereon, (ii) the obligation of the City to make deposits to and payments from the Excess Earnings Fund for the specific bond series, and (iii) the obligation of the City to pay the Paying Agent, if other than the Treasurer or any other officer of the City, the amounts owing to the Paying Agent. The source of funds for the obligations described above is proceeds based on the City's ad valorem taxing power.

The GO Bonds outstanding as of June 30, 2022 and the original amounts issued are as follows (in thousands):

	Final Maturity	Interest Rates	Original Amount	Outstanding Balance
Series 2016-A, Refunding	9/1/31	1.050% - 3.150%	\$ 143,815	\$ 87,590
Series 2017-A	9/1/37	1.470% - 3.500%	86,370	69,090
Series 2017-B, Refunding	9/1/27	5.000%	81,895	25,010
Series 2018-A	9/1/38	2.900% - 4.000%	276,240	234,795
Series 2018-B, Refunding	9/1/29	5.000%	34,665	34,665
Series 2018-C, Refunding	9/1/29	3.300% - 4.000%	10,435	10,435
Series 2021-A	9/1/41	1.500% - 3.000%	211,940	211,940
Series 2021-B, Refunding	9/1/25	4.000% - 5.000%	65,490	65,490
Total			\$ 910,850	\$ 739,015

On November 10, 2021, the City issued the following General Obligation Bonds (GOB): Series 2021-A for \$211.9 million to finance certain projects for providing safe, clean affordable housing for the homeless and for those in danger of becoming homeless, and provide facilities to increase access to mental health care, drug and alcohol treatment, and other services and Series 2021-B for \$65.5 million which was used to refund GOB Series 2011-B and 2012-A.

Annual debt service requirements to maturity for the GO bonds are as follows (in thousands):

Fiscal Year	Principal	Interest	Total
2023	\$ 88,770	\$ 25,973	\$ 114,743
2024	71,595	20,372	91,967
2025	54,370	18,094	72,464
2026	47,315	16,272	63,587
2027	46,545	14,577	61,122
2028 - 2032	201,910	51,288	253,198
2033 - 2037	143,600	24,844	168,444
2038 - 2042	84,910	4,683	89,593
Subtotal	739,015	176,103	915,118
Unamortized Premium and Discount	12,682	--	12,682
Total	\$ 751,697	\$ 176,103	\$ 927,800

# Annual Comprehensive Financial Report

## Notes to the Basic Financial Statements

### Lease Revenue Bonds

In 1984, the Mayor and the City Council directed that a lease-purchase program for the acquisition and improvement of real property and capital equipment be established. A 501(c)(4) nonprofit corporation, MICLA, was created to serve as the lessor. The City and MICLA have entered into a number of lease-purchase agreements funded through the sale of certificates of participation, direct placements, and lease revenue bonds.

The aggregate outstanding balance at June 30, 2022 and the aggregate original amount issued for MICLA's lease revenue bonds and direct placements are as follows (in thousands):

MICLA Projects	Final Maturity	Interest Rates	Original Amount	Outstanding Balance
Project 2010-C	11/1/40	1.647% - 7.842%	\$ 18,170	\$ 15,225
Project 2015-A	11/1/22	1.260% - 3.592%	292,415	16,290
Project 2016-A	11/1/26	2.000% - 5.000%	125,235	69,695
Project 2016-B	11/1/39	2.000% - 5.000%	685,270	555,845
Project 2018-A	11/1/27	5.000%	54,430	36,265
Project 2018-B	11/1/37	5.000%	31,270	27,555
Project 2018-C	11/1/27	2.020% - 3.417%	25,630	16,425
Project 2020-A	11/1/30	5.000%	84,725	78,030
Project 2020-B	11/1/40	5.000%	80,850	66,870
Project 2020-C	11/1/41	0.415% - 2.863%	102,265	79,075
Project 2021-A	11/1/38	0.269% - 2.924%	177,470	172,405
Project 2021-B	11/1/38	5.000%	60,481	60,481
Project 2021-C	11/1/41	5.000%	154,205	154,205
Subtotal Lease Revenue Bonds			<u>1,892,416</u>	<u>1,348,366</u>
Project 2016 Streetlights	4/1/24	1.890% - 2.100%	26,369	6,977
Project 2017 Streetlights	6/1/27	2.460%	39,298	20,909
Project 2019 Streetlights	6/1/29	2.010%	17,845	14,153
Project 2020 Streetlights	6/1/31	1.470%	9,088	8,302
Subtotal Direct Placements			<u>92,600</u>	<u>50,341</u>
Total			<u><u>\$ 1,985,016</u></u>	<u><u>\$ 1,398,707</u></u>

The City has pledged, as security for bonds issued by MICLA, revenues consisting of basic lease payments pursuant to the equipment lease and real property agreements and earnings from investment of money held. The City includes all necessary MICLA lease payments in its annual budget appropriations. Principal and interest paid on MICLA bonds and commercial paper notes for fiscal year 2022 totaled \$401.1 million, while revenue from leases received (reported as transfers in from other funds in the MICLA Debt Service Fund) and investment earnings totaled \$222.0 million.

The lease revenue bonds of \$1.3 billion in 2022 are secured with collateral of various facilities and capital equipment subleased and leased by MICLA to the City, respectively. In the event of default and termination, MICLA may repossess and re-lease the property and apply the proceeds to the lease payments of the bonds then outstanding.

MICLA's outstanding direct placements of \$50.3 million in 2022 are secured with collateral of various facilities and capital equipment of the City. For the MICLA 2016 Streetlights Financing, MICLA 2017 Streetlights Financing, MICLA 2019 Streetlights Financing, and MICLA 2020 Streetlights Financing, in the event of default, the City shall transfer all remaining funds in the Construction Fund to MICLA, in which the amounts shall be applied to the rental payments.

# Annual Comprehensive Financial Report

## Notes to the Basic Financial Statements

Annual debt service requirements to maturity for MICLA lease revenue bonds and direct placements are as follows (in thousands):

Fiscal Year	Lease		Revenue Bonds		Direct Placements		Total
	Principal	Interest	Principal	Interest	Principal	Interest	
2023	\$ 115,095	\$ 54,030	\$ 10,208	\$ 1,015	\$ 180,348		
2024	102,315	50,198	10,423	801	163,737		
2025	101,045	46,497	7,055	581	155,178		
2026	103,593	42,662	7,211	424	153,890		
2027	107,483	38,422	7,371	264	153,540		
2028 - 2032	390,014	135,053	8,073	235	533,375		
2033 - 2037	321,607	59,276	--	--	380,883		
2038 - 2042	107,214	8,900	--	--	116,114		
Subtotal	1,348,366	435,038	50,341	3,320	1,837,065		
Unamortized Premium and Discount	163,175	--	--	--	163,175		
Total	\$ 1,511,541	\$ 435,038	\$ 50,341	\$ 3,320	\$ 2,000,240		

On December 15, 2021, MICLA issued Lease Revenue Bonds Series 2021-C for \$154.2 million, with interest rate of 5.000% maturing on November 1, 2041. These bonds were issued for retiring certain maturities of commercial paper notes, used to finance and refinance the acquisition of capital equipment and acquisition and improvement of certain real properties of the City.

MICLA's bond payments are secured primarily by revenues from base rental payments, revenues earned by the facility when available, and revenues collected pursuant to the Gap Funding Agreement relative to the Staples Arena Development.

### Commercial Paper Notes

The City has created two commercial paper (CP) programs secured by lease agreements payable from the General Fund.

In 2004, the City established a commercial paper program authorizing MICLA to issue up to \$200.0 million in lease revenue CP notes to finance and refinance capital equipment, the acquisition and improvement of real property, and other financing needs of the City (the General MICLA CP). The General MICLA CP program increased from time to time and is currently authorized for up to \$425.0 million. This program allows MICLA to access financial markets quickly; to obtain flexible, short-term maturities; to borrow only those amounts needed as invoices are received; and to borrow at more favorable rates. The notes issued mature at a specific time between one and 270 days of issuance. Upon maturity, they are either re-sold in the open market or refinanced with longer-term bonds. As a security to the notes, the City and MICLA entered into an asset-transfer lease agreement on certain capital assets with a carrying net book value as of June 30, 2022 of \$90.7 million and estimated fair value of \$497.2 million.

The City has created a second CP program to issue up to \$100.0 million in lease revenue CP notes to finance and refinance capital improvements to the Los Angeles Convention Center facility (the LACC CP), which also represents a lease obligation of the General Fund.

In connection with each of these CP programs, the City arranged for the issuance of one or more irrevocable direct-pay letters of credit (LOCs), and entered into a reimbursement agreement with each of the credit banks. If CP is outstanding and the related letter of credit is stated to expire, and the City is unable to secure an extension or replacement letter of credit, then the related letter of credit would be drawn upon prior to its expiration to pay interest and principal due on the CP. Under the reimbursement agreement, the City is generally required to reimburse the credit banks over a period of time, but at no more than the stipulated fair rental value of the leased properties. The reimbursement agreements contain a number of covenants and agreements on the part of the City, and specify events of default, and remedies.

# Annual Comprehensive Financial Report

## Notes to the Basic Financial Statements

In the event of default, the obligations shall bear interest at the default rate, the banks may stop the issuance of additional commercial paper notes, and reduce the stated amount of the letter of credit. In the event of termination, the City agrees to pay the bank a termination fee in an amount equal to the applicable LOC fee rate, the original stated amount, and a prorated amount payable on the date the LOC is terminated.

The table below summarizes the direct pay letters of credit that currently support the payment of principal and interest on the General MICLA CP and the LACC CP programs, respectively (in thousands):

	Authorized Amount	Outstanding Amount	LOC Fee Rate	Expiration Date
Convention Center	\$ 100,000	\$ 20,700	0.280 %	06/30/2025
Series A-1/B-1	150,000	68,100	0.290 %	06/30/2025
Series A-2/B-2	100,000	61,800	0.290 %	06/30/2025
Series A-3/B-3	<u>175,000</u>	<u>65,000</u>	0.290 %	06/30/2025
	<u><u>\$ 525,000</u></u>	<u><u>\$ 215,600</u></u>		

For the fiscal year ended June 30, 2022, MICLA paid \$1.2 million of the LOC fees for the general commercial paper and the Los Angeles Convention Center commercial paper programs. During the year, MICLA issued \$80.0 million of commercial paper notes for the acquisition of capital assets. At June 30, 2022, outstanding commercial paper notes amounted to \$215.6 million with interest rates ranging from 1.00% to 1.65%.

### Build America and Qualified Energy Conservation Bonds

MICLA has designated Series 2010-C as "Recovery Zone Economic Development Bonds" under the provisions of the American Recovery and Reinvestment Act of 2009. MICLA expects to receive a direct subsidy of 45% and 70% of the interest due to bondholders from the United States Treasury for "Recovery Zone Economic Development Bonds" and "Qualified Energy Conservation Bonds", respectively. For the fiscal year ended June 30, 2022, MICLA recorded \$0.6 million of the interest subsidy as revenues on the statement of revenues, expenditures and changes in fund balances. Due to the actions by Congress relative to sequestration, the subsidy amount of the interest due to bondholders was reduced by 5.7% for federal fiscal year 2022 (October 1 - September 30).

### Revenue Bonds

The revenue bonds outstanding at June 30, 2022 and the original amounts issued are as follows (in thousands):

	Final Maturity	Interest Rates	Original Amount	Outstanding Balance
Solid Waste Resources Revenue Bonds				
2013-A Series	2/01/27	2.000% - 5.000%	\$ 73,665	\$ 40,590
2013-B Series, Refunding	2/01/29	2.000% - 5.000%	78,780	6,560
2015 Series, Refunding	2/01/24	2.000% - 5.500%	76,670	9,390
2018-A Series	2/01/33	3.000% - 5.000%	110,530	90,475
Total			<u><u>\$ 339,645</u></u>	<u><u>\$ 147,015</u></u>

The Solid Waste Resources revenue bonds were issued to finance the acquisition of certain equipment and construction of certain facilities for the refuse collection and disposal system of the City. The bonds are payable from and secured by a pledge of revenues, which include the solid waste collection, transfer, recycling, recovery of waste resources and disposal fees, received by the Solid Waste Resources Revenue Fund.

# Annual Comprehensive Financial Report

## Notes to the Basic Financial Statements

Principal and interest paid for the current year and total solid waste resources revenue were \$24.0 million and \$285.1 million, respectively.

Annual debt service requirements to maturity for the Solid Waste Resources revenue bonds are as follows (in thousands):

Fiscal Year	Principal	Interest	Total
2023	\$ 18,560	\$ 5,599	\$ 24,159
2024	19,260	4,899	24,159
2025	16,945	4,313	21,258
2026	17,315	3,739	21,054
2027	17,710	3,146	20,856
2028 - 2032	46,940	8,091	55,031
2033	10,285	309	10,594
<b>Subtotal</b>	<b>147,015</b>	<b>30,096</b>	<b>177,111</b>
Unamortized Premium	11,989	--	11,989
<b>Total</b>	<b>\$ 159,004</b>	<b>\$ 30,096</b>	<b>\$ 189,100</b>

### Loans Payable to HUD

The Loans Payable to HUD consist of \$18.9 million fixed-rate loans and \$19.8 million interim financing loans. The loans will be repaid from program income generated by Home Partnership Act Grant (HOME), Community Development Block Grant (CDBG) entitlements and Section 108 Loan Program Funds. The debt service requirements to maturity are as follows (in thousands):

Fiscal Year	Principal	Interest	Total
2023	\$ 4,522	\$ 844	\$ 5,366
2024	4,456	709	5,165
2025	5,406	564	5,970
2026	1,961	468	2,429
2027	2,022	425	2,447
2028 - 2032	18,642	1,108	19,750
2033	1,655	7	1,662
<b>Total</b>	<b>\$ 38,664</b>	<b>\$ 4,125</b>	<b>\$ 42,789</b>

The interest rates on the fixed-rate loans of \$18.9 million range from 2.620% to 7.210% and have maturity dates through 2033. The interim financing loans of \$19.8 million bear interest payable quarterly at 35 basis points (0.350%) above the applicable 3-month T-Bill rate. The loans mature on various dates through 2033. The interest rate in effect (3-month T-Bill rate of 1.060% + 0.350%) as of June 30, 2022 of 1.410% was used in the debt service requirement schedule.

### Financed Purchase Obligations

The City entered into Equipment Lease-Purchase agreements with JPMorgan Chase Bank (JPMorgan), and Motorola Solutions, Inc. (Motorola) with the discount rates 1.732% and 1.370% for the total lease payment amounts of \$22.0 million and \$64.5 million to finance the acquisition of vehicles and radios, respectively. The lease payments to maturity are as follows (in thousands):

Fiscal Year	Principal	Interest	Total
2023	\$ 12,432	\$ 370	\$ 12,802
2024	8,997	217	9,214
2025	9,120	94	9,214
<b>Total</b>	<b>\$ 30,549</b>	<b>\$ 681</b>	<b>\$ 31,230</b>

## **Annual Comprehensive Financial Report**

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### **Notes to the Basic Financial Statements**

The City grants to JPMorgan and Motorola, respectively, a first priority security interest in any and all of the equipment as collateral security for the secured obligations. If the City fails to pay the rental payment to JPMorgan within ten days from the due date, the City shall pay JP Morgan on demand as a late charge five percent (5%) of such overdue amount. If the City fails to pay the lease payment to Motorola within 60 days from the due date, the lease payment will bear interest at a rate of 6% per annum from such lease payment due date until paid.

Further, JPMorgan and Motorola may require the City to promptly return all equipment or may enter the premises where any equipment is located and repossess any equipment without demand or notice, without any court order or other process of law and without liability for any damage occasioned by such repossession. JPMorgan and Motorola may terminate the equipment lease. In the event of such default and any equipment repossession or termination of the lease, the City shall continue to remain liable for the payment of the lease payments and damages for breach of the equipment lease.

In the event of termination of the lease by JPMorgan or Motorola due to default by the City, the City agrees to pay JPMorgan or Motorola all proper and reasonable out-of-pocket costs and expenses incurred by JPMorgan related to the repossession, safekeeping, storage, repair, reconditioning, re-leasing, sale or other disposition of equipment, including reasonable attorney fees.

### 2. Business-type Activities

#### Changes in Long-term Liabilities

The changes in the business-type activities long-term liabilities for the fiscal year ended June 30, 2022 are as follows (in thousands):

	Balance June 30, 2021 Restated*	Additions	Deductions	Balance June 30, 2022	Due Within One Year
Airports Revenue Bonds and Notes	\$ 8,322,826	\$ 2,679,357	\$ (753,422)	\$ 10,248,761	\$ 297,281
Harbor Revenue Bonds	665,670	--	(88,335)	577,335	40,210
Power System Revenue Bonds and Revenue Certificates	10,148,613	1,536,070	(744,703)	10,939,980	269,485
Water System Revenue Bonds and Loans	6,135,104	856,568	(787,210)	6,204,462	168,244
Wastewater System Revenue Bonds, Notes, and Loans	<u>2,726,914</u>	<u>664,895</u>	<u>(737,226)</u>	<u>2,654,583</u>	<u>195,785</u>
Subtotal Revenue Bonds, Notes, and Loans	27,999,127	5,736,890	(3,110,896)	30,625,121	971,005
Add (Less):					
Net Unamortized Premiums and Discounts	3,451,955	925,277	(443,444)	3,933,788	--
Net Revenue Bonds, Notes, and Loans	31,451,082	6,662,167	(3,554,340)	34,558,909	971,005
Compensated Absences	266,547	59,949	(46,917)	279,579	182,460
Claims and Judgments	206,474	28,228	(24,799)	209,903	30,445
Lease Liabilities	110,758	6,651	(19,725)	97,684	14,534
Estimated Pollution Remediation Liability	168,787	6,371	(10,968)	164,190	18,557
Other Liabilities	<u>26,762</u>	<u>268,907</u>	<u>(2,763)</u>	<u>292,906</u>	<u>--</u>
Subtotal	32,230,410	7,032,273	(3,659,512)	35,603,171	1,217,001
Net Pension Liability	2,422,735	--	(1,708,949)	713,786	--
Net OPEB Liability	390,128	--	(390,128)	--	--
Asset Retirement Obligation	236,596	6,107	(18,426)	224,277	--
Total	<u>\$ 35,279,869</u>	<u>\$ 7,038,380</u>	<u>\$ (5,777,015)</u>	<u>\$ 36,541,234</u>	<u>\$ 1,217,001</u>

\*The beginning balance of \$110.8 million has been restated (see Note 1E.21) for the adoption of GASB Statement No. 87, Leases.

#### Airports Revenue Bonds and Notes

Revenue bonds, revenue refunding bonds, and commercial paper notes outstanding at June 30, 2022, and the original amounts issued are as follows (in thousands):

	Final Maturity	Interest Rates	Original Amount	Outstanding Balance
Fixed Rate Revenue Bonds	2051	0.264% - 7.053%	\$ 10,776,000	\$ 10,094,845
Commercial Paper Notes	--		153,916	153,916
Subtotal			<u>\$ 10,929,916</u>	<u>10,248,761</u>
Net Unamortized Bond Premiums and Discounts				1,594,512
Net Revenue Bonds and Notes				<u>\$ 11,843,273</u>

On October 6, 2021, Airports issued \$753.2 million of LAX subordinate revenue bonds Series 2021D with a premium of \$178.4 million and \$125.8 million of LAX subordinate refunding revenue bonds Series 2021E. The series 2021D bonds were issued to fund certain capital projects at LAX, refund a portion of the outstanding commercial paper notes and refund and defease a portion of the subordinate revenue bonds Series 2016A and a portion of the senior refunding revenue bonds Series 2016C in the amount of \$217.7 million and \$13.4 million, respectively.

## Notes to the Basic Financial Statements

The Series 2021E bonds were issued to pay a portion of the interest due on November 15, 2021 of certain existing bonds and refund and defease a portion of the refunded Series 2016A and 2016C. These transactions resulted in cash flow savings of \$18.9 million, an economic gain of \$18.8 million; and a net loss for accounting purposes of \$13.2 million, which is included in the deferred outflows of resources and is being amortized over the life of the bonds.

On January 20, 2022, Airports issued \$347.4 million of LAX subordinate revenue bonds Series 2022A with a premium of \$77.4 million and \$157.6 million of LAX subordinate revenue bonds Series 2022B with a premium of \$39.4 million. The bonds were issued to fund certain capital projects at LAX and refund a portion of the outstanding commercial paper notes.

On February 15, 2022, Airports issued \$307.1 million of LAX subordinate revenue and refunding revenue bonds Series 2022C with a premium of \$42.2 million, \$101.5 million subordinate refunding bonds Series 2022D with a premium of \$23.2 million, \$20.2 million subordinate refunding revenue bonds Series 2022E with a premium of \$4.1 million and \$41.0 million of LAX subordinate revenue bonds Series 2022F. The bonds were issued to fund certain capital projects at LAX, refund a portion of the senior revenue bonds Series 2012A and Series 2012B in the amount of \$50.7 million and \$116.9 million, respectively. This transaction resulted in cash flow savings of \$40.9 million, an economic gain of \$30.0 million; and a net gain for accounting purposes of \$15.5 million, which is included in deferred inflows of resources and is being amortized over the life of the bonds.

On March 16, 2022, Airports issued \$546.0 million of LAX CFC revenue bonds Series 2022A. The bonds were issued to pay and reimburse a portion of the Consolidated Rental Car Facility (ConRAC) project, fund the bond interest expense through June 30, 2023, fund deposits to the Senior Reserve Fund, the Rolling Coverage Fund and the Common Transportation System (CTS) Payment Account, and refund a portion of commercial paper notes which were previously used to finance a portion of ConRAC project.

The bonds are subject to optional and mandatory sinking fund redemption prior to maturity. Airports has agreed to certain covenants with respect to bonded indebtedness. Significant covenants include the requirement that Airports' pledged revenues, as defined in the master senior and subordinate indentures, shall be the security and source of payment for the bonds which will remain in place until the bonds are no longer outstanding.

Airports has received approval from the FAA to collect and use passenger facility charges (PFCs) to pay for debt service on bonds issued to finance the Tom Bradley International Terminal (TBIT) Renovations, Bradley West projects and Terminal 6 improvements. The Board of Airport Commissioners authorized the amount of \$97.5 million for debt service in fiscal year 2022. In fiscal year 2022, Airports Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) grants in the amount of \$8.5 million was used to apply against LAX maintenance and operation expenses.

The total principal and interest remaining to be paid on the bonds is \$17.1 billion as of June 30, 2022. Principal and interest paid in fiscal year 2022 and the net pledged revenues, after application of the \$97.5 million PFCs funds and \$8.5 million CRRSAA grants were \$567.3 million and \$644.5 million, respectively.

Airports' net pledged revenues include substantially the total operating revenue with the Build America Bonds (BABs) subsidy, nonoperating Transportation Security Administration (TSA) revenue, interest income net of Passenger Facility Charges (PFC), Customer Facility Charges (CFC) and construction funds, but do not include PFC revenues, CFC revenues, and certain other nonoperating revenues. Airports' pledged revenue coverage is found in the Statistical Section-Pledged Revenue Coverage.

# Annual Comprehensive Financial Report

## Notes to the Basic Financial Statements

Scheduled annual principal maturities and interest are as follows (in thousands):

Fiscal Year	Principal	Interest	Total
2023	\$ 297,281	\$ 479,214	\$ 776,495
2024	206,255	472,422	678,677
2025	244,670	462,087	706,757
2026	292,405	450,149	742,554
2027	306,585	435,994	742,579
2028-2032	1,865,035	1,941,302	3,806,337
2033-2037	2,286,025	1,446,085	3,732,110
2038-2042	2,358,300	864,063	3,222,363
2043-2047	1,781,045	372,559	2,153,604
2048-2052	611,160	46,210	657,370
Subtotal	10,248,761	6,970,085	17,218,846
Net Unamortized Bond Premiums and Discounts	1,594,512	--	1,594,512
<b>Total</b>	<b>\$ 11,843,273</b>	<b>\$ 6,970,085</b>	<b>\$ 18,813,358</b>

As of June 30, 2022, Airports had outstanding commercial paper (CP) notes of \$153.9 million. The average interest rate in effect as of June 30, 2022 is 1.06%. The CP notes mature no more than 270 days from the date of issuance. The CP notes were issued as a means of interim financing for certain capital expenditures and redemption of certain bond issues.

As of June 30, 2022, Airports had letters of credit (LOC) and reimbursement agreements with the following institutions to provide liquidity and credit support for the CP program: Barclays Bank PLC (Barclays) for \$228.9 million to expire on September 8, 2023; Sumitomo Mitsui Banking Corporation (Sumitomo); acting through its New York Branch for \$218.0 million to expire on September 9, 2022; and Bank of America, N.A. for \$98.1 million to expire on September 6, 2024.

As of June 30, 2022, Airports had undrawn LOC balances of \$228.9 million from Barclays and \$176.4 million from Sumitomo.

On August 25, 2022, Airports entered into reimbursement agreements with the following institutions to provide support for the CP program: Barclays for \$327.0 million, to expire on August 24, 2026 (a replacement for the prior Barclays LOC); Bank of America for \$109.0 million, to expire on August 24, 2026 (a replacement for the prior Bank of America LOC); and PNC Bank, N.A. for \$109.0 million, to expire on August 24, 2027 (a substitution for the prior Sumitomo LOC).

In fiscal year 2022, Airports paid the LOC banks an annual commitment fee ranging from 0.39% and 0.85% on the stated amount of the LOC. LOC fees of \$4.3 million were paid for fiscal year 2022.

Airports had the following CP activities during fiscal year 2022 (in thousands):

	Balance June 30, 2021	Additions	Deductions	Balance June 30, 2022
Series A	\$ 52,175	\$ 44,337	\$ (16,636)	\$ 79,876
Series B	18,125	34,714	(1,912)	50,927
Series C	28,041	200,416	(205,344)	23,113
	<b>\$ 98,341</b>	<b>\$ 279,467</b>	<b>\$ (223,892)</b>	<b>\$ 153,916</b>

### Build America Bonds

LAX Subordinate Revenue Bonds 2009 Series C and 2010 Series C with par amounts of \$307.4 million and \$59.4 million, respectively, were issued as federally taxable Build America Bonds (BABs) under the American Recovery and Reinvestment Act of 2009. Airports receives a direct federal subsidy payment in the amount equal to 35% of the interest expense on the BABs. The automatic cuts in spending (referred to as "sequestration") for the federal fiscal year ended September 30, 2022 reduced the subsidy. The interest subsidy on the BABs was \$7.1 million in fiscal year 2022. The BABs sequestration rate was 5.7% for fiscal year 2022. The subsidy is recorded as a non-capital grant, a component of other nonoperating revenue.

# Annual Comprehensive Financial Report

## Notes to the Basic Financial Statements

### Other Significant Obligations

Aside from Airports' debt obligations incurred under the Master Senior and Subordinate Indentures, Airports' other significant obligations include:

#### Automated People Mover (APM) Agreement

The APM Agreement contains (1) a provision that if LAX terminates the agreement for any of the allowable reasons under the agreement, LAX will owe the APM Developer various amounts, as applicable, including amounts associated with equity and debt contributions made or arranged by the APM Developer and various other breakage costs, with such amounts being payable by LAX within 120 days of the termination date of the agreement, and (2) a provision that if the APM Developer terminates the agreement for any of the allowable reasons under the agreement, LAX will owe the APM Developer various amounts, as applicable, including amounts associated with equity and debt contributions made or arranged by the APM Developer and various other breakage costs, with such amounts being payable by LAX within 120 days of the termination date of the agreement.

#### Consolidated Rental Car Facility (ConRAC) Agreement

The ConRAC Agreement contains (1) a provision that if LAX terminates the agreement for any of the allowable reasons under the agreement, LAX will owe the ConRAC Developer various amounts, as applicable, including amounts associated with equity and debt contributions made or arranged by the ConRAC Developer and various other breakage costs, with such amounts being payable by LAX within 120 days of the termination date of the agreement, and (2) a provision that if the ConRAC Developer terminates the agreement for any of the allowable reasons under the agreement, LAX will owe the ConRAC Developer various amounts, as applicable, including amounts associated with equity and debt contributions made or arranged by the ConRAC Developer and various other breakage costs, with such amounts being payable by LAX within 120 days of the termination date of the agreement.

### Harbor Revenue Bonds and Loans

Bonds issued by the Harbor are payable solely from the Harbor's revenues pledged under indentures and are not general obligations of the City. Harbor has agreed to certain covenants with respect to bonded indebtedness. Significant covenants include the requirement that the Harbor's revenues, as defined under indentures, will be sufficient to pay future bond interest and principal maturities. In compliance with the bond indenture Article VII, Sections 7.01 and 7.02 in the event of default by the Harbor in the due and punctual payment of parity obligations, the trustee may and shall at the direction of the bond certificate owners of not less than a majority in aggregate principal amount of the bonds at the time outstanding, upon notice in writing to the Harbor, shall declare the principal of all of the bonds then outstanding, and the interest accrued thereon, to be due and payable immediately. Proceeds from sales of bonds are used to finance capital projects around the Harbor or refund prior issuances to generate debt service savings.

Revenue bonds and revenue refunding bonds outstanding at June 30, 2022, and the original amounts issued are as follows (in thousands):

	Final Maturity	Interest Rates	Original Amount	Outstanding Balance
Revenue Bonds	2045	2.000% - 5.000%	\$ 738,965	\$ 577,335
Net Unamortized Bond Premiums and Discounts				54,391
Net Revenue Bonds				\$ 631,726

# Annual Comprehensive Financial Report

## Notes to the Basic Financial Statements

Revenue bonds and refunding bonds are collateralized by the future revenues of the Harbor Enterprise Fund. Principal and interest paid for the current year and net pledged revenue were \$119.0 million and \$411.2 million, respectively. Harbor's net pledged revenue is the difference between operating revenue, pledged pooled investment or interest income and noncapital grant revenues, and operating expenses excluding depreciation and amortization, interest and other nonoperating expenses. Information on Harbor's pledged revenue coverage is found in the Statistical Section-Pledged Revenue Coverage.

On September 21, 2021, Harbor redeemed an aggregate par amount of \$41.1 million of its outstanding bonds comprised of 2011 Series A bonds for \$8.3 million and 2011 Series B bonds for total of \$32.8 million. Accrued interest of \$0.3 million from August 1, 2021 to the redemption date was added to the final redemption amount for a grand total of \$41.4 million. A portion of the Common Reserve allocated to 2011 Series A and B bonds totaling \$4.3 million was released toward the redemption on the settlement date by the Trustee, therefore reducing Harbor's outflow of cash toward this redemption to \$37.1 million.

Harbor has established a Commercial Paper program (Program) supported by bank credit lines to issue commercial paper notes (Notes) to provide interim financing primarily for the construction, maintenance, and replacement of Harbor's structures, facilities, and equipment needs.

Pursuant to an Indenture of Trust dated as of June 1, 2019 by and between Harbor and U.S.Bank, National Association and the credit agreement dated as of June 1, 2019 by and between Harbor and PNC Bank, National Association, Harbor is authorized to issue and to have outstanding up to \$150.0 million aggregate principal amount of the Harbor Department of the City of Los Angeles Revenue Revolving Obligations (Revolving Obligations) which constitute parity obligations. The credit agreement expired on June 10, 2022.

There were no outstanding revolving obligations as of June 30, 2022.

Scheduled annual principal maturities and interest are as follows (in thousands):

Fiscal Year	Principal	Interest	Total
2023	\$ 40,210	\$ 27,167	\$ 67,377
2024	43,355	25,092	68,447
2025	43,415	22,933	66,348
2026	47,955	20,654	68,609
2027	49,480	18,218	67,698
2028 - 2032	79,095	76,205	155,300
2033 - 2037	127,065	50,399	177,464
2038 - 2042	98,525	22,619	121,144
2043 - 2045	48,235	3,698	51,933
Subtotal	577,335	266,985	844,320
Net Unamortized Bond Premiums and Discounts	54,391	--	54,391
Total	\$ 631,726	\$ 266,985	\$ 898,711

There were no new bond issuances in fiscal year 2022.

## Notes to the Basic Financial Statements

### Power Revenue Bonds and Direct Placements

Revenue bonds and revenue refunding bonds due serially in varying annual amounts are as follows (in thousands):

	Final Maturity	Interest Rates	Original Amount	Outstanding Balance
Fixed Rate Revenue Bonds	2053	1.146% - 4.441%	\$ 12,173,489	\$ 9,948,280
Variable Rate Revenue Bonds	2052	Various	1,259,100	791,700
Direct Placements	2039	Various	200,000	200,000
Subtotal			<u>\$ 13,632,589</u>	<u>10,939,980</u>
Net Unamortized Bond Premiums and Discounts				<u>1,387,444</u>
Net Revenue Bonds and Notes				<u><u>\$ 12,327,424</u></u>

Revenue bonds generally are callable 10 years after issuance. Power has agreed to certain covenants with respect to bonded indebtedness. Significant covenants include the requirement that the Power's net income, as defined, will be sufficient to pay certain amounts of future annual bond interest and of future annual aggregate bond interest and principal maturities. Revenue bonds and refunding bonds are collateralized by the future revenues of Power.

In December 2021, Power issued \$401.7 million of Power System Revenue Bonds, 2021 Series C. The net proceeds of \$507.0 million, including a \$105.3 million issue premium net of underwriter's discount, were used to pay for capital improvements and refund a portion of the outstanding Power System Revenue Bonds, 2018 Series B, amounting to \$118.5 million. The transaction resulted in a net gain for accounting purposes of \$0.3 million, which was capitalized as deferred inflows on debt refunding and is being amortized over the life of the refunded bonds.

In February 2022, Power issued \$375.0 million of Power System Revenue Bonds, 2022 Series A. The net proceeds of \$481.1 million, including a \$106.1 million issue premium net of underwriter's discount, were used to pay for capital improvements.

In April 2022, Power issued \$360.0 million of Power System Revenue Bonds, 2022 Series B. The net proceeds of \$426.4 million, including a \$66.4 million issue premium net of underwriter's discount, were used to pay for capital improvements.

In June 2022, Power issued \$399.4 million of Power System Revenue Bonds, 2022 Series C. The net proceeds of \$438.6 million, including a \$39.2 million issue premium net of underwriter's discount, were used to refund a portion of the outstanding Power System Revenue Bonds, 2012 Series A, amounting to \$88.5 million, and all of the outstanding Power System Revenue Bonds, 2012 Series B, amounting to \$350.0 million. The transaction resulted in a net present value savings of \$44.8 million and a net gain for accounting purposes of \$37.0 million, which was capitalized as deferred inflows on debt refunding and is being amortized over the life of the refunded bonds.

As of June 30, 2022, Power had variable rate bonds outstanding in the amount of \$991.7 million. Of these variable rate bonds, \$200.0 million is in direct placement bonds. In January 2021, the Power issued \$250.0 million of Power System Variable Rate Demand Revenue Bonds, 2021 Series A, to pay costs of capital improvements of the Power. The variable rate bonds currently bear interest at weekly and daily rates ranging from 0.27% to 0.90% as of June 30, 2022. Power can elect to change the interest rate period of the bonds with certain limitations. The bondholders have the right to tender the bonds to the tender agent on any business day with seven days' prior notice. Power has entered into standby and line of credit agreements with a syndicate of commercial banks to provide liquidity for the variable rate bonds in the amount of \$323.0 million, \$219.0 million and \$250.0 million as of June 30, 2022. The extended standby agreements expire in January 2023 for the \$323.0 million, May 2024 for the \$219.0 million, and in July 2023 for the \$250.0 million.

## Notes to the Basic Financial Statements

Under the agreements, \$514.0 million variable rate bonds will bear interest that is payable monthly at the greatest of (a) the prime rate plus 1.00%; (b) the federal funds rate plus 2.00%; and (c) 7.50%, \$59.0 million variable rate bonds will bear interest that is payable at the greatest of (a) the prime rate; and (b) the federal funds rate plus 0.5%, \$219.0 million variable rate bonds will bear interest that is payable monthly at the greatest of (a) the prime rate plus 1.00%; (b) the federal funds rate plus 2.00%; and (c) 7.00%. The unpaid principal of each liquidity advance made by the liquidity provider is payable in 10 equal semiannual installments 90 days immediately following the related liquidity advance. At its discretion, Power has the ability to convert the outstanding bonds to fixed-rate obligations, which cannot be tendered by the bondholders.

The variable rate bonds have been classified as long-term in the statement of net position as the liquidity facilities give Power the ability to refinance on a long-term basis and Power intends to either renew the facility or exercise its right to tender the debt as a long-term financing. The portion that would be due in the next fiscal year in the event that the outstanding variable rate bonds were tendered and purchased by the commercial banks under the standby agreements, has been included in the current portion of long-term debt at \$79.2 million as of June 30, 2022.

Principal and interest paid for the current year and net pledged revenue were \$667.2 million and \$1.6 billion, respectively. Power's net pledged revenue is the difference between operating revenue, net nonoperating revenue, AFUDC and capital contributions and operating expenses excluding depreciation and amortization expense. Information on Power's pledged revenue coverage is found in the Statistical Section-Pledged Revenue Coverage.

Under GASB Statement No. 88, "*Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*", Power has the following direct placement debt and unused line of credit:

In May 2020, Power entered into a Continuing Covenant Agreement (CCA) with Bank of America, N.A (Bank of America) for the placement of the \$200.0 million Power System Revenue Bonds, 2014 Series A (Power 2014A Bonds) under a direct purchase structure. In May 2014, the Power System initially sold \$200.0 million of Power 2014A Bonds in an index-floating rate mode under a direct purchase structure with Wells Fargo Municipal Capital Strategies, LLC (Wells Fargo) through a continuing covenant agreement that expired on May 5, 2017. The continuing covenant agreement with Wells Fargo was amended in May 2017 to extend for another three years and expired on May 4, 2020. The CCA with Bank of America will expire on May 2, 2025. Under the CCA with Bank of America, the Power 2014A Bonds will pay interest at a fixed spread of 27 basis points (0.27%) above the Securities Industry and Financial Markets Association (SIFMA) Index for the five-year term. At the end of the five-year term, Power would have the option to either renegotiate and renew a new index floating rate term with Bank of America or another bank or convert the bonds to another mode, such as a fixed-rate mode or a traditional variable-rate mode, which utilizes a standby agreement. Certain default provisions under the CCA include, but are not limited to, failure to pay amounts due under the CCA and certain other obligations of Power, failure to perform certain covenants under the CCA, actions taken in connection with a debt restructuring or similar of the Department, significant rating downgrades of obligations payable from the Power Revenue Fund, and significant nonappealable judgments against the Department. Such defaults may result in a mandatory redemption of the Power 2014A Bonds or other remedial actions taken by Bank of America. Power does not have any assets pledged as collateral for direct placement debt, termination events with finance-related consequences, or subjective acceleration clauses as of June 30, 2022.

On December 14, 2018, Power entered into an Amended and Restated Revolving Credit Agreement (Amended RCA) and the related Amended and Restated Fee and Interest Rate Agreement with Wells Fargo Bank, National Association with a \$300.0 million commitment and the option to request additional commitment, as needed, up to a total commitment of \$500.0 million. Power can request loans for Water System improvements, Power System improvements, and/or such other lawful purposes of the Department. The interest charge for tax-exempt loans is based on SIFMA plus a spread of 0.50% or 75% of one-month LIBOR plus a spread of 0.45%. The interest charge for taxable loans is based on one-month LIBOR plus a spread of 0.45%. The Amended RCA expires in December 2023. As of June 30, 2022, Power has no outstanding commercial paper notes.

# Annual Comprehensive Financial Report

## Notes to the Basic Financial Statements

Scheduled annual principal maturities and interest are as follows (in thousands):

Fiscal Year	Principal	Interest	Total
2023	\$ 190,315	\$ 391,616	\$ 581,931
2024	263,873	384,915	648,788
2025	245,536	377,230	622,766
2026	301,536	369,119	670,655
2027	356,296	358,535	714,831
2028 - 2032	2,007,407	1,569,964	3,577,371
2033 - 2037	2,151,681	1,236,590	3,388,271
2038 - 2042	2,114,535	840,053	2,954,588
2043 - 2047	2,094,950	345,649	2,440,599
2048 - 2052	1,126,100	56,461	1,182,561
2053	17,050	--	17,050
Subtotal	10,869,279	5,930,132	16,799,411
Net Unamortized Bond Premiums and Discounts	1,387,444	--	1,387,444
<b>Total</b>	<b>\$ 12,256,723</b>	<b>\$ 5,930,132</b>	<b>\$ 18,186,855</b>

Interest and amortization are net of \$1.4 billion of unamortized discount/premium and gain/loss due to issuances of new and refunding bonds.

This schedule is presented assuming that the tender options on the variable rate bonds will not be exercised and should the bondholders exercise the tender options, Power would be required to redeem the \$991.7 million in variable rate bonds and direct placement over the next six years, as follows: \$79.2 million in fiscal year 2023, \$158.3 million in each of the fiscal years 2024 through 2025, \$198.3 million in fiscal year 2026 through 2027, and \$119.2 million in fiscal year 2028, and \$40.0 million in each of the fiscal years 2029 through 2030. Accordingly, the statement of net position recognizes the possibility of the exercise of the tender options and reflect the \$79.2 million that could be due in fiscal year 2023 as a current portion of long-term debt payable. Interest and amortization include interest requirements for variable rate bonds over the regularly scheduled maturity period. Variable debt interest rate in effect at June 30, 2022 averages 0.69%. Should the tender options be exercised, the interest would be payable at the rate in effect at the time the standby agreements are activated.

### Water Revenue Bonds and Loans

Revenue bonds, revenue refunding bonds due serially in varying annual amounts, and other long-term debt are as follows (in thousands):

	Final Maturity	Interest Rates	Original Amount	Outstanding Balance
Fixed Rate Revenue Bonds	2053	0.624% - 4.374%	\$ 5,325,270	\$ 4,877,085
Variable Rate Revenue Bonds	2052	Various	754,765	582,300
Loans Payable to California SWRCB and DWR	2052	0.000% - 2.085%	884,537	745,077
Subtotal			<b>\$ 6,964,572</b>	<b>6,204,462</b>
Net Unamortized Bond Premiums and Discounts				670,283
Net Revenue Bonds and Notes				<b>\$ 6,874,745</b>

Revenue bonds generally are callable 10 years after issuance. Water has agreed to certain covenants with respect to bonded indebtedness. Significant covenants include the requirement that Water's net income, as defined, will be sufficient to pay certain amounts of future annual bond interest and of future annual aggregate bond interest and principal maturities. Revenue bonds and refunding bonds are collateralized by the future revenue of Water.

## Notes to the Basic Financial Statements

Water entered into one new loan agreement with the SWRCB and none with the DWR during fiscal year 2022. No funding for the new SWRCB loan was received during fiscal year 2022. Existing SWRCB loans received \$35.0 million to fund water quality capital improvements and made principal payments of \$30.0 million.

In April 2022, the Water System issued \$494.7 million of Water System Revenue Bonds, 2022 Series B. The net proceeds of \$604.4 million, including \$109.7 million issue premium net of underwriter's discount, were used to pay for budgeted capital improvements to the Water System, refund a portion of the outstanding Water System Revenue Bonds 2012 Series A, amounting to \$138.4 million, refund a portion of the outstanding Water System Revenue Bonds 2012 Series B, amounting to \$161.0 million and refund a portion of the outstanding Water System Revenue Bonds 2012 Series C, amounting to \$41.7 million. The transaction resulted in a net present value savings of \$81.4 million and a net gain for accounting purposes of \$23.6 million, which was capitalized as deferred inflows on debt refunding and is being amortized over the life of the refunded bonds.

In June 2022, the Water System issued \$326.9 million of Water System Revenue Bonds, 2022 Series C. The net proceeds of \$382.1 million, including a \$55.2 million issue premium net of underwriter's discount, were used to pay for budgeted capital improvements to the Water System, refund all of the remaining \$138.4 million outstanding Water System Revenue Bonds 2012 Series A, refund all of the remaining \$161.0 million outstanding Water System Revenue Bonds 2012 Series B, and refund a portion of the outstanding Water System Revenue Bonds 2012 Series C, amounting to \$41.7 million. The transaction resulted in a net present value savings of \$60.6 million and a net gain for accounting purposes of \$27.0 million, which was capitalized as deferred inflows on debt refunding and is being amortized over the life of the refunded bonds.

As of June 30, 2022, Water had \$582.3 million in variable rate bonds. The variable rate bonds currently bear interest at daily and weekly rates ranging from 0.27% to 0.90% as of June 30, 2022. Water can elect to change the interest rate period of the bonds, with certain limitations. The bondholders have the right to tender the bonds to the tender agent on any business day with seven days' prior notice. Water has entered into standby agreements with a syndicate of commercial banks to provide liquidity for the variable rate bonds in the amount of \$126.2 million (2001B, Subseries B-1 to B-3), \$56.1 million (2001B, Subseries B-4), \$130.0 million (2019A, Subseries A-1), \$70.0 million (2019A, Subseries A-2), and \$200.0 million (2021A, Subseries A-1 to A-2) as of June 30, 2022. The extended standby agreements expire in January 2023 for \$200.0 million, January 2024 for \$126.2 million, and January 2026 for \$256.1 million.

Under the agreements, \$382.3 million of variable rate bonds will bear interest that is payable monthly at the greatest of (i) Prime Rate plus 1.00%; (ii) the Federal Funds Rate plus 2.00%; and (iii) 7.50% and \$200.0 million variable rate bonds will bear interest that is payable monthly at the greatest of (i) Prime Rate plus 1.50%, (ii) the Federal Funds Rate plus 2.00%, and (iii) 7.00%. The unpaid principal of each liquidity advance made by the liquidity provider is payable in 10 equal semiannual installments 90 days immediately following the related liquidity advance. At its discretion, the Water System has the ability to convert the outstanding bonds to fixed rate obligations, which cannot be tendered by the bondholders.

The variable rate bonds have been classified as long-term on the statement of net position as the liquidity facilities give the Water System the ability to refinance on a long-term basis, and the Water System intends to either renew the facilities or exercise its right to tender the debt as a long-term financing. That portion, which would be due in the next fiscal year in the event that the outstanding variable rate bonds were tendered and purchased by the commercial banks under the standby agreements, has been included in the current portion of long-term debt at \$58.2 million as of June 30, 2022.

Principal and interest paid for the current year and net pledged revenue were \$356.8 million and \$658.1 million, respectively. Water's net pledged revenue is the difference between operating revenue, net nonoperating revenue, AFUDC and capital contributions and operating expenses excluding depreciation and amortization expense. Information on Water's pledged revenue coverage is found in the Statistical Section-Pledged Revenue Coverage.

# Annual Comprehensive Financial Report

## Notes to the Basic Financial Statements

Under GASB Statement No. 88, "Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements", the Water System has the following direct placement debt and unused line of credit:

The Drinking Water State Revolving Fund (DWSRF), administered by the State of California's State Water Resources Control Board, assists public water systems in financing the cost of drinking water infrastructure projects needed to achieve or maintain compliance with Safe Drinking Water Act (SDWA) requirements. The DWSRF utilizes a prioritized project ranking system to ensure that program resources are applied to projects addressing public health risk problems, projects needed to comply with the SDWA, and projects assisting public water systems most in need on a per household-affordability basis. Water has applied for and received funding from the DWSRF for critical Water System capital projects required for compliance with federal drinking water regulations, specifically the Long-Term 2 Enhanced Surface Water Treatment Rule and the Stage 2 Disinfection by Products Rule. This funding has been made available to Water in the form of low or 0% interest loans with a repayment period of up to 30 years.

The CalConserve Water Use Efficiency Loan Program, administered by the State of California Department of Water Resources (DWR), established a loan program to local agencies for specific types of water conservation and water use efficiency projects and programs to achieve urban water use targets. Water has applied for and received funding from the DWR that will be used to implement an Institutional Water Use Efficiency Loan Program. This funding has been made available to Water as a 0% interest loan with a repayment period of 20 years.

The direct borrowings from the DWSRF and DWR contain specified terms relating to certain default provisions as defined by each respective funding agreement. Certain default provisions under the funding agreements include, but are not limited to, material breach of the funding agreement, cessation of operations or bankruptcy, failure to pay amounts due, making false representations with respect to the funding agreements, and failure to meet compliance requirements. Some agreements may be terminated at the option of the lender upon material violation and failure to become compliant. Such termination may result in the immediate repayment of disbursed funds. The Water System does not have any assets pledged as collateral for direct borrowings or subjective acceleration clauses.

Water and Power entered into an Amended RCA and the related Amended and Restated Fee and Interest Rate Agreement with Wells Fargo Bank, National Association with a \$300.0 million commitment and the option to request additional commitment, as needed, up to a total commitment of \$500.0 million. The detailed information is described above on page 127. As of June 30, 2022, Water has no obligations outstanding under the Amended RCA.

Scheduled annual principal maturities and interest are as follows (in thousands):

Fiscal Year	Principal	Interest	Total
2023	\$ 110,014	\$ 202,549	\$ 312,563
2024	136,642	198,039	334,681
2025	143,228	193,131	336,359
2026	149,658	187,908	337,566
2027	152,558	183,344	335,902
2028 - 2032	948,938	831,364	1,780,302
2033 - 2037	1,115,740	671,235	1,786,975
2038 - 2042	1,272,872	470,003	1,742,875
2043 - 2047	1,271,622	243,161	1,514,783
2048 - 2052	873,150	51,314	924,464
2053	30,040	--	30,040
Subtotal	6,204,462	3,232,048	9,436,510
Net Unamortized Bond Premiums and Discounts	670,283	--	670,283
<b>Total</b>	<b>\$ 6,874,745</b>	<b>\$ 3,232,048</b>	<b>\$ 10,106,793</b>

The interest and amortization is net of \$742.3 million of unamortized discount/premium and gain/loss due to issuances of new and refunding bonds.

## Notes to the Basic Financial Statements

The maturity schedule presented above reflects the scheduled debt service requirements for all of the Water System's long-term debt. The schedule is presented assuming that the tender options on the variable rate bonds will not be exercised. Should the bondholders exercise the tender options, Water could be required to redeem the \$582.3 million in variable rate bonds outstanding over the next six fiscal years as follows: \$58.2 million in fiscal year 2023, \$116.5 million in each of the fiscal years 2024 through 2027, and \$58.2 million in fiscal year 2028. Accordingly, the statements of net position recognize the possibility of the exercise of the tender options and reflect the \$58.2 million that could be due in fiscal year 2023, as a current portion of long-term debt payable.

Interest and amortization presented in the above schedule include interest requirements for the variable rate debt over the regularly scheduled maturity period. Variable debt interest rate in effect at June 30, 2022 averages 0.52%. Should the tender options be exercised, the interest would be payable at the rate in effect at the time the standby agreements are activated.

### **Wastewater System Revenue Bonds, Notes, and Loans**

Revenue bonds, commercial paper notes, and loans outstanding at June 30, 2022, and the original amounts issued are as follows (in thousands):

	Final Maturity	Original Amount	Outstanding Balance
	Interest Rates		
Revenue Bonds	2052	1.000% - 5.813%	\$ 2,536,220
Loans Payable to California SWRCB	2024	1.800%	39,339
Commercial paper notes	--	Variable	79,024
Subtotal		<u>\$ 3,361,391</u>	<u>2,654,583</u>
Net Unamortized Bond Premiums and Discounts			227,158
Net Revenue Bonds, Notes and Loans			<u>\$ 2,881,741</u>

Wastewater revenue bonds are issued under Senior Lien and Subordinate Lien General Resolutions dated November 10, 1987 and March 26, 1991, respectively, with a total authorization of \$3.5 billion. The voters of the City subsequently approved a new Charter which became effective July 1, 2000. Under the new Charter, revenue bonds and notes of the City may be issued in accordance with the Procedural Ordinance and without any further authorization by the voters of the City. Proceeds of wastewater revenue bonds and notes are restricted for the funding of the costs of construction, replacement and improvement of the wastewater system of the City.

Under the terms of the General Resolutions, the City has pledged the Sewer's revenues (as defined) to secure the payment of all bonds issued under the General Resolutions. Certain bond agreements provide for the early redemption of the revenue bonds at the City's option at various dates with redemption prices at 100% of the principal amount of the bonds called for redemption. Upon and during the continuance of an event of default, the principal of and interest accrued on all bonds may be declared to be due and payable immediately.

On April 19, 2022, Sewer issued Wastewater System Subordinate Revenue Bonds, Series 2022-A and 2022-B, in the amounts of \$99.0 million and \$70.3 million, respectively, with 5.0% and various interest rates, respectively. The proceeds of the Series 2022-A and 2022-B were used to pay a portion of the outstanding Wastewater System Commercial Paper Notes, and pay certain costs of issuing the Series 2022- A and B Subordinate Bonds.

On April 1, 2022, Sewer issued Wastewater System Subordinate Revenue Bonds, Refunding Series 2022-C in the amount of \$380.6 million plus \$61.0 million premium with 5.0% interest rate. The proceeds of the Series 2022-C Bonds were used to pay a total of \$444.6 million of all or a portion of the outstanding City of Los Angeles Wastewater System Subordinate Revenue Bonds, Series 2010-A, Refunding Series 2012-B and C, Refunding Series 2018-C1 and C2, the outstanding City of Los Angeles Wastewater System Revenue Bonds, Refunding Series 2012-A, and pay certain costs of issuing the Series 2022-C bonds. The total economic gains for the refunding transactions Subordinate Series 2022-C were \$31.5 million. The total cash flow savings for the refunding transactions Series 2022-C were \$42.4 million.

# Annual Comprehensive Financial Report

## Notes to the Basic Financial Statements

The differences between the net carrying amount of the old debt and the amount required to retire the debt in the amount of \$18.8 million is deferred and amortized over the original remaining life of the old debt or life of the new debt, whichever is shorter.

### Build America and Recovery Zone Economic Development Bonds

The City has designated the Senior Lien Bonds Series 2010-A and 2010-B as Build America Bonds and Recovery Zone Economic Development Bonds, respectively, under the provisions of the American Recovery and Reinvestment Act of 2009. The City expects to receive a direct subsidy of 35% and 45% of the interest due to bondholders from the United States Treasury for the Series 2010-A and 2010-B, respectively, less any scheduled Federal sequestration amounts. Sewer recorded no interest subsidies for the fiscal year ended June 30, 2022.

### State Revolving Fund Loan

In 2003, the City Council adopted a resolution, approved by the Mayor, authorizing a State Revolving Fund Loan (Loan) from the State Water Resources Control Board (SWRCB) in the amount of \$262.9 million to assist in financing the construction of the North Outfall Sewer-East Central Interceptor Project (Project). The Project fulfills certain requirements of the Cease and Desist Order issued by the Regional Water Quality Control Board. The costs of the Project were shared by the contract agencies.

As of June 30, 2022, the Loan balance amounted to \$39.3 million. The Loan matures in fiscal year 2025 and annual repayment commenced in August 2005 based on a standard fully amortized loan calculation at an effective interest rate of 1.8%. The Loan is paid from Sewer's revenues subordinate to the Wastewater System senior and subordinate revenue bonds and commercial paper notes. The contract agencies were billed beginning August 2005 for their proportionate share of the debt service costs. Payments received from the contract agencies are recorded as capital contributions, which represent their proportionate share of the costs of the Project.

The City has pledged Sewer's net revenues as collateral for the Loan. In the case of termination of the Loan due to the City's failure to comply with any of the material provisions of the agreement, at the option of the SWRCB, the City would have to repay the loan amount, including accrued interest at the highest legal rate from the date that the notice of termination is mailed to the City.

Principal and interest paid for the current year and net pledged revenue were \$218.7 million and \$366.6 million, respectively. Sewer's net pledged revenue is the difference between operating revenues and investment income and operating expenses (excluding depreciation and amortization). Information on Sewer's pledged revenue coverage is found in the Statistical Section-Pledged Revenue Coverage.

Scheduled annual principal maturities and interest are as follows (in thousands):

Fiscal Year	Principal	Interest	Total
2023	\$ 195,785	\$ 126,944	\$ 322,729
2024	119,522	120,795	240,317
2025	124,516	115,332	239,848
2026	117,970	109,621	227,591
2027	124,830	103,830	228,660
2028 - 2032	599,845	431,411	1,031,256
2033 - 2037	500,620	291,207	791,827
2038 - 2042	466,925	165,342	632,267
2043 - 2047	341,215	56,146	397,361
2048 - 2052	63,355	6,669	70,024
Subtotal	2,654,583	1,527,297	4,181,880
Net Unamortized Bond Premiums and Discounts	227,158	--	227,158
<b>Total</b>	<b>\$ 2,881,741</b>	<b>\$ 1,527,297</b>	<b>\$ 4,409,038</b>

The maturity schedule presented above reflects the scheduled debt service requirements for all of Sewer's long-term debt.

# Annual Comprehensive Financial Report

## Notes to the Basic Financial Statements

### Water Infrastructure Finance and Innovation Act (WIFIA) Loan

Sewer was approved for a WIFIA Loan in the original principal amount of up to \$223.9 million from the United States Environmental Protection Agency under WIFIA for the Advanced Water Purification Facility which includes three component projects at Donald C. Tillman Water Reclamation Plant. The project is scheduled to be completed in September 2027 and will provide high quality recycled water for groundwater recharge. The WIFIA Loan is expected to be disbursed at substantial completion of the project. The WIFIA Loan is secured on parity with the Subordinate Bonds, and the WIFIA Loan agreement provides that terms of proposed amendments to the Senior General Resolution and Subordinate General Resolution will become effective with respect to the WIFIA Loan upon the approval of such amendments by the requisite percentage of owners of the Senior Lien Bonds or the Subordinate Bonds, as applicable. Sewer has not drawn against the loan principal as of June 30, 2022.

The City issues commercial paper (Notes) at prevailing interest rates for the maturities not to exceed 270 days under the commercial paper program on behalf of Sewer. The Notes are secured by Letters of Credit (LOCs) from Barclays Bank PLC and Toronto-Dominion Bank that each expire on October 30, 2024. The aggregate maximum principal amount of the LOCs is \$400.0 million, which consist of \$280.0 million in principal for Toronto-Dominion Bank and \$120.0 million in principal for Barclays Bank PLC. Sewer is responsible for the payment of a non-refundable letter of credit fee for each of the LOCs. The reimbursement agreements with Barclays Bank PLC and Toronto-Dominion Bank contain a number of covenants and agreements on the part of the City, and specify events of default, and remedies. In the event of default, the obligations shall bear interest at the default rate, and the banks may stop the issuance of additional commercial paper notes, and reduce the stated amount of the letter of credit. There were \$79.0 million outstanding Notes as of June 30, 2022 with \$1.3 million in interest expense.

### 3. Fiduciary Funds

Following is a summary of notes payable activity of Pensions for the fiscal year ended June 30, 2022 (in thousands):

	Balance June 30, 2021	Additions	Deductions	Balance June 30, 2022	Due Within One Year
Notes Payable	\$ 217,434	\$ 4,271	\$ (538)	\$ 221,167	\$ 554

The notes payable of the Pensions are secured by real estate. Interest rates range from 1.81% to 4.30% per annum. The debt service payments to maturity for these notes are as follows (in thousands):

Fiscal Year	Principal	Interest	Total
2023	\$ 554	\$ 6,756	\$ 7,310
2024	37,593	5,986	43,579
2025	29,050	4,753	33,803
2026	--	4,537	4,537
2027	25,000	4,197	29,197
2028 - 2032	109,810	10,149	119,959
2033	19,160	163	19,323
Total	221,167	\$ 36,541	\$ 257,708
Add: Appreciation/(Depreciation) of Mortgage Payable	(8,667)		
	\$ 212,500		

### J. Current and Advance Refunding of Debt

Debt refunding activities occurred during the fiscal year that resulted in the redemption or defeasance of certain outstanding obligations. The proceeds from refunding issues and amounts available from the debt service funds of the refunded bonds were deposited into irrevocable trusts with escrow agents. Following are the refunding activities that represent in-substance defeasance such that the refunded debts were removed from the accompanying financial statements (in thousands):

Refunding Debt	Refunded Debt	Cash Flow Savings	Economic Gain
<b>Governmental Activities</b>			
General Obligation Bonds Series 2021-B \$65,490 4.000% - 5.000%	General Obligation Bonds Series 2011-B, Series 2012-A \$15,285 / \$53,430 5.000%, 3.000% - 5.000%	\$ 2,591	\$ 4,282
<b>Business-type Activities</b>			
Airport Subordinate Revenue Bonds 2021 Series D (Private Activity, AMT) 2021 Series E (Federally Taxable) \$753,195 / \$125,815 3.000% - 5.000% / 0.264% - 2.811%	Airport Subordinate Revenue Bonds 2016 Series A (partial) \$217,680 4.000% - 5.000%	18,862	18,759
Airport Subordinate Revenue and Refunding Bonds 2022 Series C (Private Activity, AMT) \$307,070 3.250% - 5.000%	Airports Senior Revenue Bonds 2016 Series C (partial) \$13,365 2.624%		
Airport Subordinate Revenue Bonds 2022 Series D (Private Activity, Non-AMT) \$101,545 4.000% - 5.000%	Airports Senior Revenue Bonds 2012 Series A (partial) \$50,700 5.000%	7,401	6,530
Power System Revenue Bonds 2021 Series C \$401,705 3.000% - 5.000%	Airports Senior Revenue Bonds 2012 Series B (Non-AMT) \$116,905 4.000% - 5.000%	33,471	23,228
Power System Revenue Bonds 2022 Series C \$399,365 5.000%	Power System Revenue Bonds 2018 Series B \$118,505 4.000% - 5.000%	--	--
Water System Revenue Bonds 2022 Series B \$494,670 4.000% - 5.000%	Power System Revenue Bonds 2012 Series A \$88,515 3.000% - 5.000%	63,610	42,494
Water System Revenue Bonds 2022 Series B \$494,670 4.000% - 5.000%	Power System Revenue Bonds 2012 Series B \$350,000 5.000%		
Water System Revenue Bonds 2022 Series C \$326,905 Variable	Water System Revenue Bonds 2012 Series A \$138,385 5.000%	103,740	72,759
Water System Revenue Bonds 2022 Series C \$326,905 Variable	Water System Revenue Bonds 2012 Series B \$161,000 5.000%		
Water System Revenue Bonds 2022 Series C \$326,905 Variable	Water System Revenue Bonds 2012 Series C \$41,680 5.000%		
Water System Revenue Bonds 2022 Series C \$326,905 Variable	Water System Revenue Bonds 2012 Series A \$138,380 5.000%	83,176	56,315

# Annual Comprehensive Financial Report

## Notes to the Basic Financial Statements

Refunding Debt	Refunded Debt	Cash Flow Savings	Economic Gain
	Water System Revenue Bonds 2012 Series B \$161,000 5.000%		
	Water System Revenue Bonds 2012 Series C \$41,685 5.000%		
Wastewater System Subordinate Revenue Bonds 2022 Series C \$380,570 5.000%	Wastewater System Revenue Bonds Senior & Subordinate 2010 Series A, 2012 Series A, B, C and 2018 Series C \$444,550 3.250% - 5.000%; Variable for 2018-C	42,433	31,462

### K. Prior Years Defeasance of Debt

In prior years, the City defeased certain bonds by placing the proceeds of the new bonds in irrevocable trusts to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements.

At June 30, 2022, the following bonds are considered defeased (in thousands):

Governmental Activities	
General Obligation Bonds	\$ 9,915
MICLA Lease Revenue Bonds	<u>140,630</u>
Total	<u><u>\$ 150,545</u></u>
Business-type Activities	
Power Revenue Bonds	\$ 447,540
Water Revenue Bonds	<u>748,170</u>
Total	<u><u>\$ 1,195,710</u></u>

### L. Tax and Revenue Anticipation Notes

On July 1, 2021, in anticipation of receiving taxes and other revenues, the City issued tax and revenue anticipation notes (TRAN) with a true interest cost of 0.149% and total premium of \$70.3 million, depositing the proceeds in a General Fund account. The notes were issued to pay the City's annual contributions to Pensions and LACERS at the beginning of the fiscal year and to provide effective cash flow management of the General Fund. The additional interest earned by the pension funds from these early payments was used to discount the required City contribution without reducing the pension funds' annual receipts.

Short-term debt activity for the fiscal year ended June 30, 2022 was as follows (in thousands):

	Beginning Balance	Issued	Redeemed	Ending Balance
Tax and Revenue Anticipation Notes	\$ --	\$ 1,854,090	\$ (1,854,090)	\$ --

### M. Leases

A lease is defined as a contractual agreement that conveys control of the right-to-use (RTU) another entity's nonfinancial asset, for a minimum contractual period of greater than one year, in an exchange or exchange-like transaction. Whether the City is the lessee or the lessor, nonfinancial assets involved in these lease contracts are land, buildings, building improvements, vehicles, machinery and equipment, etc.

The City adopted GASB Statement No. 87, "Leases," for its basic financial statements at the beginning of the fiscal year 2022. The City recognized RTU lease assets with related accumulated amortization, lease liabilities, lease expense, amortization expense, and accrued interest payable as a lessee while recognized lease receivable, accrued interest receivable, deferred inflows of resources related to leases, lease revenues, and interest received from leases as a lessor.

The City has a variety of variable payment clauses within its lease arrangements. Components of variable payments that are fixed in substance are included in the measurement of the lease liability, while variable payments based on the usage of the underlying asset are excluded from this liability.

Contracts with maximum terms of twelve months or less, those with termination clauses by either party without notice periods or leases that transfer ownership of the underlying assets are excluded from GASB Statement No. 87. Due to being under one primary government reporting legal entity, the leases among City departments, Airports, Harbor, Water and Power, and Sewer are excluded from GASB Statement No. 87 because the control is not conveyed to another legal entity. Leases with MICLA are also excluded as MICLA is a blended component unit and the intra-entity leases with the City are eliminated in the City's basic financial statements.

As of June 30, 2022, the total City's lease related RTU assets are \$266.0 million with accumulated amortization of \$59.3 million, and lease liability is \$212.1 million along with \$596.6 million lease receivable and \$569.9 million lease related deferred inflow of resources.

### 1. Governmental Activities

#### City as Lessee

The City as a lessee, entered into various lease agreements with third parties having terms expiring between 2023 and 2062, including periods covered by the options to extend, which the City is reasonably certain to exercise. The terms and conditions for these leases and the materiality threshold applied to vary by the type of underlying assets, including lands, buildings, facilities, improvements, vehicles, machinery and equipment. All these agreements have fixed, periodic payments over the lease term, considering periodic payment escalations based on the Consumer Price Index rates if stipulated explicitly in the lease contract.

As a lessee, the City recognizes an intangible RTU asset and corresponding lease liability at the adoption date for pre-existing lease contracts or lease commencement date for new leases in the fiscal year 2022. RTU asset and lease liability was calculated as the present value of all future lease payments expected to be paid by the City during the lease term. Unless explicitly stated in the lease agreement or City can determine the rate implicit within the lease, the discount rate used in the present value calculation is the City's incremental borrowing rate (IBR), ranging from 0.354% to 5.340%, applying the appropriate IBR to each contract based on the lease maturity year.

# Annual Comprehensive Financial Report

## Notes to the Basic Financial Statements

At June 30, 2022, the City's lease related RTU assets by major class of underlying assets consist of the following (in thousands):

RTU Assets	Balance June 30, 2022
Land	\$ 5,200
Buildings, Facilities, and Improvements	128,561
Machinery, Furniture and Equipment	<u>2,246</u>
Total RTU Assets	136,007
Accumulated Amortization	<u>(23,945)</u>
Net Lease Related RTU Assets	<u><u>\$ 112,062</u></u>

As of June 30, 2022, the City's principal and interest requirements to maturity for the lease liability are as follows (in thousands):

Fiscal Year	Principal	Interest	Total
2023	\$ 22,634	\$ 2,199	\$ 24,833
2024	18,209	1,886	20,095
2025	10,134	1,651	11,785
2026	9,977	1,427	11,404
2027	10,034	1,199	11,233
2028 - 2032	36,635	2,708	39,343
2033 - 2037	2,162	883	3,045
2038 - 2042	669	711	1,380
2043 - 2047	789	591	1,380
2048 - 2052	931	449	1,380
2053 - 2057	1,098	282	1,380
2058 - 2062	<u>1,133</u>	<u>86</u>	<u>1,219</u>
Total	<u><u>\$ 114,405</u></u>	<u><u>\$ 14,072</u></u>	<u><u>\$ 128,477</u></u>

As of June 30, 2022, City's lease related RTU assets is \$136.0 million with accumulated amortization of \$23.9 million and lease liability is \$114.4 million.

### City as Lessor

The City also leases to the third parties various facilities, office, and retail spaces located in buildings owned by the City with contract terms expiring between 2025 and 2053, including options to extend that the City is reasonably certain to exercise. The underlying assets leased out to third parties are not derecognized by the City but remain part of the capital assets with corresponding accumulated depreciation in its basic financial statements.

As a lessor, the City recognizes a lease receivable and corresponding deferred inflow of resources at the adoption date of GASB 87 for pre-existing lease contracts or lease commencement date for new leases in fiscal year 2022 measured as the present value of all future lease revenue to be received from tenants during the lease term. The City also recognizes interest on lease receivable earned during the current fiscal year as interest revenue. Unless expressly provided for in the lease contract, discount rates used for calculating the present value of the lease receivable is the City's IBR, ranging from 1.156% to 3.307%, based on the lease maturity year of the eligible lease contracts.

# Annual Comprehensive Financial Report

## Notes to the Basic Financial Statements

As of June 30, 2022, the City's principal and interest requirements to maturity for the lease receivables are as follows (in thousands):

Fiscal Year	Principal	Interest	Total
2023	\$ 1,555	\$ 399	\$ 1,954
2024	1,521	365	1,886
2025	1,571	330	1,901
2026	1,522	294	1,816
2027	1,564	257	1,821
2028 - 2032	7,209	721	7,930
2033 - 2037	1,192	201	1,393
2038 - 2042	354	93	447
2043 - 2047	183	59	242
2048 - 2052	215	26	241
2053	48	1	49
<b>Total</b>	<b>\$ 16,934</b>	<b>\$ 2,746</b>	<b>\$ 19,680</b>

As of June 30, 2022, City has \$16.9 million lease receivable and \$16.3 million lease related deferred inflow of resources.

### Municipal Improvement Corporation of Los Angeles (MICLA)

The MICLA was formed to finance certain capital improvement projects of the City and enter into long-term lease agreements with the City. Under the lease agreements, title transfers to the City at the end of the lease term. If the City defaults under the Lease and Trust Agreements, the Trustee may terminate the lease and re-let the properties, except for the Streetlights Financing Series. Since MICLA is included in the City's reporting entity, the lease payments by the City are accounted for in the fund financial statements as transfers from the General Fund and certain special revenue funds to the MICLA Debt Service Fund. The leases have been eliminated in the government-wide financial statements.

## 2. Business-type Activities

### Airports

Airports as a lessee has entered into various agreements for land, buildings, equipment and vehicles with lease terms expiring between 2022 and 2042, with some leases containing options to renew. The terms and conditions for these leases vary by the type of underlying asset. Airports recognizes a lease liability and an intangible RTU asset at the commencement of the lease. RTU lease asset and lease liability are measured based on the net present value of all future payments using the weighted average cost of capital which approximates Airports' incremental borrowing rate. Unless the rate is explicitly stated in the lease agreement, the IBR was 3.35% as of June 30, 2021, and was the discount rate utilized as the initial rate to establish the beginning balance of lease liabilities. The IBR was 3.22% as of June 30, 2022, and was the discount rate utilized for applicable leases beginning in fiscal year 2022.

At June 30, 2022, the Airports' lease related RTU assets by major class of underlying assets consist of the following (in thousands):

RTU Assets	Balance June 30, 2022
Land	\$ 45,911
Buildings, Facilities, and Improvements	8,688
Machinery, Furniture and Equipment	23,939
<b>Total RTU Assets</b>	<b>78,538</b>
Accumulated Amortization	(26,229)
<b>Total</b>	<b>\$ 52,309</b>

## Notes to the Basic Financial Statements

As of June 30, 2022, the Airports' principal and interest requirements to maturity for the lease liability are as follows (in thousands):

Fiscal Year	Principal	Interest	Total
2023	\$ 7,568	\$ 1,682	\$ 9,250
2024	4,990	1,482	6,472
2025	3,782	1,340	5,122
2026	3,223	1,215	4,438
2027	2,595	1,123	3,718
2028-2032	14,457	4,204	18,661
2033-2037	6,898	2,422	9,320
2038-2042	9,765	1,040	10,805
2043	974	8	982
<b>Total</b>	<b>\$ 54,252</b>	<b>\$ 14,516</b>	<b>\$ 68,768</b>

As of June 30, 2022, Airports' lease related RTU assets is \$78.5 million with accumulated amortization of \$26.2 million and lease liability is \$54.3 million.

Airports as a lessor, leases terminal space (except for regulated leases), aircraft maintenance and overhaul facilities, cargo facilities, hangars, other building facilities and ancillary land facilities at LAX to air carriers and other tenants under various agreements, majority of which are non-cancelable and terminate no later than fiscal year 2050.

As a lessor, Airports recognizes a lease receivable, measured as the present value of the lease payments expected to be received during the lease term using the weighted average cost of capital which approximates the discount rate being charged to the tenants or lessee. The deferred inflow of resources is measured as the value of the lease receivable in addition to any payments received at or before the commencement of the lease that relate to future periods. Periodic amortization of the discount on the receivable is reported as interest revenue for that period. Deferred inflows of resources are recognized as inflows on a straight-line basis over the term of the lease.

### Building and Land Leases

Airports leases terminal space, aircraft maintenance and overhaul facilities, cargo facilities, hangars, and other building facilities and ancillary land facilities at LAX to air carriers and other tenants under various agreements. The terms of these long-term leases range from more than one to forty years and generally expire between fiscal years 2023 and 2050. Airports also leases office spaces in Skyview Center to air carriers and other tenants under various agreements. The terms of these long-term leases range from two to ten years and generally expire between fiscal years 2023 and 2030.

### Concessions Leases

Airports operates a comprehensive concessions program at LAX that includes advertising and sponsorship, duty free merchandise, food and beverage, retail, and services operators in the terminal facilities. Contractually, concessionaires pay rent to LAX in an amount equal to the greater of a percentage of gross sales or a Minimum Annual Guarantee (MAG). The decline in passenger traffic due to COVID-19 significantly reduced concession sales and prompted the Board of Airport Commissioners (Board) to temporarily authorize revised payment terms to suspend MAGs through June 30, 2022, and require concessionaires to pay rent based on percentage of gross sales if the concession units are open and operational. Due to the variable nature of the above revenues from year-to-year, expected future minimum payments are indeterminable. Accordingly, these concession agreements with MAG waiver are not recognized as agreements under GASB Statement No. 87 in fiscal year 2022.

# Annual Comprehensive Financial Report

## Notes to the Basic Financial Statements

As of June 30, 2022, the Airports' principal and interest requirements to maturity for the lease receivables are as follows (in thousands):

Fiscal Year	Principal	Interest	Total
2023	\$ 54,691	\$ 7,243	\$ 61,934
2024	39,766	5,626	45,392
2025	22,640	4,571	27,211
2026	21,285	3,853	25,138
2027	18,255	3,170	21,425
2028-2032	65,782	8,283	74,065
2033-2037	14,799	1,546	16,345
2038-2042	3,743	374	4,117
2043-2047	657	126	783
2048-2050	404	18	422
<b>Total</b>	<b>\$ 242,022</b>	<b>\$ 34,810</b>	<b>\$ 276,832</b>

As of June 30, 2022, Airports have \$242.0 million lease receivable and \$229.3 million lease related deferred inflow of resources.

### Regulated Leases

Airports entered into various Rate Agreements with airlines for usage of LAX facilities for the purpose of conducting business as air transportation businesses. The 2021 Rate Agreement Amendment was executed with a term that extends through December 2032. Under the terms of these agreements, airlines pay LAX monthly fees based on an approved methodology of calculating rates and charges for airlines and airline consortia.

In accordance with GASB Statement No. 87, Airports does not recognize a lease receivable and a deferred inflow of resources for regulated leases. Regulated leases are certain leases that are subject to external laws, regulations, or legal rulings, e.g. the U.S. Department of Transportation and the Federal Aviation Administration, regulated aviation leases between airports and air carriers and other aeronautical users.

For the fiscal year ended June 30, 2022, Airports recognized the following balances related to regulated leases (in thousands):

RTU Assets	Fixed Payments	Variable Payments	Total
Building Rentals	\$ 378,980	\$ --	\$ 378,980
Land Rentals	35,789	--	35,789

Expected future minimum lease payments from regulated leases at June 30, 2022 based on the assumption that current agreements are carried to contractual termination, without considering the potential effect of the ongoing COVID-19 pandemic, and without considering future expansion and changes in operations by Airports or the signatory airlines, are as follows (in thousands):

Fiscal Year	Total
2023	\$ 440,196
2024	420,391
2025	370,111
2026	312,985
2027	270,964
2028-2032	1,330,256
2033-2037	203,194
2038-2042	33,504
2043-2047	9,836
<b>Total</b>	<b>\$ 3,391,437</b>

# Annual Comprehensive Financial Report

## Notes to the Basic Financial Statements

Under the agreements with the airlines, they may have preferential and exclusive use of certain space and facilities of the terminal and gates in LAX as summarized below:

Terminal	Total Terminal Area (SQFT)	Non-exclusively Used Terminal Area (SQFT)	Exclusively Used Terminal Area (SQFT)	Airlines using the Terminal Area Exclusively
T1 & T1.5	197,490	28,179	169,311	Southwest Airlines
T2	152,877	3,078	149,799	Delta Air Lines
T3	328,849	1,589	327,260	Delta Air Lines
T4	302,156	1,490	300,666	American Airlines
T5	470,131	33,673	436,458	American Airlines
T6	133,970	30,632	103,338	Alaska Airlines
T7	335,087	4,081	331,006	United Airlines
T8	17,278	583	16,695	United Airlines
TBIT/MSC	207,280	207,280	--	
<b>Total</b>	<b>2,145,118</b>	<b>310,585</b>	<b>1,834,533</b>	

Note: The information above is based on June 2022 billing.

Terminal	Total no. of Gates	Common Use Gates	Preferential Use Gates	Airlines using the Gates Preferentially
T1 & T1.5	13	--	13	Southwest Airlines
T2	12	2	10	Delta Air Lines
T3	14	--	14	Delta Air Lines
T4	15	--	15	American Airlines
T5	13	--	6	American Airlines
T5	--	--	4	Jetblue Airlines
T5	--	--	3	Spirit Airlines
T6	13	3	8	Alaska Airlines
T6	--	--	2	Air Canada
T7	15	--	15	United Airlines
T8	8	--	8	United Airlines
TBIT	37	36	1	Delta Air Lines
MSC	9	--	9	Various airlines
Commuter	9	9	--	
<b>Total</b>	<b>158</b>	<b>50</b>	<b>108</b>	

Note: According to the lease agreements, the above airlines are entitled to use the gates on a preferential basis in accordance with the scheduling protocols. Airports has the rights to schedule aircraft operations of other airlines on the preferential-use gates if such scheduling will not interfere with the above airlines' operation.

### Harbor

Harbor as a lessee, has obtained right-to-use (RTU) lease assets such as office space, equipment, radio tower space, and vanpool vehicles through long-term leases. At June 30, 2022, RTU lease assets and related accumulated amortization are as follows:

RTU Assets	Balance June 30, 2022
Buildings, Facilities, and Improvements	\$ 1,446
Machinery, Furniture and Equipment	773
<b>Total RTU Assets</b>	<b>2,219</b>
Accumulated Amortization	(1,727)
<b>Total</b>	<b>\$ 492</b>

# Annual Comprehensive Financial Report

## Notes to the Basic Financial Statements

Harbor's future annual payments under these leases as of June 30, 2022 are as follows (in thousands):

Fiscal Year	Principal	Interest	Total
2023	\$ 277	\$ 9	\$ 286
2024	120	4	124
2025	75	2	77
2026	34	--	34
<b>Total</b>	<b>\$ 506</b>	<b>\$ 15</b>	<b>\$ 521</b>

As of June 30, 2022, Harbor's lease related RTU assets is \$2.2 million with accumulated amortization of \$1.7 million and lease liability is \$0.5 million.

Harbor as a lessor, leases a portion of lands and facilities to tenants for purposes of supporting port operations and serve the surrounding communities. These leases generated 13.8% of the Harbor's operating revenues in fiscal year 2022. These tenants operate restaurants, yacht clubs, ferry service, boat repair and maintenance shops, freight and logistics services, as well as oil and gas exploration. The terms of these leases are long-term in nature ranging from 1 to 66 years and are subject to periodic review and reset of base amounts. Certain provisions of these leases provide for fixed and variable rental payments.

For the fiscal year ended June 30, 2022, lease payments are as follows (in thousands):

RTU Assets	Fixed	Variable	Total
Land rentals	\$ 45,415	\$ 930	\$ 46,345

Harbor's future annual receipts for these leases as of June 30, 2022 are as follows (in thousands):

Fiscal Year	Principal	Interest	Total
2023	\$ 36,008	\$ 9,647	\$ 45,655
2024	25,232	8,786	34,018
2025	10,541	8,309	18,850
2026	9,643	8,011	17,654
2027	9,036	7,729	16,765
2028 - 2032	218,397	93,288	311,685
<b>Total</b>	<b>\$ 308,857</b>	<b>\$ 135,770</b>	<b>\$ 444,627</b>

As of June 30, 2022, Harbor has \$308.9 million lease receivable and \$296.2 million lease related deferred inflow of resources.

### Regulated Leases

The majority of the Harbor's leases contain nonexclusive right-to-use of the premises and provide retention of ownership by Harbor under the State tidelands and Federal maritime regulations. These leases are considered regulated leases.

For the fiscal years ended June 30, 2022, the minimum rental income from such lease agreements was approximately \$439.0 million, and was reported under shipping services revenue. Certain agreements relate to shipping services and certain concessions provide for the additional payment beyond the fixed portion, based upon tenant usage, revenues, or volumes.

# Annual Comprehensive Financial Report

## Notes to the Basic Financial Statements

Assuming that current agreements are carried to contractual termination, minimum tenant commitments due to the Harbor over the next five years are as follows (in thousands):

Fiscal Year	Minimum Rental Income
2023	\$ 392,927
2024	407,543
2025	413,459
2026	418,774
2027	422,783
2028-2032	781,274
2033-2037	724,930
2038-2042	438,307
2043-2047	62,930
Total	<u><u>\$ 4,062,927</u></u>

### Power

The Power System adopted the provisions of GASB Statement No. 87 on July 1, 2021 and the Power's financial statements for the fiscal year ended June 30, 2022 reflect the implementation of this statement.

The Power System is a lessee for various noncancelable leases of buildings, vehicles and land. At lease commencement, the Water System initially measures the lease liability at the present value of payments expected to be made during the lease term. If the present value of payments expected to be made is below the \$100.0 thousand materiality threshold, then expenses will be recognized as short-term leases. Subsequently, for all other leases, the lease liability is reduced by the principal portion of lease payments made at or before the lease commencement date.

The Power System generally uses its estimated incremental borrowing rate as the discount for leases unless the rate that the lessor/vendor charges is known. The Power System's incremental borrowing rate is based on the long-term average Weighted Average Cost of Capital (WACC) for AA-rated utilities as the discount rate for leases unless the rate that the lessor charges is known.

The Power System's incremental borrowing rate for leases is based on the rate of interest it would need to pay if it issued general obligation bonds to borrow an amount equal to the lease under similar terms at the commencement or remeasurement date.

The Power System monitors changes in circumstances that may require the remeasurement of a lease. When certain changes occur that are expected to significantly affect the amount of the lease liability, the liability is remeasured and a corresponding adjustment is made to the lease asset. There was no remeasurement of leases during fiscal year 2022.

At June 30, 2022, the Power's lease related RTU assets by major class of underlying assets consist of the following (in thousands):

RTU Assets	Balance June 30, 2022
Land	\$ 1,251
Buildings, Facilities, and Improvements	16,948
Machinery, Furniture and Equipment	2,443
Total RTU Assets	20,642
Accumulated Amortization	(3,688)
Total	<u><u>\$ 16,954</u></u>

# Annual Comprehensive Financial Report

## Notes to the Basic Financial Statements

As of June 30, 2022, the Power's annual principal and interest for the lease liability are as follows (in thousands):

Fiscal Year	Principal	Interest	Total
2023	\$ 4,633	\$ 609	\$ 5,242
2024	1,191	564	1,755
2025	1,266	512	1,778
2026	1,038	462	1,500
2027	1,087	418	1,505
2028-2032	6,243	1,192	7,435
2033-2037	565	382	947
2038-2042	835	245	1,080
2043-2047	475	97	572
2048-2052	77	6	83
<b>Total</b>	<b>\$ 17,410</b>	<b>\$ 4,487</b>	<b>\$ 21,897</b>

As of June 30, 2022, Power's lease related RTU assets are \$20.6 million with accumulated amortization of \$3.7 million, and lease liability is \$17.4 million.

The Power System is a lessor for various noncancelable leases covering land and improvements. As a lessor, the Power System's long-term land leases cover periods of 30-55 years. A 30-year land lease has an escalation factor of 5% every five years which commenced on April 15, 2011. This land lease also contains an Interconnection agreement for an oil terminal and tank farm for storage, handling and distribution of crude petroleum and petroleum related products, which can be terminated after ten years from the effective date or termination of lease agreement.

A 55-year secondary land lease was commenced on February 1, 1997. This lease follows the standard conditions for secondary land use of transmission line right-of-way for nursery, landscape, greenbelt and agricultural purposes which includes a 30-day written revocation clause by lessor, Power System. There is an escalation rate based on CPI (All Urban Consumers for Los Angeles, Anaheim and Riverside) every five years.

At lease commencement, the Power System initially measures the lease receivable at the present value of payments expected to be received during the lease term, reduced by any provision of estimated uncollectible amounts, if any. If the present value of payments expected to be received is below the \$100.0 thousand materiality threshold, then revenues will be recognized as short-term leases. Subsequently, for all other leases, the lease receivable is reduced by the principal portion of lease payments received.

The Power System used the long-term average WACC for AA-rated utilities as the discount rate for leases which approximates the Power System's incremental borrowing rate.

Lease receivables are reported with long-term receivables under noncurrent assets and the corresponding deferred inflows are reported with other deferred inflows in the statement of net position. As of June 30, 2022, Power has a \$25.3 million lease receivable and \$24.8 million lease related deferred inflow of resources.

### Water

The Water System adopted the provisions of GASB Statement No. 87 on July 1, 2021 and the Water's financial statements for the fiscal year ended June 30, 2022 reflect the implementation of this statement.

The Water System is a lessee for various noncancelable leases of buildings, vehicles and land. At lease commencement, the Water System initially measures the lease liability at the present value of payments expected to be made during the lease term. If the present value of payments expected to be made is below the \$100.0 thousand materiality threshold, then expenses will be recognized as short-term leases. Subsequently, for all other leases, the lease liability is reduced by the principal portion of lease payments made at or before the lease commencement date.

The Water System generally uses its estimated incremental borrowing rate as the discount for leases unless the rate that the lessor/vendor charges is known. The Water System's incremental borrowing rate is based on the long-term average WACC for AA-rated utilities as the discount rate for leases unless the rate that the lessor charges is known.

The Water System's incremental borrowing rate for leases is based on the rate of interest it would need to pay if it issued general obligation bonds to borrow an amount equal to the lease under similar terms at the commencement or remeasurement date.

The Water System monitors changes in circumstances that may require remeasurement of a lease. When certain changes occur that are expected to significantly affect the amount of the lease liability, the liability is remeasured and a corresponding adjustment is made to the lease asset. There was no remeasurement of leases during fiscal year 2022.

At June 30, 2022, the Water's lease related RTU assets by major class of underlying assets consist of the following (in thousands):

RTU Assets	Balance June 30, 2022
Land	\$ 645
Buildings, Facilities, and Improvements	8,556
Machinery, Furniture and Equipment	<u>1,203</u>
Total RTU Assets	<u>10,404</u>
Accumulated Amortization	<u>(1,853)</u>
 Total	 <u>\$ 8,551</u>

As of June 30, 2022, the Water's annual principal and interest for the lease liability are as follows (in thousands):

Fiscal Year	Principal	Interest	Total
2023	\$ 2,336	\$ 308	\$ 2,644
2024	589	285	874
2025	627	260	887
2026	530	235	765
2027	557	212	769
2028-2032	3,200	598	3,798
2033-2037	266	185	451
2038-2042	395	121	516
2043-2047	245	50	295
2048-2052	<u>39</u>	<u>3</u>	<u>42</u>
 Total	 <u>\$ 8,784</u>	 <u>\$ 2,257</u>	 <u>\$ 11,041</u>

## Notes to the Basic Financial Statements

As of June 30, 2022, Water's lease related RTU assets is \$10.4 million with accumulated amortization of \$1.9 million and lease liability is \$8.8 million.

The Water System is a lessor for various noncancelable leases covering land and improvements. As a lessor, the Water System's long-term Ranch Leases (land) cover a period of 5 years. The lease terms for these leases are determined each year and are based on three valuation components including 1) utility of land, 2) operating structures and 3) rental adjustments based on priced indexes specified in each lease.

At lease commencement, the Water System initially measures the lease receivable at the present value of payments expected to be received during the lease term, reduced by any provision of estimated uncollectible amounts, if any. If the present value of payments expected to be received is below the \$100.0 thousand materiality threshold, then revenues will be recognized as short-term leases. Subsequently, for all other leases, the lease receivable is reduced by the principal portion of lease payments received.

The Water System used the long-term average WACC for AA-rated utilities as the discount rate for leases which approximates the Water System's incremental borrowing rate.

Lease receivables are reported with long-term receivables under noncurrent assets and the corresponding deferred inflows are reported with other deferred inflows in the statement of net position.

As of June 30, 2022, Water has \$3.5 million lease receivable and \$3.2 million lease related deferred inflow of resources.

### Sewer

As of June 30, 2022, Sewer, as a lessee, has lease related RTU assets of \$18.2 million with accumulated amortization of \$1.8 million, and lease liability is \$16.7 million. The implementation of GASB 87 was immaterial to the Sewer thus required disclosures for GASB 87 have been omitted.

### 3. Fiduciary Funds

#### LACERS

LACERS, as a lessee, leases building facilities under a non-cancelable operating lease that expires in March 2023 and recognizes intangible RTU lease assets using the implicit rates in the lease agreements to calculate the present value of lease payments. LACERS made \$75.0 thousand of variable payments, which were excluded from the lease liability during the fiscal year ended June 30, 2022.

As of June 30, 2022, LACERS' RTU lease asset is \$2.5 million with accumulated amortization of \$1.8 million, and lease liability is \$0.7 million.

LACERS, as a lessor, entered into a cell tower/antenna placement agreement. As of June 30, 2022, LACERS has a \$585.4 thousand lease receivable and \$571.4 thousand lease related deferred inflow of resources.

LACERS restated the fiscal year ended June 30, 2021 financial statements, resulting in a total of \$20.0 thousand decrease in the balance of the Fiduciary Net Position due to two affected lease transactions.

#### LAFPP

LAFPP has evaluated its applicable lease agreements and deemed them immaterial for accounting and reporting requirements under the new lease standard.

### N. Risk Management - Estimated Claims and Judgments Payable

#### 1. Governmental Activities

Because of its size and financial capacity, the City has long followed the practice of directly assuming virtually all insurable risks without procuring commercial insurance policies, except for specific exposures where legally required, contractually required or when judged to be the most cost effective method of risk financing. The extent and variety of City exposure is such that the cost of the premiums would outweigh the benefits of such coverage. The City administers, adjusts, settles, defends and pays claims from budgeted resources. Funds are budgeted annually to provide for claims and other liabilities based both on the City's historical record of payments and an evaluation of known or anticipated claims.

As discussed in the summary of significant accounting policies (Note 1E.9), the City recognizes a liability for claims and judgments when it is probable that an asset has been impaired or a liability has been incurred and the amount of the loss can be reasonably estimated. Included in the account are amounts for tort liability and workers' compensation, which include IBNR liabilities, and provision for allocated expenses.

As of June 30, 2022, a number of lawsuits and claims were pending against the City that arose in the normal course of the City's general governmental operations. The City estimates the amount of tort and non-tort liabilities to be probable of occurring as of June 30, 2022 at approximately \$708.9 million. Of this amount, \$136.1 million is estimated to be payable in the next fiscal year. The City Attorney also estimates that certain pending lawsuits and claims have a reasonable possibility of resulting in additional liability totaling \$63.0 million. However, no amount has been accrued in the accompanying financial statements because it is not probable that a loss has been incurred as of June 30, 2022.

The City's liability for tort cases was actuarially estimated. The total of the present value of the estimated outstanding losses and loss adjustment expenses was used to record the City's liability for tort cases. The present value of the estimated outstanding losses and loss adjustment expenses was calculated based on a 3.0% yield on investments.

The liability for workers' compensation was recorded using the present value of the actuarially estimated outstanding losses, which were based on an analysis of the City's historical loss and allocated loss adjustment expenses. The present value of the estimated outstanding losses was calculated based on a 3.0% yield on investments. At June 30, 2022, the City estimates its workers' compensation liability at \$2.0 billion. Of this amount, \$215.9 million is estimated to be payable in the next fiscal year.

#### 2. Business-type Activities

##### Airports Enterprise Fund

The Risk Management Division administers Airports' risk and claims management program by implementing a comprehensive risk identification, assessment, regulation and insurance program. The program addresses key risks that may adversely affect Airports' ability to meet its business goals and objectives and effectively insures against losses, transfers risk or otherwise mitigates risk losses.

Airports maintains insurance coverage of \$1.3 billion for general aviation liability perils and \$1.0 billion for war and allied perils (Terrorism). Additional insurance coverage is carried for general all risk property insurance for \$2.5 billion, that includes \$250.0 million sub-limits for boiler and machinery, and \$25.0 million for earthquake perils. Deductibles for these policies are \$10,000 per claim for bodily injury and property damage, with no aggregate for general liability losses, and \$100,000 per occurrence and no aggregate for general property casualty. Historically, no liability or property claims have reached or exceeded the stated policy limits stated above.

Airports carries employment practices liability insurance coverage of \$10.0 million for protection against employment-related losses, including coverage for defense costs and damages. Airports is self-insured for up to \$2.5 million for employment practices liability losses. Airports carries cyber

## Notes to the Basic Financial Statements

liability insurance with coverage limits of \$15.0 million for protection against cyber liability risks and technology errors and omissions. Airports maintains a self-insurance retention of \$250,000 for cyber liability coverage.

Additionally, Airports maintains catastrophic loss fund for claims or losses that may exceed insurance policy limits or where insurance is not available or viable. Commercial insurance is used where it is legally required, contractually required, or judged to be the most effective way to finance risk. Airports also monitors contractual transfer of risk by and through insurance review and requirements of contractors, tenants, airlines. For fiscal year 2022, no claims were in excess of Airports' insurance coverage or approached a substantial portion of the overall coverage capacities.

A number of claims/lawsuits were pending against Airports that arose in the normal course of its operations. Airports recognizes a liability for claims and judgments when it is probable that an asset has been impaired or a liability has been incurred and the amount of the loss can be reasonably estimated. The probability weighted liability for litigation and other claims for the fiscal year ended June 30, 2022 was \$10.1 million.

Airports is self-insured as part of the City's program for workers' compensation. All workers' compensation cases are processed by the City. Liability and risk are retained by Airports. The actuarially determined accrued liability for workers' compensation includes provision for incurred but not reported claims and loss adjustment expenses. The present value of the estimated outstanding losses was calculated based on a 3.0% yield on investments. Airports' accrued workers' compensation liabilities at June 30, 2022 was \$89.7 million.

### Harbor Enterprise Fund

Harbor purchases insurance for a variety of exposures associated with general liability property, automobiles, vessels, employment practices, crime, aircraft, travel, police, pilotage, special events, cyber and terrorism. The City is self-insured for workers' compensation, and Harbor participates in the City's self-insurance program. Automobile liability exposures are self-insured by Harbor for \$1.0 million and multiple layers of excess liability up to \$149.0 million is maintained over the self-insured retention. The excess liability policies also supplement Harbor's general and vessel liability policies. There have been no settlements in the past three years that have exceeded Harbor's insurance coverage. The actuarially determined accrued liability for workers' compensation includes provision for incurred but not reported claims and loss adjustment expenses. Harbor's accrued workers' compensation liability at June 30, 2022 was \$10.3 million.

A number of lawsuits were pending against Harbor that arose in the normal course of operations. Harbor recognizes a liability for claims and when it is probable that a loss has been incurred and the amount of that loss, including those incurred but not reported, can be reasonably estimated. The City Attorney provides estimates for the amount of liabilities to be probable of occurring from lawsuits. Harbor's liability for litigation and other claims at June 30, 2022 was \$17.0 million.

### Power and Water Enterprise Funds

DWP is subject to certain business risks common to the utility industry. The majority of these risks are mitigated by external insurance coverage obtained by DWP. For other significant business risks, however, DWP has elected to self-insure. DWP believes that exposure to loss arising out of self-insured business risks will not materially impact the Power's and Water's financial position, results of operations, or cash flows as of June 30, 2022.

Liabilities for unpaid workers' compensation claims are recorded at their net present value when they are probable of occurrence and the amount can be reasonably estimated. The liability is actuarially determined based on an estimate of the present value of the claims outstanding and an amount for claim events incurred but not reported based upon the DWP's loss experience, less the amount of claims and settlements paid to date. The discount rate used to calculate this liability at its present value was 2.0% at June 30, 2022. The Department has third-party insurance coverage for workers' compensation claims over \$1.0 million.

# Annual Comprehensive Financial Report

## Notes to the Basic Financial Statements

Overall indicated reserves for workers' compensation claims, for both the Power and Water, undiscounted, have been estimated at \$84.0 million as of June 30, 2022. Workers' compensation claims typically take longer than one year to settle and close out.

### Power Enterprise Fund

**Derivative Instruments.** Power enters into natural gas hedging contracts in order to stabilize the cost of gas needed to produce electricity to serve its customers. It is designed to cap gas prices over a portion of the forecasted gas requirements. DWP does not speculate when entering into financial transactions. Financial hedges are variable to fixed-rate swaps and hedge transactions are layered in to achieve dollar cost averaging.

As of June 30, 2022, Power financial natural gas hedges by fiscal year are the following (fair value in thousands):

	Notional amount (total contract quantities*)	Contract Price Range Dollar per Unit	First Effective Date	Last Termination Date	Fair Value
2023	21,340,000	\$1.840 - 4.610	07/01/22	06/30/23	\$ 55,520
2024	16,020,000	1.880 - 4.390	07/01/23	06/30/24	26,324
2025	8,990,000	2.200 - 3.400	07/01/24	06/30/25	12,268
2026	7,915,000	2.230 - 4.250	07/01/25	06/30/26	6,342
2027	3,055,000	3.490 - 4.300	07/01/26	06/30/27	292
Total	<u>57,320,000</u>				<u>\$ 100,746</u>

\* Contract quantities in MMBtu - Million British Thermal Units

The fair value of the natural gas hedges increased by \$59.3 million during the fiscal year ended June 30, 2022 due to an increase during the year in natural gas prices and is reported as a noncurrent asset and is offset by a deferred inflow on the statement of net position. All fair values were estimated using Platt's forward curves, based on published settlement prices and supplemented by Platt's proprietary models wherever there is less liquid market activity.

**Credit Risk.** Power is exposed to credit risk related to nonperformance by its wholesale counterparties under the terms of contractual agreements. In order to limit the risk of counterparty default, DWP has implemented a Counterparty Evaluation Credit Policy (Credit Policy). The Credit Policy has been amended from time to time, and the latest board approval was on November 28, 2017. The Credit Policy's current scope includes physical power, transmission, physical natural gas, financial natural gas, and environmental products. Also, the credit limit structures are categorized into short-term and long-term structures where the short-term structure is applicable to transactions with terms of up to 18 months and the long-term structure covers transactions beyond 18 months.

The Policy includes provisions to limit risk, including the assignment of internal credit ratings to all of the Power System's counterparties based on counterparty and/or debt ratings; the use of expected default frequency equivalent credit rating for short-term transactions; the requirement for credit enhancements (including advance payments, irrevocable letters of credit, escrow trust accounts, and parent company guarantees) for counterparties that do not meet an acceptable level of risk; and the use of standardized agreements, which allow for the netting of positive and negative exposures associated with a single counterparty.

As of June 30, 2022, the five financial natural gas hedge counterparties were rated by Moody's as follows: one at Aa1, one at A1, and three at A2. The counterparties were rated by S&P as follows: one at AA-, one at A+, two at A-, and one at BBB+.

Based on the International Swap Dealers Association agreements, Power or the counterparty may be required to post collateral to support the financial natural gas hedges subject to credit risk in the form of cash, negotiable debt instruments (other than interest-only and principal-only securities), or eligible letters of credit. As of June 30, 2022, the fair values of the financial natural gas hedges were above the credit limits of two counterparties; cash and securities collateral were posted totaling to approximately \$46.2 million.

## Notes to the Basic Financial Statements

**Basis Risk.** Power is exposed to minimal to no basis risk between the financial natural gas hedges and the equivalent physical gas deliveries as both are settled using the first of the month NW Rocky Mountains Index, while the physical gas deliveries are received at Kern River Opal, where the Department negotiated firm transmission rights. Both locations are in the same region and are highly correlated.

**Termination Risk.** Power or its counterparties may terminate the contractual agreements if the other party fails to perform under the terms of the contract. No termination events have occurred and there are no out-of-the-ordinary termination events contained in contractual documents.

### Sewer Enterprise Fund

Sewer has commercial insurance for risks of physical damage to real and personal properties and for business interruption expenses. Claims settlements have not exceeded commercial insurance coverage during the last three fiscal years.

### **Claim Changes**

The Enterprise Funds' estimated claims and judgments payable of \$209.9 million consisted of \$33.8 million litigation-type claims and \$176.1 million workers' compensation liability. The amount estimated to be payable in the next fiscal year is approximately \$30.4 million.

The changes in the City's total governmental and business-type estimated claims and judgments liability are as follows (in thousands):

	FY 2022	FY 2021
Unpaid Claims, July 1	\$ 2,830,472	\$ 2,595,770
Provisions for Current Year's Events and Changes in Provision for Prior Years' Events	453,207	622,512
Claims Payments	(337,840)	(387,810)
Unpaid Claims, June 30	<u>\$ 2,945,839</u>	<u>\$ 2,830,472</u>

### **O. Accrued Landfill Liability**

Until July 1996, the City operated the Lopez Canyon Sanitary Landfill under a Conditional Use Permit (CUP), which expired on July 1, 1996. State and Federal laws required the City to close the landfill upon cessation of disposal activities and expiration of the CUP, and to monitor and maintain the site for thirty years after closure. The City systematically recognized a portion of the estimated closure and post-closure care costs based on landfill capacity used.

The City completed the final closure of the landfill on March 30, 2012. In fiscal year 2013, all three regulatory agencies, the State of California Department of Resources Recycling and Recovery (CalRecycle), Regional Water Quality Control Board, and the City of Los Angeles Local Enforcement Agency, approved the final Closure Certification. As of June 30, 2022, the City's liability of \$41.6 million is comprised of \$39.5 million post-closure care costs of the landfill and \$2.1 million corrective action costs for foreseeable release. Pursuant to Section 22211 of Title 27 of the California Code of Regulations, the post-closure care cost of \$39.5 million represents post-closure duration of 20 years. The estimated costs of post-closure care are subject to changes due to inflation, changes in laws and regulations, or changes in technology. As of June 30, 2022, there was no liability due within one year.

As required by Title 27 of the California Code of Regulations, the City established and contributed to a trust fund to finance closure construction. Since the landfill was closed and certified by the applicable regulatory agencies, the closure trust fund was no longer necessary and therefore closed. The City is not currently required to advance fund post-closure care costs.

The City owns and maintains other landfills that were already closed before the State and Federal requirements became enforceable. Therefore, no liability was included in the financial statements for these landfills (Toyon Canyon, Gaffey, Bishops Canyon and Sheldon-Arleta). The Landfill Maintenance Special Trust Fund and Landfill Closure and Post-Closure Maintenance Trust Fund, reported as nonmajor other special revenue funds, were set up to defray the closure and post-closure maintenance costs of City landfills.

**P. Pollution Remediation Obligations**

**1. Governmental Activities**

The pollution remediation obligations for governmental activities for the fiscal year ended June 30, 2022 are as follows (in thousands):

	Balance June 30, 2021	Additions	Deductions	Balance June 30, 2022
<b>Obligating Event</b>				
Violation of Pollution Prevention-Related Permit or License	\$ 12,048	\$ 596	\$ (1,191)	\$ 11,453
Voluntary Commencement	--	17,120	(17,113)	7
<b>Total</b>	<b>\$ 12,048</b>	<b>\$ 17,716</b>	<b>\$ (18,304)</b>	<b>\$ 11,460</b>
<b>Pollution Type</b>				
Soil and/or Groundwater Remediation	\$ 11,993	\$ 16,506	\$ (17,094)	\$ 11,405
Lead Paint Removal	--	395	(395)	--
Methane Protection	55	--	--	55
Asbestos Removal	--	666	(666)	--
Mold	--	149	(149)	--
<b>Total</b>	<b>\$ 12,048</b>	<b>\$ 17,716</b>	<b>\$ (18,304)</b>	<b>\$ 11,460</b>

The \$11.5 million liabilities for governmental activities, net of \$15.7 million recoveries, is mainly for violation of pollution prevention-related permits or licenses. These obligations were determined based on construction contract amount, contract change orders, related direct costs and allocated indirect project costs. As of June 30, 2022, the total liability of \$11.5 million included \$8.2 million cost of removal of heavy metals, soil grasses and aerially deposited lead for the Sixth Street viaduct from Mateo Street to Highway 101, and \$3.3 million for removal of solvents in the groundwater caused by a leaking underground storage tank and remediation costs for various public work projects. For fiscal year 2022, no remediation outlays were capitalized. Estimated expenditures for fiscal year 2023 and beyond are \$9.2 million and \$2.3 million, respectively. These estimates recognized potential changes due to additional work that may be required to remediate existing pollution projects, unanticipated site conditions that may necessitate modifications in project work plans, possible adoption or application of improved technologies that may require changes in estimates, and provision for additional unexpected pollution projects. Consequently, changes in estimates will be processed through change orders.

**Notes to the Basic Financial Statements**

**2. Business-type Activities**

The pollution remediation obligations for business-type activities for the fiscal year ended June 30, 2022 are as follows (in thousands):

	<u>Balance June 30, 2021</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2022</u>
<b>Obligating Event</b>				
Violation of Pollution Prevention-Related Permit or License	\$ 909	\$ --	\$ (14)	\$ 895
Named by a Regulator as a Potential Party to Remediation	67,936	1,655	(3,507)	66,084
Named in Lawsuit and Compelled to Participate in Remediation	11,950	4,716	--	16,666
Voluntary Commencement	87,992	--	(7,447)	80,545
<b>Total</b>	<b>\$ 168,787</b>	<b>\$ 6,371</b>	<b>\$ (10,968)</b>	<b>\$ 164,190</b>
<b>Pollution Type</b>				
Soil and/or Groundwater Remediation	<u>\$ 168,787</u>	<u>\$ 6,371</u>	<u>\$ (10,968)</u>	<u>\$ 164,190</u>

Airports bear full responsibility for the cleanup of environmental contamination on property it owns. However, if the contamination originated based on contractual arrangements, the tenants are held responsible even if they declare bankruptcy. As property owner, Airports assumes the ultimate responsibility for cleanup in the event the tenant is unable to make restitution. Under certain applicable laws, Airports may become liable for cleaning up soil and groundwater contamination on a property in the event that the previous owner does not perform its remediation obligations. Airports accrues pollution remediation liabilities when costs are incurred or amounts can be reasonably estimated based on expected outlays.

Harbor's estimated pollution remediation liability as of June 30, 2022 was \$67.1 million, of which \$1.9 million is due within one year. These costs relate mostly to soil and ground water contamination on sites within Harbor premises. As certain sites were formerly used for a variety of industrial purposes, legacy contamination or environmental impairments exist. Harbor uses a combination of in-house specialists as well as outside consultants to perform estimates of potential liability and accrues pollution remediation liability when costs are incurred or amounts can be reasonably estimated based on expected outlays. Certain remediation contracts are included in site development plans as final uses for the sites have been identified.

Power's environmental liabilities are primarily related to generating and service stations they own that have had release of hazardous materials or waste they are obligated by a regulator to clean up. The estimated time frame for clean-up and monitoring of these sites is 5-25 years. Power had identified sites that require remediation work and the estimated liability for these sites for fiscal year 2022 was approximately \$80.0 million.

Water has identified underground storage tanks that require remediation work and is working with the Los Angeles Regional Water Quality Control Board, and the Lahontan Regional Quality Control Board, which have jurisdiction over these sites. Water's estimated liability for these sites was approximately \$16.7 million, due within one year, and includes remediation and ongoing operation and maintenance costs where estimable.

### **Q. Economic Development Incentives and Tax Abatement**

The City has economic development incentives programs which are agreements whereby the City provides financial assistance to development projects to be funded by net new tax revenues generated by the projects. The City also has a tax abatement program in which contracts are entered with property owners of qualified historical properties for their preservation, maintenance, and rehabilitation in return for property tax reduction.

The threshold for reporting economic development incentives agreements is \$1.0 million, though agreements with no payments in the reporting year are reported if they are anticipated to exceed the threshold in future years.

#### **1. Development Incentive Agreements**

As of June 30, 2022, the City had entered into nine development incentive agreements. Each of these agreements is for a term of up to 25 years. The projects are projected to provide new General Fund tax revenues to the City, including but not limited to property taxes, sales taxes, utility users taxes, gross receipts taxes, parking occupancy taxes, transient occupancy taxes, and construction-related tax revenues. Certain portions of the projected new General Fund tax revenues are used by the City in providing project financing to the developers. City policy maintains that the financial assistance payments to the developers must be no more than 50% of the net new revenues generated by the project during the term of the agreement. These agreements require the approval of the Mayor and the City Council, and the Office of the City Administrative Officer administers incentive payments.

##### Convention Center Headquarters Hotel Project

In fiscal year 2007, this agreement was entered by the City and Anschutz Entertainment Group (Developer) for the development of a hotel within the LA Live/convention center complex at 900 W. Olympic Blvd., as a combination of an 878-room J.W. Marriott Hotel and a 123-room Ritz Carlton hotel. Annual incentive payments paid to the Developer are equal to the total transient occupancy tax remitted in the year, up to the total incentive amount of \$270 million over 25 years, or \$62.0 million as net present value (NPV). In fiscal year 2022, the City paid \$9.9 million in financial assistance to the Developer. A total of \$121.9 million has been paid to the Developer since payments began in fiscal year 2010.

##### 901 Olympic North Hotel Project

In fiscal year 2012, this agreement was entered by the City and 901 West Olympic Blvd. L.P. (Developer) for the development of two hotels, both 3-star rated Marriott properties, in one building with a total of 393 rooms. Annual incentive payments paid to the Developer are equal to the total transient occupancy tax remitted in the year, up to the total incentive amount of \$67.3 million over 25 years, or \$21.9 million as NPV. In fiscal year 2022, the City paid \$1.6 million in financial assistance to the Developer. A total of \$25.6 million has been paid to the Developer since payments began in fiscal year 2014.

##### Metropolis Hotel Project

In fiscal year 2015, this agreement was entered by the City and Greenland LA Metropolis Hotel Development, LLC (Developer) for the development of the Metropolis Hotel Project. The project includes a 350 room 18-story hotel, including residential parking, open space, 1,692 square feet of retail space and business center. Annual incentive payments paid to the Developer are equal to the total transient occupancy tax remitted in the year, up to the total incentive amount of \$18.7 million over 25 years, or \$13.5 million NPV. In fiscal year 2022, the City paid \$3.2 million in financial assistance to the Developer. A total of \$14.4 million has been paid to the Developer since payments began in fiscal year 2017.

# Annual Comprehensive Financial Report

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## Notes to the Basic Financial Statements

### Village at Westfield Topanga Project

In fiscal year 2014, this agreement was entered by the City and 21919 Erwin LLC, and West Valley Owner LLC for the development of the Village at Westfield Topanga (Developers). The project is comprised of the construction of a new 500,000 square foot, first class mixed-use development including upscale retail, boutique specialty shops, personal services, restaurants and community center. Annual incentive payments paid to the Developers are based on the total property taxes remitted, subject to an annual true-up, up to the total incentive amount of \$47.7 million over 25 years, or \$25.0 million NPV. In fiscal year 2022, the City paid \$1.4 million in financial assistance to the Developers. A total of \$7.9 million has been paid to the Developers since payments began in fiscal year 2017.

### Wilshire Grand Hotel Project

In fiscal year 2011, the agreement was entered by the City and Hanjin International Corporation (Developer) for the development of a hotel and mixed-use project totaling approximately 2.5 million square feet. The project includes 560 hotel rooms and/or hotel-condo units, 100 residential units and 1.5 million square feet of office space. Annual incentive payments paid to the Developer are equal to the total transient occupancy tax remitted in the year, up to the total incentive amount of \$94.0 million over 9 years, or \$60.8 million NPV. In fiscal year 2022, the City paid \$8.2 million in financial assistance to the Developer. A total of \$33.0 million has been paid to the Developer since payments began in fiscal year 2018.

### Grand Avenue Hotel Project

In fiscal year 2017, the agreement was entered by the City and Grand Avenue L.A., LLC, and Grand Avenue M Housing Partners, LLC, (Developers) for the revitalization of Grand Avenue and downtown Los Angeles. The project includes development of hotel, residential, commercial, retail and entertainment components. Annual incentive payments paid to the Developers are equal to the total of transient occupancy taxes and parking occupancy taxes remitted in the year. The total incentive amount for transient occupancy taxes is up to \$189.1 million over 25 years, or \$59.3 million NPV. The total incentive amount for parking occupancy taxes is up to \$12.7 million over 10 years, or \$7.6 million NPV. The total combined transient occupancy and parking occupancy incentive amount is \$201.8 million, or \$67.0 million NPV. No payment was made in fiscal year 2022.

### Cambria Hotel Project

In fiscal year 2018, the agreement was entered by the City and 926 James M. Wood Boulevard, LLC (Developer) for the development of Cambria Hotel Project. The project includes a 247-room three diamond rated hotel. The hotel will include all facilities associated with a select service hotel, including parking, meeting rooms, ground-level retail and restaurant, a rooftop bar, and a pool and fitness center. Annual incentive payments paid to the Developer are equal to the total transient occupancy tax remitted in the year, up to the total incentive amount of \$48.4 million over 25 years, or \$15.7 million NPV. No payment was made in fiscal year 2022.

### Fig plus Pico Conference Center Hotels Project

In fiscal year 2019, the agreement was entered by the City and Lightstone DTLA, LLC (Developer) for the development of Fig plus Pico Conference Center Hotel Project. The project includes a 1,153-room and 13,145 square feet of ground-floor retail/restaurant uses within two hotel towers, totaling up to 505,335 square feet of floor area on approximately 1.22-acre site, with Hotel A/B Tower including up to 775 hotel guest rooms, 11,000 square feet of ground-floor retail/restaurant uses, and podium parking for all three hotels within a 38-story, 465-foot tower, and Hotel C Tower including up to 378 guest rooms and 2,145 square feet of ground-floor retail/restaurant uses in a 27-story, 350-foot tower.

## Notes to the Basic Financial Statements

Annual incentive payments paid to the Developer are equal to the total transient occupancy tax remitted in the year, up to the total incentive amount of \$103.3 million over 25 years, or \$67.4 million NPV. No payment was made in fiscal year 2022.

### AECOM Hotel Project

This agreement was entered by the City and AECOM Capital (Developer) for the development of the AECOM Hotel Project. The project includes a 16-story, 258-room 3-star select-service hotel, including restaurant and retail space, meeting space, a rooftop deck with a pool and fitness center, and a 36-space underground parking garage totaling 16,422 square feet on the hotel project site. Annual incentive payments paid to the Developer are equal to the total transient occupancy tax remitted in the year, up to the total incentive amount of \$28.5 million over 25 years, or \$17.3 million NPV. No payment was made in fiscal year 2022.

## **2. Mills Act Historical Property Agreements**

The Mills Act Historical Property Contracts program is the State of California's leading financial incentive for historic preservation projects and is implemented under the provisions of Ordinance No. 172,857 implementing State Government Code Sections 50280 et seq., commonly known as the "Mills Act". The Mills Act allows the City to enter into contracts with owners of qualified historical properties for their preservation, maintenance and rehabilitation. The program is designed to assist under-utilized and under-valued properties. The property is assessed on an income basis rather than fair value. The result is property tax abatement. As of June 30, 2022, there are 950 existing Mills Act contracts in the City. The City paused new Mills Act applications in fiscal year 2022. Existing contracts are renewed annually for a minimum term of ten years.

For fiscal year 2022, the property tax abated from the Mills Act agreements was \$2.3 million. The City Council has imposed a cap on total property tax abatement of \$2.3 million.

### NOTE 5. OTHER INFORMATION

#### A. Pension Plans

##### 1. Plan Descriptions

The City of Los Angeles contributes to three single-employer defined benefit pension plans: Los Angeles Fire and Police Pension System (Pensions), Los Angeles City Employees' Retirement System (LACERS), and Water and Power Employees' Retirement Plan (DWP Plans). Pensions and LACERS provide retirement benefits to sworn and civilian (other than DWP) employees, respectively. The DWP Plans provide retirement, disability, and death benefits to DWP employees. The City also provides three single-employer substantive Other Postemployment Benefits (OPEB) plans through the aforementioned defined benefit plans: Fire and Police Health Subsidy Plan (Pensions OPEB), Los Angeles City Employees' Postemployment Health Care Plan (LACERS OPEB), and Water and Power Employees' Retiree Health Benefits Plan (DWP OPEB). Each plan issues a publicly available financial report that includes financial statements and required supplementary information for that plan. Those reports may be obtained online or by writing or calling the plans.

Los Angeles Fire and Police Pension System  
701 E. Third Street, Suite 200  
Los Angeles, CA 90013  
(213) 279-3000  
<https://www.lafpp.com/financial-reports>

Los Angeles City Employees' Retirement System  
P.O. Box 512218  
Los Angeles, CA 90051-0218  
(800) 779-8328  
<http://www.lacers.org/aboutlacers/reports/index.html>

Water and Power Employees' Retirement Plan  
111 N. Hope Street, Room 357  
Los Angeles, CA 90012  
(213) 367-1692  
<https://retirement.ladwp.com/webcenter/portal/rp/home/page121/page171>

##### 2. Description of the Plans, Membership and Benefits

###### General Information About the Plans

###### Pensions

Pensions operates under the City of Los Angeles (City) Charter (Volume II, Article XI) and Administrative Code provisions (Division 4). It operates in accordance with the State Constitution Article XVI, Section 17(a). Pension benefits are administered by the Pensions Board that has exclusive responsibility to administer the system, providing benefits to Pensions participants and their beneficiaries and to ensure prompt delivery of those benefits. The City Charter and Administrative Code provide that the funding requirements of Pensions will be satisfied by the City. The funding requirements of Pensions are determined by the result of annual actuarial valuations. Pensions is a defined benefit single-employer pension plan covering all full-time active sworn firefighters, police officers, and certain Harbor Port Police and Airport police officers of the City of Los Angeles.

Pensions also covers those certified paramedics and civilian ambulance employees who transferred from LACERS during the fiscal year ended June 30, 1983 or have since been hired. Pensions is composed of six tiers. Effective July 1, 2011, a new pension tier, Tier 6, was added. Benefits are based on the member's pension tier, pension salary base, and years of service. In addition, Pensions provides for disability benefits under certain conditions and benefits to eligible survivors.

# Annual Comprehensive Financial Report

## Notes to the Basic Financial Statements

### LACERS

LACERS is under the exclusive management and control of its Board of Administration (Board), whose authority is granted by statute in Article XVI, Section 17 of the California State Constitution, and Article XI of the Los Angeles City Charter. LACERS operates a single-employer defined benefit plan (Retirement Plan) and a single-employer Postemployment Health Care Plan established by ordinance and approved by the City Council and the Mayor. Members who entered the System prior to February 21, 2016 are Tier 1 Members of LACERS. On or after February 21, 2016, new Members become Members of LACERS Tier 3.

### DWP Plans

DWP Plans is a single-employer public employee retirement system whose main function is to provide pension, death and disability benefits, to eligible employees of DWP. The authority for providing benefits is granted by the City Charter. Authority for changing DWP Plans benefits is adopted through resolution by the DWP Plan Board of Administration and the DWP Board of Commissioners. The DWP Plans have four separate funds – Retirement Fund, Disability Fund, Death Benefit Fund, and Retiree Health Benefits Fund (RHBF). Each fund is considered a separate plan and an independent trust fund of DWP. The Retirement Fund is a single-employer defined benefit pension plan. The Death Benefit Fund and Retiree Health Benefit Fund are single-employer defined benefit other postemployment benefits (OPEB) plans. The Disability Fund is for the payment of temporary disability and permanent total disability of DWP employees, and is not considered a pension plan nor an OPEB plan. On December 11, 2013, the DWP Retirement Board adopted an amendment to create a new tier, Tier 2 for DWP's new hires on or after January 1, 2014.

### Membership

#### Pensions

The components of the Pensions' membership at June 30, 2022 were as follows:

Active Nonvested	
Tier 4	6
Tier 5	4,062
Tier 6	4,402
Subtotal	<u>8,470</u>
Active Vested	
Tier 2	4
Tier 3	472
Tier 4	168
Tier 5	3,653
Tier 6	4
Subtotal	<u>4,301</u>
Pensioners and Beneficiaries	
Tier 1	190
Tier 2	6,334
Tier 3	910
Tier 4	389
Tier 5	5,995
Tier 6	3
Subtotal	<u>13,821</u>
Vested Terminated	
Tier 3	33
Tier 5	257
Tier 6	433
Subtotal	<u>723</u>
Total	<u><u>27,315</u></u>

# Annual Comprehensive Financial Report

## Notes to the Basic Financial Statements

Pensions' Tier 1 includes members hired on or before January 28, 1967. Tier 2 includes members hired from January 29, 1967 through December 7, 1980, and those Tier 1 members who transferred to Tier 2 during the enrollment period of January 29, 1967 to January 29, 1968. Tier 3 includes members hired from December 8, 1980 through June 30, 1997, and those Tier 4 members hired during the period of July 1, 1997 through December 31, 1997 who elected to transfer to Tier 3 by the enrollment deadline of August 6, 1999. Tier 4 includes members hired from July 1, 1997 through December 31, 2001, and those Tier 3 members who elected to transfer to Tier 4 by the enrollment deadline of June 30, 1998. Tier 5 includes members hired from January 1, 2002 through June 30, 2011, and those Active members of Tiers 2, 3, and 4 who elected to transfer to Tier 5 during the enrollment period of January 2, 2002 through December 31, 2002. Tier 5 was the tier for all Harbor Port police officers hired on or after January 8, 2006 through June 30, 2011. Harbor Port police officers hired before January 8, 2006, who were members of LACERS, were allowed to transfer to Tier 5 during the enrollment period of January 8, 2006 to January 5, 2007.

Tier 6 was established for all firefighters, police and Harbor Port police officers hired on or after July 1, 2011. Tier 6 includes sworn officers from the Department of General Services who transferred to Los Angeles Police Department (LAPD) classifications and elected to opt out of LACERS by the December 12, 2014 deadline. Effective January 7, 2018, Tier 6 also includes all new Airport police officers, as well as any Airport police officers hired prior to January 7, 2018 who elected to transfer to Tier 6 from LACERS at their own expense.

### LACERS

The components of LACERS' membership at June 30, 2022 were as follows:

Active Vested and Nonvested	
Tier 1	16,762
Tier 3	8,155
Subtotal	<u>24,917</u>
Inactive Nonvested and Terminated Entitled to Benefits	
Tier 1	7,836
Tier 3	2,543
Subtotal	<u>10,379</u>
Inactive	
Retired Tier 1	17,397
Retired Tier 3	2
Disabled Tier 1	819
Beneficiaries Tier 1	4,181
Subtotal	<u>22,399</u>
Total	<u>57,695</u>

### DWP Plans

As of June 30, 2022, DWP Plans' membership consisted of 9,716 retirees and beneficiaries; 1,735 terminated vested members and 10,799 active members.

### Benefits

#### Benefits Provided by Pensions

Tier 1 members hired prior to January 17, 1927, with 20 years of service are entitled to annual pension benefits equal to 50%, increasing for each year of service over 20 years, to a maximum of 66-2/3% of the average monthly rate of salary assigned to the ranks or positions held by the member during the three years immediately preceding the date of retirement. Tier 1 members hired on or after January 17, 1927, with 20 or more years of service are entitled to annual pension benefits equal to 40%, increasing for each year of service over 20 years, to a maximum of 66-2/3% of the average monthly rate of salary assigned to the ranks or positions held by the member during the three years immediately preceding the date of retirement. Tier 1 has no minimum age requirement and provides for unlimited postemployment cost-of-living adjustments (COLA) based on the Consumer Price Index (CPI). Tier 1 members who were active as of July 1, 1982, and who terminated their employment after July 1, 1982, were entitled to a refund of contributions plus Board-approved interest if they did not qualify for a pension or if they waived their pension entitlements.

Tier 2 members with 20 or more years of service are entitled to annual pension benefits equal to 40% of their final compensation, increasing for each year of service over 20 years, to a maximum of 70% for 30 years. Tier 2 has no minimum age requirement and provides for unlimited postemployment COLAs based on the CPI. Tier 2 members who were active as of July 1, 1982, and who terminate their employment after July 1, 1982, are entitled to a refund of contributions plus Board-approved interest if they do not qualify for a pension or if they waive their pension entitlements.

Tier 3 members must be at least age 50 with 10 or more years of service to be entitled to a service pension. Annual pension benefits are equal to 20% of the monthly average of a member's salary during any 12 consecutive months of service as a Plan member (one-year average compensation), increasing for each year of service over 10 years, to a maximum of 70% for 30 years. Tier 3 provides for postemployment COLAs based on the CPI to a maximum of 3% per year. The Los Angeles City Council (City Council) may grant an ad-hoc COLA no more than every three years, subject to certain conditions. Members who terminate their employment are entitled to a refund of contributions plus Board-approved interest if they do not qualify for a pension or if they waive their pension entitlements.

Tier 4 members must have at least 20 years of service to be entitled to a service pension. There is no minimum age requirement. Annual pension benefits are equal to 40% of their one-year average compensation, increasing for each year of service over 20 years, to a maximum of 70% for 30 years. Tier 4 provides for postemployment COLAs based on the CPI to a maximum of 3% per year. The City Council may grant an ad-hoc COLA no more than every three years, subject to certain conditions. Members who terminate their employment before they are eligible for pension benefits do not receive a refund of contributions.

Tier 5 members must be at least age 50, with 20 or more years of service, to be entitled to a service pension. Annual pension benefits are equal to 50% of their one-year average compensation, increasing for each year of service over 20 years, to a maximum of 90% for 33 years. Tier 5 provides for postemployment COLAs based on the CPI to a maximum of 3% per year. However, any increase in the CPI greater than 3% per year is placed into a COLA bank for use in years in which the increase in CPI is less than 3%. The City Council may also grant a discretionary ad-hoc COLA no more than every three years, subject to certain conditions. Members who terminate their employment are entitled to a refund of their contributions plus Board-approved interest if they do not qualify for a pension or if they waive their pension entitlements.

Tier 6 members must be at least age 50, with 20 or more years of service, to be entitled to a service pension. Annual pension benefits are equal to 40% of their two-year average compensation, increasing for each year of service over 20 years, to a maximum of 90% for 33 years. Tier 6 provides for postemployment COLAs based on the CPI to a maximum of 3% per year. However, any increase in the CPI greater than 3% per year is placed into a COLA bank for use in years in which the increase in CPI is less than 3%. The City Council may also grant a discretionary ad-hoc COLA no more than every three years, subject to certain conditions. Members who terminate their employment are entitled to a refund of their contributions plus Board-approved interest if they do not qualify for a pension or if they waive their pension entitlements.

## Notes to the Basic Financial Statements

### Benefits Provided by LACERS

Members of LACERS have a vested right to their own contributions and accumulated interest posted to their accounts. Generally, after five years of employment, members are eligible for future retirement benefits, which increase with length of service. If a member who has five or more years of continuous City service terminates employment, the member has the option of receiving retirement benefits when eligible or having his or her contributions and accumulated interest refunded. Benefits are based upon age, length of service, and compensation.

LACERS Tier 1 members are eligible to retire with unreduced benefits if they have 10 or more years of continuous City service at age 60, or at least 30 years of City service at age 55, or with any years of City service at age 70 or older. Members also are eligible to retire with age-based reduced benefits after reaching age 55 with 10 or more years of continuous City service, or at any age with 30 or more years of City service. Full (unreduced) retirement benefits are determined as 2.16% of the member's average monthly pensionable salary during the member's last 12 months of service, or during any other 12 consecutive months of service designated by the member, multiplied by the member's years of service credit. Members with five years of continuous service are eligible for disability retirement, and the benefits are determined as 1/70 of the member's final average monthly salary for each year of service or 1/3 of the member's final average monthly salary, if greater. Upon an active member's death, a refund of the member's contributions and, depending on the member's years of service, a limited pension benefit equal to 50% of monthly salary may be paid up to 12 months. Or, if such member was eligible to retire, survivor benefits may be paid to an eligible spouse or qualified domestic partner. Upon a retired member's death, a \$2,500 funeral allowance is paid, and a modified or unmodified allowance is continued to an eligible spouse or qualified domestic partner.

Airport Peace Officers (APO) members, hired on or before March 28, 2017, who elect to remain in LACERS and paid the mandatory additional contribution of \$5,700 before January 8, 2019 or prior to the member's retirement date, whichever is earlier would be Tier 1 members, and be eligible for enhanced benefits including more favorable disability benefits, death benefits, and a higher retirement factor of 2.30% (versus 2.16% for all other Tier 1 Members).

LACERS Tier 3 members are eligible to retire with unreduced benefits if they have at least 10 or more years of City service at age 60 or at least 30 years of City service at age 55, provided that five years of service must be continuous. Full unreduced retirement benefits at age 60 with 10 years of City service are determined with a 1.5% retirement factor. Members also are eligible to retire with an age-based reduced benefit before reaching age 60 with 30 or more years of City service with a retirement factor of 2.0%. If the member is age 55 or older with 30 years of service at the time of retirement, his or her retirement allowance will not be subject to reduction on account of age. However, if the member is younger than age 55 with 30 years of service at the time of retirement, his or her retirement allowance will be reduced by the applicable early retirement reduction factor. In addition, LACERS also provides Tier 3 members enhanced retirement benefits with a 2.0% retirement factor if the member retires at age 63 with at least 10 years of service, or a retirement factor of 2.1% if the member retires at age 63 with 30 years of service. Tier 3 retirement benefits are determined by multiplying the member's retirement factor (1.5% - 2.1%), with the member's Final Average Compensation (FAC) based on the member's pensionable salary for the last 36 months or any other 36 consecutive months designated by the member, and by the member's years of service credit (SC) as follows:

Age at Retirement	Required Years of Service	Retirement Benefit <sup>(1)</sup>
Under 55	30 Years	2.0% x FAC x Yrs. of SC <sup>(2)</sup>
55 and Over	30 Years	2.0% x FAC x Yrs. of SC
60 and Over	10 Years	1.5% x FAC x Yrs. of SC
63 and Over	10 Years	2.0% x FAC x Yrs. of SC
63 and Over	30 Years	2.1% x FAC x Yrs. of SC

<sup>(1)</sup>Retirement allowance may not exceed 80% of final compensation except when benefit is based solely on the annuity component funded by the Member's contributions.

<sup>(2)</sup>A reduction factor will be applied based on age at retirement.

## Notes to the Basic Financial Statements

LACERS Tier 3 members with five years of continuous service are eligible for disability retirement, and the benefits are determined as 1/70 of the member's final average monthly salary for each year of service or 1/3 of the member's final average monthly salary, if greater. Upon an active member's death, a refund of the member's contributions and, depending on the member's years of service, a limited pension benefit equal to 50% of monthly salary may be paid up to 12 months. Or, if such member was eligible to retire, survivor benefits may be paid to an eligible spouse or qualified domestic partner. Upon a retired member's death, a \$2,500 funeral allowance is paid, and a modified or unmodified allowance is continued to an eligible spouse or qualified domestic partner.

Retirement allowances are indexed annually for inflation. LACERS has authority to determine, no later than May 1<sup>st</sup> of each year, the average annual percentage change in the Consumer Price Index (CPI) for the purpose of providing a COLA to the benefits of eligible members and beneficiaries in July. The adjustment is based on the prior year's change of Los Angeles area CPI subject to a maximum of 3.0% for Tier 1 members or 2.0% for Tier 3 members. For Tier 1 members, the COLA percentage greater than 3.0% is banked for future use.

### Benefits Provided by DWP Plans

The DWP Plans' Retirement Fund consists of both defined contribution and defined benefit elements. Under Tier 1, members vest in the defined contribution element (annuity) after one year of service. Members vest in the defined benefit element (pension) only after qualifying for retirement and meeting the criteria for the formula pension. Generally, new and returning employees of DWP become eligible for Plan membership on the first day of the payroll period following entry into DWP service. New eligible employees must complete 26 weeks of continuous service before becoming entitled to disability and/or death benefits. During the fiscal year 2014, the City and the Department agreed to a new tier of retirement benefits for new hires to DWP. On December 11, 2013, the Retirement Board adopted a Plan amendment to create a new tier, Tier 2, for the DWP's new-hires on or after January 1, 2014.

Tier 1 members are eligible for normal retirement at age 60. Early retirement at age 55 is generally available if the member has at least 10 years of qualifying service out of the last 12 years before retirement. Members with 30 or more years of qualifying service also may retire at any age and receive a reduced benefit. The early retirement benefit reduction is not applicable if the member is between the ages of 55 and 60, and has at least 30 years of service credits. Upon qualifying for retirement, Tier 1 members will also qualify for a formula pension if they have been employed by DWP or City for at least five years before retirement and have been a contributing member of the Plan for at least four of five years immediately preceding retirement or while eligible to retire (or during any of those four years if they were receiving either disability benefits under the Disability Benefit Plan or payments under any Workers' Compensation Law).

Eligible Tier 1 members are entitled to an annual retirement benefit, payable monthly for life currently in an amount equal to a retirement factor of 2.1% of their highest average salary, for each year of credited service. Members who have at least 30 years of service credit and are at least 55 years of age are entitled to a retirement factor of 2.3% in the calculation of their retirement allowance. "Highest average salary" is defined as the employee's average base salary over the highest 26 consecutive contributing payroll periods. Retirees who are receiving a formula pension are entitled to annual cost of living adjustment (COLA). Adjustments are applied each July 1 based on the CPI (Los Angeles-Long Beach-Anaheim, CA – All Items) as published by the Bureau of Labor Statistics of the United States Department of Labor for each of the two immediately preceding calendar years. The maximum adjustment, positive or negative, is 3% in any one year.

Tier 2 members are eligible for normal retirement at age 60 with at least 5 years of continuous DWP service (5 years must be as a contributing member and/or receiving either disability benefits under the Disability Benefit Plan or payments under any Workers' Compensation Law). A reduced benefit for early retirement at any age is generally available if the member has at least 30 years of service. Members with 30 or more years of credited service may retire at age 55 and receive unreduced benefits.

## Notes to the Basic Financial Statements

Eligible Tier 2 members are entitled to an annual retirement benefit, payable monthly for life currently in an amount equal to a retirement factor multiplying each year of credited service, and then multiplying their final average salary. The specific retirement factor is based on the combination of member's age and credited service as follows:

- 1.5% at age 60 with 5 years of continuous DWP service or 10 years of qualifying service
- 2.0% at any age with 30 years
- 2.0% at age 63 with 5 years of continuous DWP service or 10 years of qualifying service
- 2.1% at age 63 with 30 years

"Final average salary" is defined as the employee's average base salary over the highest 78 consecutive payroll periods. A member's monthly pension amount is capped at 80% of one's final average salary. Retirees who are receiving a formula pension are entitled to annual COLA. Adjustments are applied each July 1 based on the CPI for each of the two immediately preceding calendar years. The maximum adjustment, positive or negative, is 2% in any one year. Members may purchase additional post-retirement COLA coverage, not to exceed an additional 1% per year, at full actuarial cost to the Plan. Members, who are eligible for a deferred retirement (vesting), are also eligible for a formula pension, but they are not entitled to an annual COLA.

### 3. Contribution Information

#### Member Contributions

##### Pensions

As a condition of participation, members are required to contribute a percentage of their salaries to Pensions. Tier 1 members were required by the City Charter to contribute 6% of salary. Pensions' actuary recommended that Tier 2 members contribute 1% in addition to the 6% rate provided in the City Charter, for a total of 7% of salary. Tiers 3 and 4 members are required to contribute 8% of salary. Tier 5 members are required to contribute 9% of salary. However, the City shall pay 1% of the Tier 5 required contribution rate contingent on Pensions remaining at least 100% actuarially funded for pension benefits. Since July 1, 2006, Tier 5 members have been required to contribute 9% of salary because Pensions has remained less than 100% actuarially funded for pension benefits as determined by the Pensions' actuary. Tier 6 members are required to contribute 9% of salary for regular pension contributions. Tier 6 members are also required to make an additional pension contribution of 2% of salary to support the City's ability to fund retiree health benefits. Airport police officers who transferred to Tier 6 from LACERS are required to contribute to Pensions at their same LACERS contribution rates until they retire.

##### LACERS

The current contribution rate for Tier 1 and Tier 1 Enhanced Members is 11% of their pensionable salary including a 1% increase in the Member contribution rate pursuant to 2009 Early Retirement Incentive Program (ERIP) ordinance for all employees for a period of 15 years (or until the ERIP Cost obligation is fully recovered, whichever comes first). Contribution rates for Tier 1 and Tier 1 Enhanced Members are expected to decrease by 1% once ERIP obligation is fully paid.

The contribution rate for Tier 3 members is 11% of their pensionable salary. Unlike Tier 1, Tier 3 members do not pay ERIP contribution, therefore, Tier 3 members' contribution rate will not drop down when Tier 1 members cease to pay the 1% ERIP contribution.

# Annual Comprehensive Financial Report

## Notes to the Basic Financial Statements

### DWP Plans

Retirement contributions are determined by a member's Tier designation. Covered Tier 1 employees continue to contribute 6% of their annual covered payroll upon becoming a Plan member on or after June 1, 1984. Employees entering the Plan before June 1, 1984 contribute an amount based upon an entry-age percentage rate. If an employee leaves or dies while employed, employee contribution plus credited interest is refundable. After one year of membership, the employee may leave his or her contribution on account with the Plan along with the Department's matching contributions and receive a money purchase allowance at retirement age. A surviving spouse of an employee who dies while eligible to retire or with at least 25 years of service may elect to receive a monthly allowance from the Retirement Fund for life rather than a refund of the employee's contributions and interest.

Covered Tier 2 employees are required to contribute 10% of their annual covered payroll upon becoming a Plan member. A Tier 2 member has the same benefits as a Tier 1 member upon termination or death while employed with a single exception. A Tier 2 member will not receive a money purchase allowance with vesting after one year. Instead a Tier 2 member will only receive a formula pension if one is at age 60 and has at least 5 years of continuous DWP service.

Each bi-weekly payroll period, both eligible Tiers 1 and 2 members contribute \$1.00 each for temporary disability and permanent total disability. Contributing active Tiers 1 and 2 members contribute \$1.00 per bi-weekly payroll period for insured lives death benefit (IDB). Active members contribute \$2.25 per bi-weekly payroll period, and retired members contribute \$4.90 per month for supplemental family death benefit.

### Employer Contributions

#### Pensions

The City Charter specifies that the City will make contributions of an amount equal to the City's share of defined entry age normal costs each year and also the following:

For members of Tiers 1 and 2, a dollar amount or percentage necessary to amortize the "unfunded liability" of Pensions over a 70-year period, beginning with the fiscal year commencing July 1, 1967. Under Tiers 3, 4, and 5, any "unfunded liability" resulting from plan amendments shall be amortized over a 25-year period, and actuarial experience gains and losses shall be amortized over a 20-year period. For Tier 6, the unfunded liabilities shall be funded in accordance with the actuarial funding method adopted by the Board upon the advice of the consulting actuary. Charter Amendment G, effective April 8, 2011, now provides that with the advice of the consulting actuary, the Board shall establish amortization policies for unfunded actuarial accrued liabilities and surpluses for all Tiers.

Accordingly, the City's contributions as determined by the Pensions' actuary, net of early payment discount, for the fiscal year ended June 30, 2022, were as follows (in millions):

	Fire and Police						Harbor Port Police			Airports	
	Tier 1	Tier 2	Tier 3	Tier 4	Tier 5	Tier 6	Tier 5	Tier 6	Tier 6		
Entry Age Normal Cost	\$ --	\$ 0.16	\$ 15.19	\$ 6.00	\$ 233.04	\$ 61.73	\$ 2.86	\$ 0.56	\$ 1.77		
Unfunded Supplemental Present Value amount	13.75	3.93	(2.04)	5.82	130.35	41.01	0.98	0.25	0.14		
Pension Administrative Expense	--	--	1.00	0.36	13.90	4.37	0.17	0.04	0.13		

During fiscal year 2022, total employer contributions of \$535.5 million were made in accordance with actuarially determined contribution requirements through an actuarial valuation performed at June 30, 2020.

### LACERS

The Los Angeles City Charter Sections 1158 and 1160 provide for periodic actuarially-determined employer contribution rates that, expressed as percentages of annual covered payroll, are sufficient to accumulate the required assets to pay benefits when due. For the fiscal year ended June 30, 2022, the actuarially-determined aggregate employer contribution rate to LACERS by the City was 27.96% (28.64% for Tier 1 and 25.43% for Tier 3) of projected payroll, based on the June 30, 2020 actuarial valuation. Upon closing the fiscal year 2022, LACERS re-calculated the employer contribution rate using actual payroll incurred during the fiscal year, which was smaller than projected covered payroll used by the City to make the advance payment on July 15, 2021. As a result, employer contributions received for LACERS were \$65.4 million more than required, and this amount was credited to the employer toward employer contributions for fiscal year 2023. Based on actual payroll, the effective rate of employer contribution for LACERS was 27.44% for fiscal year 2022, with total actuarially determined contribution of \$591.2 million.

### DWP Plans

DWP contributes \$1.10 for each \$1.00 contributed by Tier 1 members, plus an actuarially determined percentage of covered payroll. DWP solely contributes an actuarially determined percentage of covered payroll for Tier 2 members. Contribution provisions are established and amended by the Retirement Board upon the advice of the DWP Plan actuary. The average employer contribution rates for fiscal years 2022 (based on the July 1, 2021 valuations) was 26.04% of compensation.

DWP contribution rate for fiscal years 2022 for temporary disability (based on the July 1, 2021 valuation) was \$1.07 per \$100 of covered payroll. DWP contribution for permanent total disability continues to be suspended, as current reserve significantly exceeds the target reserve amount.

In fiscal year 2022, the actuarially determined contributions of DWP's Retirement Fund was \$302.8 million and actual contributions made were \$318.9 million.

## 4. Net Pension (Asset) Liability

For the June 30, 2022 reporting date, the Net Pension Asset (NPA) of Pensions was measured as of June 30, 2021 and determined by rolling forward the Total Pension Liability (TPL) from the actuarial valuation as of June 30, 2020. The Fiduciary Net Position (FNP) was valued as of the measurement date.

LACERS' Net Pension Liability (NPL) was measured as of June 30, 2021 and determined based upon the FNP and TPL from the actuarial valuation as of June 30, 2021. FNP and TPL were valued as of the measurement date.

The NPA of DWP Plans was measured as of June 30, 2021 and determined based upon the results of the actuarial valuation as of July 1, 2021. The FNP and TPL were valued as of the measurement date.

The City's total pension liability, fiduciary net position and net pension (asset) liability as of the measurement date June 30, 2021 were as follows (in thousands):

	Total Pension Liability	Fiduciary Net Position	Net Pension (Asset) Liability	Fiduciary Net Position as % of Total Pension Liability
Pensions	\$ 25,160,777	\$ 27,862,307	\$ (2,701,530)	110.74%
LACERS	23,281,893	18,918,136	4,363,757	81.26%
DWP Plans	15,008,817	16,667,463	(1,658,646)	111.05%
Total	<u><u>\$ 63,451,487</u></u>	<u><u>\$ 63,447,906</u></u>	<u><u>\$ 3,581</u></u>	

# Annual Comprehensive Financial Report

## Notes to the Basic Financial Statements

### Changes in Net Pension (Asset) Liability

The components of the net pension (asset) liability of Pensions, LACERS and DWP Plans determined in accordance with GASB Statement No. 68 as of the measurement date of June 30, 2021 were as follows (in thousands):

	Pensions	LACERS	DWP Plans	Total
<b>Total Pension Liability</b>				
Beginning Balance	\$ 23,969,714	\$ 22,527,195	\$ 14,465,349	\$ 60,962,258
Service Cost	455,362	451,426	275,366	1,182,154
Interest	1,668,212	1,570,785	1,008,130	4,247,127
Benefit Payments, Including Refunds of Member Contributions	(1,186,963)	(1,077,691)	(677,717)	(2,942,371)
Difference of Expected and Actual Experience	254,452	(189,822)	(62,311)	2,319
Net Change	1,191,063	754,698	543,468	2,489,229
Ending Balance	25,160,777	23,281,893	15,008,817	63,451,487
 <b>Fiduciary Net Position</b>				
Beginning Balance	21,396,933	14,932,404	13,353,708	49,683,045
Employer Contributions	543,819	554,856	385,071	1,483,746
Member Contributions	157,786	252,123	122,316	532,225
Net Investment Income	6,972,104	4,283,202	3,489,200	14,744,506
Benefit Payments, Including Refunds of Member Contributions	(1,186,963)	(1,077,691)	(677,717)	(2,942,371)
Administrative Expenses	(21,372)	(26,758)	(5,115)	(53,245)
Net Change	6,465,374	3,985,732	3,313,755	13,764,861
Ending Balance	27,862,307	18,918,136	16,667,463	63,447,906
<b>Net Pension (Asset) Liability</b>	<b>\$ (2,701,530)</b>	<b>\$ 4,363,757</b>	<b>\$ (1,658,646)</b>	<b>\$ 3,580</b>

### Sensitivity of the Net Pension (Asset) Liability to Changes in Discount Rates

Pensions, LACERS, and DWP Plans used a discount rate of 7.00 percent to measure the total pension liability for the measurement date of June 30, 2021. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rates for each tier and that employer contributions will be made at rates equal to the actuarially determined contribution rates for each tier. For this purpose, only employer contributions that are intended to fund benefits for current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs for future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments for current plan members. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2022 based on the measurement date of June 30, 2021.

The net pension (asset) liability will change when there are changes in the discount rate. The following presents the net pension (asset) liability (in thousands) calculated using the discount rate of 7.00 percent, as well as what the net pension (asset) liability would be if they were calculated using a discount rate that is 1-percentage point lower (6.00 percent) or 1-percentage point higher (8.00 percent) than the current rate of 7.00 percent for Pensions, LACERS, and DWP Plans:

	Pensions	LACERS	DWP Plans
1% Decrease (6.00%)	\$ 814,268	\$ 7,470,721	\$ 351,692
Current Discount Rate (7.00%)	(2,701,530)	4,363,757	(1,658,646)
1% Increase (8.00%)	(5,555,520)	1,793,938	(3,317,710)

**Notes to the Basic Financial Statements**

**5. Pension Expense (Credit), Deferred Outflows of Resources and Deferred Inflows of Resources**

The City recognized the following pension expense (credit), deferred outflows of resources and deferred inflows of resources as of and for the fiscal year ended June 30, 2022 (in thousands):

	Pension Expense (Credit)			
	Pensions	LACERS	DWP Plans	Total
Service Cost	\$ 455,362	\$ 451,426	\$ 275,366	\$ 1,182,154
Interest on the Total Pension Liability	1,668,212	1,570,785	1,008,130	4,247,127
Expensed Portion of Current-period Difference between Expected and Actual Experience in the Total Pension Liability	43,496	(37,663)	(8,914)	(3,081)
Member Contributions	(157,786)	(252,123)	(122,316)	(532,225)
Projected Earnings on Plan Investments	(1,497,497)	(1,052,658)	(928,619)	(3,478,774)
Expensed Portion of Current-period Differences between Actual and Projected Earnings on Plan Investments	(1,094,921)	(646,109)	(512,116)	(2,253,146)
Administrative Expense	21,372	26,758	5,115	53,245
Recognition of Beginning of Year Deferred Outflows of Resources as Pension Expense	449,793	557,773	206,766	1,214,332
Recognition of Beginning of Year Deferred Inflows of Resources as Pension Expense	(433,828)	(231,750)	(201,109)	(866,687)
	<u>\$ (545,797)</u>	<u>\$ 386,439</u>	<u>\$ (277,697)</u>	<u>\$ (437,055)</u>

	Deferred Outflows of Resources			
	Pensions	LACERS	DWP Plans	Totals
Pension Contributions Subsequent to Measurement Date	\$ 535,450	\$ 591,781	\$ 324,463	\$ 1,451,694
Changes in Proportion and Differences between Employer's Contributions and Proportionate Share of Contributions	--	59,949	9,565	69,514
Changes of Assumptions or Other Inputs	293,148	443,677	4,720	741,545
Differences between Actual and Expected Experience in the Total Pension Liability	256,969	218,793	56,916	532,678
	<u>\$ 1,085,567</u>	<u>\$ 1,314,200</u>	<u>\$ 395,664</u>	<u>\$ 2,795,431</u>

	Deferred Inflows of Resources			
	Pensions	LACERS	DWP Plans	Totals
Changes in Proportion and Differences between Employer's Contributions and Proportionate Share of Contributions	\$ --	\$ 59,949	\$ 9,565	\$ 69,514
Net Difference between Projected and Actual Earnings on Investments	3,814,423	2,076,846	1,778,208	7,669,477
Difference between Expected and Actual Experience in Total Pension Liability	56,661	175,222	83,883	315,766
	<u>\$ 3,871,084</u>	<u>\$ 2,312,017</u>	<u>\$ 1,871,656</u>	<u>\$ 8,054,757</u>

# Annual Comprehensive Financial Report

## Notes to the Basic Financial Statements

The amount reported as deferred outflows for contributions made subsequent to the measurement date will be recognized as an adjustment of the net pension (asset) liability in the fiscal year ending June 30, 2023. The other net amount of deferred outflows of resources and deferred inflows of resources related to pensions that will be recognized in pension expense during the next six years are as follows (in thousands):

Reporting Date under GASB 68 Year Ending June 30	Pensions	LACERS	DWP Plans
2023	\$ (781,525)	\$ (250,805)	\$ (463,881)
2024	(727,560)	(291,962)	(397,432)
2025	(800,831)	(361,553)	(417,851)
2026	(1,048,023)	(683,772)	(509,834)
2027	36,972	(1,506)	(2,632)
2028	--	--	(8,825)

## 6. Long-term Expected Rate of Return on Plan Investments

The discount rate used to measure the total pension liability was 7.00% for Pensions, LACERS, and DWP Plans. The long-term expected rate of return on pension investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and includes inflation) are developed for each major asset class. These returns are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and deducting expected investment expenses and a risk margin. The target allocation and projected arithmetic real rate of return for each measurement class, after deducting inflation, but before reduction for investment expenses, used in the derivation of the long-term expected investment rate of return assumption for the actuarial valuation are summarized as follows:

Asset Class	Pensions		LACERS		DWP Plans	
	Target Allocation	Long-term Expected Rate of Return as of Measurement	Target Allocation	Long-term Expected Rate of Return as of Measurement	Target Allocation	Long-term Expected Rate of Return as of Measurement
		Date of June 30, 2021		Date of June 30, 2021		Date of June 30, 2021
Large Cap U.S. Equity	23.00 %	5.40 %	15.01 %	5.54 %	22.95 %	5.44 %
Small Cap U.S. Equity	6.00	6.20	3.99	6.25	1.75	6.18
Developed International Large Cap Equity	16.00	6.54	17.01	6.61	13.06	6.54
Developed International Small Cap Equity	--	--	2.97	6.90	2.18	6.64
Emerging International Large Cap Equity	--	--	5.67	8.74	--	--
Emerging International Small Cap Equity	--	--	1.35	10.63	--	--
Emerging Market Equity	5.00	8.78	--	--	5.16	8.73
Global Equity	--	--	--	--	2.90	6.45
U.S. Core Fixed Income	13.00	1.07	--	--	25.00	1.65
Core Bonds	--	--	13.75	1.19	--	--
High Yield Bonds	3.00	3.31	2.00	3.14	--	--
Bank Loans	--	--	2.00	3.70	--	--
Emerging Market Debt (External)	--	--	2.25	3.55	--	--
Emerging Market Debt (Local)	--	--	2.25	4.75	--	--
Real Estate	7.00	4.65	--	--	8.00	4.60
Custom Real Return	--	--	--	--	5.00	2.07
Core Real Estate	--	--	4.20	4.60	--	--
Non-Core Real Estate	--	--	2.80	5.76	--	--
Real Estate Investment Trust	3.00	4.40	1.00	5.98	--	--
Private Equity	12.00	8.25	14.00	8.97	8.00	9.27
Hedge Funds	--	--	--	--	5.00	3.53
Private Credit/Debit	--	--	3.75	6.00	--	--
Treasury Inflation Protected Securities	4.00	0.62	4.00	0.86	--	--
Commodities	5.00	3.05	1.00	3.33	--	--
Cash	1.00	0.01	1.00	0.03	1.00	0.25
Unconstrained Fixed Income	2.00	1.37	--	--	--	--
	<u>100.00 %</u>		<u>100.00 %</u>		<u>100.00 %</u>	

### 7. Actuarial Methods and Assumptions

Significant actuarial methods and assumptions used to determine the total pension liabilities for the reporting period of June 30, 2022 are as follows:

	Pensions	LACERS	DWP Plans
Measurement Date	June 30, 2021	June 30, 2021	June 30, 2021
Valuation Date	June 30, 2020	June 30, 2021	June 30, 2021
Inflation Rate	2.75%	2.75%	2.75%
Actuarial Cost Method	Entry age actuarial cost method	Entry age actuarial cost method	Entry age actuarial cost method
Actuarial Assumptions: Salary Increases	4.15% to 12.25%	4.25% to 9.95%	4.50% to 10.25%
Investment Rate of Return	7.00% net of investment expense	7.00% net of investment expense	7.00% net of investment expense
Mortality Rates: Healthy	Pub-2010 Safety Healthy Retiree Amount-Weighted Above-Median Mortality Table multiplied by 105% for males and 100% for females, projected generationally with the two-dimensional mortality improvement scale MP-2019.	Pub-2010 General Healthy Retiree Amount-Weighted Above-Median Mortality Tables with rates increased by 10% for males, projected generationally with the two-dimensional mortality improvement scale MP-2019.	Pub-2010 General Healthy Retiree Amount-Weighted Above-Median Mortality Table (separate tables for males and females) times 105% for males and 100% for females, projected generationally with the two-dimensional mortality improvement scale MP-2018.
Disabled	Pub-2010 Safety Disabled Retiree Amount-Weighted Mortality Table projected generationally with the two-dimensional mortality improvement scale MP-2019.	Pub-2010 Non-Safety Disabled Retiree Amount-Weighted Above-Median Mortality Tables with rates increased by 10% for males and decreased by 5% for females, projected generationally with the two-dimensional mortality improvement scale MP-2019.	Pub-2010 General Healthy Retiree Amount-Weighted Above-Median Mortality Table (separate tables for males and females) times 105% for males and 100% for females, projected generationally with the two-dimensional mortality improvement scale MP-2018.
Beneficiaries	Pub-2010 General Healthy Retiree Amount-Weighted Above-Median Mortality Table multiplied by 105%, projected generationally with the two-dimensional mortality improvement scale MP-2019.	Pub-2010 Contingent Survivor Amount-Weighted Above-Median Mortality Tables with rates increased by 10% for males and females, projected generationally with the two-dimensional mortality improvement scale MP-2019.	Pub-2010 General Healthy Retiree Amount-Weighted Above-Median Mortality Table (separate tables for males and females), projected generationally with the two-dimensional mortality improvement scale MP-2018.
Actuarial Experience Study	Actuarial assumptions were based on July 1, 2016 through June 30, 2019 Experience Study Report dated May 13, 2020.	July 1, 2016 to June 30, 2019	July 1, 2015 to June 30, 2018

### 8. Significant Change in the Net Pension Liability

The General Fund and Enterprise Funds have historically been used to liquidate the pension liabilities. GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* states that when a significant change in the net pension liability has occurred between the measurement date (i.e., June 30, 2021) and the City's reporting date (i.e., June 30, 2022), a disclosure of that significant change should be made. Accordingly, the following significant changes to the net pension (asset) liability have occurred after the City's measurement date of June 30, 2021:

#### Pensions

As of the measurement date June 30, 2022, the plan's fiduciary net position decreased approximately \$2.6 billion from approximately \$28.0 billion to \$25.2 billion due to significant decreases in fair value of the plan's investments. Overall, the decrease in the fiduciary net position and increase in total pension liability of \$746.5 million from interest and service costs, resulted in an increase in net pension liability from approximately (\$2.7 billion) to \$648.8 million, a change of approximately \$3.4 billion.

#### LACERS

As of the measurement date June 30, 2022, the plan's fiduciary net position decreased approximately \$1.9 billion from approximately \$18.9 billion to \$17.0 billion due to significant decreases in fair value of the plan's investments. Overall, the decrease in the fiduciary net position and increase in total pension liability of \$796.9 million from interest and service costs, resulted in an increase in net pension liability from approximately \$4.4 billion to \$7.1 billion, a change of approximately \$3.7 billion.

#### DWP Plans

As of the measurement date June 30, 2022, the plan's fiduciary net position decreased approximately \$1.2 billion from approximately \$16.7 billion to \$15.5 billion due to significant decreases in fair value of the plan's investments. Overall, the decrease in the fiduciary net position and increase in total pension liability of \$1.1 billion from interest, service costs and changes in assumptions, resulted in an increase in net pension liability from approximately (\$1.7 billion) to \$616.2 million, a change of approximately \$2.3 billion.

Additionally, the discount rate used to measure the total pension liability of the Retirement Fund was changed from 7.0% to 6.5% for the measurement period ended June 30, 2022.

### 9. Deferred Retirement Option Plan

Effective May 1, 2002, members of Pensions have the option to enroll in the Deferred Retirement Option Plan (DROP) under Section 4.2100 of the Administrative Code. Members of Tiers 2 and 4 who have at least 25 years of service, and members of Tiers 3, 5, and 6 who have at least 25 years of service and who are at least age 50 are eligible for DROP.

Members who enroll continue to work and receive their active salary for up to five years. Enrolled members continue to contribute to Pensions until they have completed the maximum number of years required for their tier but cease to earn additional retirement service and salary credits. Monthly pension benefits that would have been paid to enrolled members are credited to their DROP accounts. DROP account balances earn interest at an annual rate of 5%.

Effective February 1, 2019, for members who enroll on or after this date, participation in DROP will be suspended for any calendar month in which a participant does not spend at least 112 hours on "active duty" status. However, if a participant sustains a serious injury on duty and is admitted to the hospital for at least three consecutive days as a result of that injury, their participation will not be suspended during the first 12 calendar months following the date of injury.

## Notes to the Basic Financial Statements

If a member's DROP participation is suspended, he/she is eligible to participate in DROP for a maximum of 30 additional months beyond his/her original five-year participation period. The participation period can only be extended for as many months as the member's participation was suspended and no interest is credited to the member's DROP account following the initial five-year participation period. Once the DROP participation period ends, enrolled members must terminate active employment. They then receive the proceeds from their DROP account and a monthly benefit based on their service and salary at the beginning date of their DROP participation, plus applicable COLAs.

At June 30, 2022, 1,415 pensioners were enrolled in the DROP program, with total estimated values of the DROP accounts of approximately \$386.9 million.

### **10. Early Retirement Incentive Program**

The City's Early Retirement Incentive Program (ERIP) in 2009 provided incentives for 2,400 members of LACERS to retire in the form of retirement benefit enhancement and/or separation pay incentives. Total severance and separation payment costs of \$89.4 million were paid out in two installments in fiscal years 2011 and 2012. ERIP cost obligation shall be an obligation of the LACERS' members and shall be cost-neutral to the City. To this end, the base amount of retirement benefits (excluding COLA) of employees retiring under ERIP shall be reduced by 1.0%. The ERIP ordinance stipulated a 1.0% increase in member contribution rate for all employees effective July 1, 2011, for a period of 15 years, or until the ERIP cost obligation is fully paid, whichever comes first.

### B. Other Postemployment Benefits (OPEB)

The City Charter, the Administrative Code and related ordinance define the postemployment healthcare benefits. The City provides four single-employer defined other postemployment benefit plans: Fire and Police Health Subsidy Plan (Pensions OPEB), Los Angeles City Employees' Postemployment Health Care Plan (LACERS OPEB), and Water and Power Employees' Retiree Health Benefits Plan and Death Benefit Plan (DWP OPEB). There are no member contributions for healthcare benefits. The City's OPEB and net OPEB (asset) liability for LACERS and Pensions are generally liquidated by the General Fund, Airports and Harbor Enterprise funds.

#### Pensions

Members of the System are entitled to postemployment health subsidy benefits under Sections 1330, 1428, 1518, 1618, and 1718 of the City Charter; Section 4.2018 of the Administrative Code; and related ordinances. Members who retire from the System with at least 10 years of service are eligible for health subsidy benefits. For retirement effective dates prior to July 1, 1998, regular benefits began at age 60. For retirement effective dates on or after July 1, 1998, regular benefits begin at age 55. Tier 6 members who retire on service-connected disability pension are eligible for a minimum health subsidy at age 55 if they have fewer than 10 years of service. Health subsidy benefits are available to members and their covered dependents (e.g. spouses/domestic partners, children) on disability and service retirement. Effective January 1, 2000, qualified surviving spouses/domestic partners are eligible for health subsidy benefits.

#### LACERS

LACERS administers, and provides single-employer postemployment healthcare benefits to eligible retirees and their eligible spouses/domestic partners who participate in the Retirement Plan regardless of their membership tiers. These benefits consist of subsidies which may also apply to the coverage of other eligible dependent(s). To be eligible for LACERS postemployment healthcare benefits, member must: 1) be at least age 55; 2) have at least 10 whole years of service with LACERS; and 3) be enrolled in a LACERS-sponsored medical or dental plan or is a participant in the Medical Premium Reimbursement Program (MPRP). On November 9, 2018, the City Council approved Ordinance No. 185829 to amend Article 1 of Chapter 11, Division 4 of the Los Angeles Administrative Code to establish the LACERS Health Care Fund (115 Trust Account) for the sole purpose of funding the retiree healthcare benefits for eligible LACERS retirees and beneficiaries as well as to help stabilize premium rates over time. Retirees and surviving spouses/domestic partners can choose from the health plans that are available, which include medical, dental, and vision benefits, or participate in the MPRP if he/she resides in an area not covered by the available medical plans. Retirees and surviving spouses/domestic partners receive medical subsidies based on service years and service credit. The dental subsidies are provided to the retirees only, based on service years and service credit.

#### DWP Plans

The Water and Power Employees' Retirement Plan of the City of Los Angeles (WPERP) was established by the Los Angeles Department of Water and Power in 1938. Under the provisions of the Charter of the City of Los Angeles Retirement Board of Administration has the responsibility and authority to administer the WPERP and to invest its assets. In 1986, DWP Board adopted the Department Health Plans Board Resolution. This resolution established provisions for the health, dental and other medical plans of the DWP and its subsidies.

This resolution and subsequent amendments have created the DWP's Postretirement Health Care Benefit Plan. The WPERP has four separate funds – Retirement Fund, Disability Fund, Death Benefit Fund, and Retiree Health Benefits Fund. Each fund is considered a separate plan and an independent trust fund of the Department. The Death Benefit Fund and Retiree Health Benefits Fund are single-employer defined benefit OPEB plans.

## Notes to the Basic Financial Statements

### 1. Membership

As of June 30, 2022, Pensions, LACERS and DWP Plans OPEB members consisted of the following:

	<u>Pensions OPEB</u>	<u>LACERS OPEB</u>	<u>Health Benefits</u>	<u>Death Benefits</u>	DWP OPEB
Retired members and beneficiaries	11,669	17,753	8,557	7,853	
Vested terminated members entitled to, but not yet receiving benefits	1,011	1,676	--	595	
Active members	12,771	24,917	10,799	10,799	
Total	25,451	44,346	19,356	19,247	

### 2. Benefits

#### Benefits Provided by Pensions

Administrative Code Section 4.1154 (e) provides that, on an annual basis beginning in 2006, the Pensions Board is authorized to make discretionary changes to the maximum monthly subsidy, so long as no increase exceeds the lesser of a 7% increase or the actuarial assumed rate for medical inflation for pre-65 health benefits established by the Board for the applicable fiscal year. The maximum monthly subsidy for fiscal year 2022 was \$1,958.82. Pensions also reimburses Medicare Part B premiums for any pensioner enrolled in Medicare Parts A and B, and eligible to receive a subsidy.

Effective January 1, 2001, members of Pensions are entitled to postemployment health insurance premium reimbursements under Section 4.1163 of the Administrative Code. The reimbursement paid is a percentage of the maximum subsidy for health care. Pensions also reimburses basic Medicare Part B premiums for any pensioner or qualified surviving spouse/domestic partner eligible to receive a subsidy and enrolled in Medicare Parts A and B. As of July 1, 2021, the single coverage maximum subsidy for retirees and surviving spouse or domestic partner is \$564.9 and multi-person is \$1,189.6.

Pensions members are also entitled to a dental subsidy. The benefit paid is a percentage of a maximum subsidy for dental care based on the lower of the dental subsidy in effect for LACERS (civilian retirees) or active Safety Members. The maximum monthly subsidy for calendar year 2022 was \$44.60. In determining the dental subsidy, members receive 4% for each completed year of service, up to 100% of the maximum.

#### Benefits Provided by LACERS

The maximum subsidies are set annually by the Board. Effective February 21, 2016, healthcare benefit eligibility requirements have changed for members who have periods of part-time service. Such members are now eligible to participate in the LACERS retiree medical programs with 10 whole years of service, even if some or all of that service was part-time, provided that the member meets the eligibility requirements. Both Tier 1 and Tier 3 members will be eligible for 40% of maximum medical plan premium subsidy for 1 – 10 whole years of service credit, and eligible members earn 4% per year of service credit for their annual medical subsidy accrual after 10 years of service. Eligible spouses/domestic partners of LACERS members are entitled to LACERS postemployment health care benefits after the retired member's death.

During fiscal year 2011, the City adopted an ordinance ("Subsidy Cap Ordinance") to limit the maximum medical subsidy at \$1,190 for those members who retire on or after July 1, 2011; however, members who at any time prior to retirement made additional contributions are exempted from the subsidy cap and obtain a vested right to future increases in the maximum medical subsidy at an amount not less than the dollar increase in the Kaiser two-party non-Medicare Part A and Part B premium. As of June 30, 2022, all active Tier 1 and Tier 3 members were making the additional contributions, and therefore will not be subject to the medical subsidy cap.

## Notes to the Basic Financial Statements

### Benefits Provided by DWP Plans

#### Retiree Health Benefits Fund (RHBF)

For retiree healthcare, a medical subsidy is computed by a formula related to years of service and attained age of retirement. The subsidy limit is applied to the combined medical carrier and Medicare Part B premium but not the dental premium. For Tier 1, the monthly medical subsidy ranges from \$30.32 to \$1,870.87 depending on age and service at retirement. Tier 2, the monthly medical subsidy ranges from \$30.32 to \$935.44, depending on age and service at retirement. The monthly dental subsidy for most retirees is \$37.58. The dental subsidy is not available to pay for premiums for married and surviving spouses or domestic partners. All members hired before January 1, 2014 are Tier 1. All members hired after January 1, 2014 are Tier 2.

#### Death Benefit Fund (DBF)

The Death Benefit Fund consists of the insured lives death benefit (IDB), family death benefit (FDB), and supplemental family death benefit (SFDB).

##### Insured Lives Death Benefit (IDB)

For contributing active members, death benefit coverage begins after completion of 26 weeks of continuous DWP service. If the death occurs while an active member of the DWP Plan, the benefit includes a single lump sum distribution equal to fourteen times the member's monthly salary, and the Retirement Fund contributions plus accrued interest, payable to the beneficiary.

For retired members, the benefits include a single lump sum distribution equal to fourteen times the member's full retirement allowance not to exceed \$20,000, plus any unpaid retirement allowances due, and the unused portion of the Retirement Fund contributions upon death (if elected at retirement) payable to the beneficiary.

##### Family Death Benefit (FDB)

Coverage begins after completion of 26 weeks of continuous DWP service. The DWP Plan provides a monthly FDB allowance of \$416 to each qualified surviving child plus \$416 to the spouse, if the spouse has the care of one or more of the member's eligible children. The maximum monthly FDB allowance is \$1,170.

##### Supplemental Family Death Benefit (SFDB)

The SFDB program supplements the FDB. Coverage begins after enrollment and payment of premiums for 39 consecutive biweekly payroll deductions. The DWP Plan provides for an additional monthly SFDB allowance of \$520 to each qualified surviving child plus \$520 to the spouse, if the spouse has the care of one or more of the member's eligible children. The maximum SFDB allowance is \$1,066.

### **3. Contribution Information**

#### Employer Contributions

##### Pensions

The Pensions Board establishes and may amend the contribution requirements of members and the City. The City's annual contribution for the Pensions plan is actuarially determined and represents a level of funding that, if paid on an ongoing basis, is expected to be sufficient to make all benefit payments to current members. The City Administrative Code and related ordinance define member contributions. The employer contribution rate as calculated by Pensions' actuary is 12% of covered payroll. Accordingly, the City's contributions as determined by the actuary, net of early payment discount, for the fiscal year ended June 30, 2022, were as follows (in millions):

# Annual Comprehensive Financial Report

## Notes to the Basic Financial Statements

	Fire and Police						Harbor Port Police			Airports	
	Tier 1	Tier 2	Tier 3	Tier 4	Tier 5	Tier 6	Tier 5	Tier 6	Tier 6		
Health Subsidy Entry Age Cost	\$ --	\$ 0.02	\$ 3.69	\$ 1.32	\$ 47.38	\$ 23.24	\$ 0.73	\$ 0.19	\$ 0.75		
Health Subsidy Unfunded Actuarial Accrual Liability	1.30	60.37	5.19	3.14	33.37	10.50	0.12	0.03	0.05		
Health Administrative Expenses	--	--	0.09	0.03	1.22	0.39	0.01	--	0.01		

During fiscal year 2022, total employer contributions of \$193.1 million which excluded the transfer of employer contributions from the LACERS for the Airport Police members who elected to join the System in Tier 6 were made in accordance with actuarially determined contribution requirements through an actuarial valuation performed at June 30, 2020.

### LACERS

The Los Angeles City Charter Sections 1158 and 1160 provide for periodic actuarially determined employer contribution rates that, expressed as percentages of annual covered payroll, are sufficient to accumulate the required assets to pay benefits when due. For the fiscal year ended June 30, 2022, the actuarially determined contribution of the employer to LACERS by the City was 4.29% (4.17% for Tier 1 and 4.73% for Tier 3) of projected payroll, based on the June 30, 2020 actuarial valuation. The total contributions for the fiscal year 2022 is \$91.6 million.

Upon closing the fiscal year 2022, LACERS re-calculated employer contributions using actual payroll incurred during the fiscal year which was smaller than projected covered payroll used by the City to make the advance payment on July 15, 2021. As a result, employer contributions for Postemployment Health Care Plan were \$9.8 million more than required, and this amount was returned to the employer as a credit toward employer contribution for fiscal year 2023. Based on actual payroll, the effective rate of employer contribution for Postemployment Health Care Plan was 4.25% for the fiscal year 2022.

### DWP Plans

The DWP Board establishes rates for retiree healthcare plan based on an actuarially determined rate. For the fiscal year ended June 30, 2022, the DWP's average contribution rate was 9.7% of covered-employee payroll. Employees are not required to contribute to the retiree healthcare plan. DWP's contributions to the retiree healthcare plan were \$110.8 million including administrative expenses of \$1.0 million for the fiscal year ended June 30, 2022.

Prior to fiscal year 2019, Death Benefit was funded by the employer on a modified "pay-as-you-go" basis. The funding policy was changed for valuation period beginning July 1, 2019 and thereafter. Employer contributions shall be determined annually on the basis of Entry Age Actuarial Cost Method and amortizing the resulting unfunded liability or surplus identified in each year in equal dollar amounts over the subsequent fifteen-year period. The Department contribution rate for fiscal year 2022 was 1.11% of covered payroll. The employer and member contribution rates as of June 30, 2022 are as follows:

	Members		
	DWP	Active	Retired
Total Death Benefit Fund	1.12% OF Payroll	N/A	N/A
Supplemental family death benefit	N/A	\$2.25 biweekly	\$4.9 monthly
Insured lives death benefit			
Contributing	N/A	\$1.00 biweekly	N/A
Noncontributing	N/A	N/A	N/A

DWP's contributions to the death benefits plan were \$15.0 million including administrative expenses of \$1.9 million for the fiscal year ended June 30, 2022.

### 4. Net OPEB (Asset) Liability

For the June 30, 2022 reporting date, the Net Other Postemployment Benefits Liability (NOL) of Pensions was measured as of June 30, 2021 and determined based upon the Total OPEB Liability (TOL) from the actuarial valuation as of June 30, 2021. The Fiduciary Net Position (FNP) was valued as of the measurement date.

LACERS' Net OPEB Asset (NOA) was measured as of June 30, 2021 and determined based upon the FNP and TOL from the actuarial valuation as of June 30, 2021. FNP and TOL were valued as of the measurement date.

DWP Plans' NOA and NOL were measured as of June 30, 2021 and determined based upon the results of the actuarial valuation as of June 30, 2021. The FNP and TOL were valued as of the measurement date.

The City's total OPEB liability, fiduciary net position and net OPEB (asset) liability for each plan as of June 30, 2022 were as follows (in thousands):

	Total OPEB Liability	Fiduciary Net Position	Net OPEB (Asset) Liability	Fiduciary Net Position as % of Total OPEB Liability
Pensions	\$ 3,793,174	\$ 2,888,310	\$ 904,864	76.14%
LACERS	3,520,078	3,781,652	(261,574)	107.43%
DWP Plans				
Health Benefits	2,569,281	2,918,120	(348,839)	113.58%
Death Benefit	134,038	40,738	93,300	30.39%
Totals	<u>\$ 10,016,571</u>	<u>\$ 9,628,820</u>	<u>\$ 387,751</u>	

#### Changes in Net OPEB (Asset) Liability

The components of the net OPEB (asset) liability of Pensions, LACERS and DWP Plans determined in accordance with GASB Statement No. 75 as of the measurement date of June 30, 2021 were as follows (in thousands):

	Pensions	LACERS	DWP Plans	Totals
Total OPEB Liability				
Beginning Balance	\$ 3,709,858	\$ 3,486,530	\$ 2,623,960	\$ 9,820,348
Service Cost	80,618	84,817	53,266	218,701
Interest	260,018	244,776	178,544	683,338
Benefit Payments	(151,855)	(149,103)	(119,527)	(420,485)
Differences between Expected and Actual Experience	8,191	10,672	(27,006)	(8,143)
Assumption Changes	(113,656)	(157,614)	(5,918)	(277,188)
Net Change	83,316	33,548	79,359	196,223
Ending Balance	<u>3,793,174</u>	<u>3,520,078</u>	<u>2,703,319</u>	<u>10,016,571</u>
Fiduciary Net Position				
Beginning Balance	2,143,448	2,851,204	2,341,094	7,335,746
Employer Contributions	200,425	103,454	124,784	428,663
Member Contributions	--	--	374	374
Net Investment Income	698,434	983,522	614,577	2,296,533
Benefit Payments	(151,856)	(149,103)	(119,527)	(420,486)
Administrative Expenses	(2,141)	(7,425)	(2,444)	(12,010)
Net Change	744,862	930,448	617,764	2,293,074
Ending Balance	<u>2,888,310</u>	<u>3,781,652</u>	<u>2,958,858</u>	<u>9,628,820</u>
Net OPEB (Asset) Liability	<u>\$ 904,864</u>	<u>\$ (261,574)</u>	<u>\$ (255,539)</u>	<u>\$ 387,751</u>

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## Notes to the Basic Financial Statements

### Sensitivity of the Net OPEB (Asset) Liability to Changes in Discount Rates

Pensions, LACERS, and DWP Plans used discount rate of 7.00 percent (3.5 percent for Death Benefit Plan) to measure the total OPEB liability for the measurement date of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the fiduciary net position was projected to be available to make all projected future benefit payments for current plan members. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total OPEB liability as of June 30, 2022 based on the measurement date of June 30, 2021.

The net OPEB (asset) liability changes when there are changes in the discount rate. The following presents the net OPEB (asset) liability (in thousands) calculated using the adopted discount rates of 7.00 percent for Pensions, LACERS, and DWP Health Benefits Plans, and 3.5 percent for the DWP Death Benefit Plan, as well as what the net OPEB (asset) liability would be if they were calculated using a discount rate that is 1-percentage point lower (6.00 percent or 2.5 percent) or 1-percentage point higher (8.00 percent or 4.5 percent) than the current rates.

	DWP Plans			
	Pensions	LACERS	Health Benefits	Death Benefit*
1% Decrease (6.0% / 2.5%*)	\$ 1,477,433	\$ 231,310	\$ 5,542	\$ 114,817
Current Discount Rate (7.0% / 3.5%*)	904,864	(261,574)	(348,839)	93,300
1% Increase (8.0% / 4.5%*)	442,549	(665,963)	(640,535)	76,171

### Sensitivity of the Net OPEB (Asset) Liability to Changes in Healthcare Cost Trend Rates

The net OPEB (asset) liability changes when there are changes in the healthcare cost trend rate. LACERS' current trend rates assumption is 7.37% graded down to 4.50% over twelve years for Non-Medicare medical plan costs, and 6.37% graded down to 4.50% over eight years for Medicare medical plan costs. 4.00% for all years for Dental and 4.50% for all years for Medicare Part B cost. The current trend rates assumption for Pensions is 7.5%, then graded down to an ultimate of 4.50% over twelve years for Non-Medicare medical plan costs; 6.50%, then graded down to 4.50% over eight years for Medicare medical plan costs and 4.00% for all years for Dental and 4.50% Medicare Part B cost. DWP Plans current trend rates assumption is 7.50%, graded down to 4.50% over twelve years for Non-Medicare medical plan costs; 6.50% graded down to 4.50% over eight years for Medicare medical plan costs and 4.00% for all years for Dental and 4.5% Medicare Part B cost.

The following presents the net OPEB (asset) liability (in thousands) as of June 30, 2021 measurement date, as well as what net OPEB (asset) liability would be if it were calculated using a trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate for Pensions, LACERS and DWP Plans:

	Pensions	LACERS	DWP Plans
1% Decrease	\$ 422,856	\$ (704,100)	\$ (667,680)
Current Trend Rate	904,864	(261,574)	(348,839)
1% Increase	1,513,969	289,705	47,729

# Annual Comprehensive Financial Report

## Notes to the Basic Financial Statements

### 5. OPEB Expense (Credit), Deferred Outflows of Resources and Deferred Inflows of Resources

The City recognized the following OPEB expense (credit), deferred outflows of resources and deferred inflows of resources as of and for the fiscal year ended June 30, 2022 (in thousands):

	OPEB Expense			
	Pensions	LACERS	DWP Plans	Totals
Service Cost	\$ 80,618	\$ 84,817	\$ 53,266	\$ 218,701
Interest on the Total OPEB Liability	260,018	244,776	178,544	683,338
Expensed Portion of Current-period Difference between Expected and Actual Experience in the Total OPEB Liability	1,130	1,681	(3,372)	(561)
Expensed Portion of Current-period Changes of Assumptions or Other Inputs	(15,677)	(24,821)	(739)	(41,237)
Member Contributions	--	--	(374)	(374)
Projected Earnings on Plan Investments	(158,097)	(201,046)	(162,627)	(521,770)
Expensed Portion of Current-period Differences between Actual and Projected Earnings on Plan Investments	(108,067)	(156,495)	(90,390)	(354,952)
Administrative Expense	2,141	7,425	2,444	12,010
Recognition of Beginning of Year Deferred Outflows of Resources as OPEB Expense	73,185	78,464	37,838	189,487
Recognition of Beginning of Year Deferred Inflows of Resources as OPEB Expense	(86,451)	(96,112)	(94,799)	(277,362)
	<u><u>\$ 48,800</u></u>	<u><u>\$ (61,311)</u></u>	<u><u>\$ (80,209)</u></u>	<u><u>\$ (92,720)</u></u>

	Deferred Outflows of Resources			
	Pensions	LACERS	DWP Plans	Totals
OPEB Contributions Subsequent to Measurement Date	\$ 193,400	\$ 91,924	\$ 125,775	\$ 411,099
Changes in Proportion and Differences between Employer's Contributions and Proportionate Share of Contributions	--	9,837	7,260	17,097
Changes of Assumptions or Other Inputs	154,572	125,842	80,116	360,530
Difference between Expected and Actual Experience	18,487	13,269	1,051	32,807
	<u><u>\$ 366,459</u></u>	<u><u>\$ 240,872</u></u>	<u><u>\$ 214,202</u></u>	<u><u>\$ 821,533</u></u>

	Deferred Inflows of Resources			
	Pensions	LACERS	DWP Plans	Totals
Changes in Proportion and Differences between Employer's Contributions and Proportionate Share of Contributions	\$ --	\$ 9,837	\$ 7,260	\$ 17,097
Changes of Assumptions or Other Inputs	98,040	132,792	58,647	289,479
Net difference between Projected and Actual Earnings on Investments	367,942	544,489	316,518	1,228,949
Difference between Expected and Actual Experience	289,593	164,482	280,098	734,173
	<u><u>\$ 755,575</u></u>	<u><u>\$ 851,600</u></u>	<u><u>\$ 662,523</u></u>	<u><u>\$ 2,269,698</u></u>

# Annual Comprehensive Financial Report

## Notes to the Basic Financial Statements

The amount reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as an adjustment of the net OPEB (asset) liability in the fiscal year ending June 30, 2023. The other net amount of deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as OPEB expense as follows (in thousands):

Reporting Date under GASB 75 Year Ending June 30	Pensions	LACERS	DWP Plans
2023	\$ (120,970)	\$ (163,635)	\$ (132,450)
2024	(113,436)	(150,638)	(124,494)
2025	(134,386)	(166,139)	(112,101)
2026	(160,023)	(189,354)	(126,631)
2027	(32,904)	(24,787)	(42,789)
Thereafter	(20,797)	(8,099)	(35,631)

## **6. Long-term Expected Rate of Return on Plan Investments**

The discount rate used to measure the total OPEB liability was 7.00% for Pensions, LACERS, and DWP Health Plan, and 3.50% for DWP Death Benefit Plan. The long-term expected rate of return on OPEB investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These returns are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation, and deducting expected investment expenses and a risk margin. The target allocations and projected arithmetic real rates of return for each measurement class, after deducting inflation but before deducting investment expenses, used in the derivation of the long-term expected investment rate of return assumption are summarized as follows:

Asset Class	Pensions		LACERS		DWP Plans	
	Target Allocation	Long-term Expected Rate of Return as of Measurement Date of June 30, 2021	Target Allocation	Long-term Expected Rate of Return as of Measurement Date of June 30, 2021	Target Allocation	Long-term Expected Rate of Return as of Measurement Date of June 30, 2021
Large Cap U.S. Equity	23.00 %	5.40 %	15.01 %	5.54 %	22.95 %	5.44 %
Small Cap U.S. Equity	6.00	6.20	3.99	6.25	1.75	6.18
Developed International Large Cap Equity	16.00	6.54	17.01	6.61	13.06	6.54
Developed International Small Cap Equity	--	--	2.97	6.90	2.18	6.64
Emerging International Large Cap Equity	--	--	5.67	8.74	--	--
Emerging International Small Cap Equity	--	--	1.35	10.63	--	--
Emerging Market Equity	5.00	8.78	--	--	5.16	8.73
Global Equity	--	--	--	--	2.90	6.45
U.S. Core Fixed Income	13.00	1.07	--	--	25.00	1.65
Core Bonds	--	--	13.75	1.19	--	--
High Yield Bonds	3.00	3.31	2.00	3.14	--	--
Bank Loans	--	--	2.00	3.70	--	--
Emerging Market Debt (External)	--	--	2.25	3.55	--	--
Emerging Market Debt (Local)	--	--	2.25	4.75	--	--
Core Real Estate	7.00	4.65	4.20	4.60	8.00	4.60
Custom Real Return	--	--	--	--	5.00	2.07
Non-Core Real Estate	--	--	2.80	5.76	--	--
Real Estate Investment Trust	3.00	4.40	1.00	5.98	--	--
Private Equity	12.00	8.25	14.00	8.97	8.00	9.27
Hedge Funds	--	--	--	--	5.00	3.53
Private Credit/Debit	--	--	3.75	6.00	--	--
Treasury Inflation Protected Securities	4.00	0.62	4.00	0.86	--	--
Commodities	5.00	3.05	1.00	3.33	--	--
Cash	1.00	0.01	1.00	0.03	1.00	0.25
Unconstrained Fixed Income	2.00	1.37	--	--	--	--
	<u>100.00 %</u>		<u>100.00 %</u>		<u>100.00 %</u>	

### 7. Actuarial Methods and Assumptions

Significant actuarial methods and assumptions used to determine the total OPEB liabilities for the reporting period of June 30, 2022 are as follows:

	Pensions	LACERS	DWP Plans
Measurement Date	June 30, 2021	June 30, 2021	June 30, 2021
Valuation Date	June 30, 2021	June 30, 2021	June 30, 2021
Inflation Rate	2.75%	2.75%	2.75%
Actuarial Cost Method	Entry age cost method	Entry age cost method	Entry age cost method
Actuarial Assumptions: Salary Increases	4.15% to 12.25%	4.25% to 9.95%	4.50% to 10.25%
Investment Rate of Return	7.00% net of investment expenses	7.00% net of investment expense	Health/Death* Plan: 7.00%/*3.5% net of investment expense
Healthcare cost trend rates	7.5% then graded down to ultimate 4.50% over 12 years for Non-Medicare medical plan costs and 6.5% then graded down to ultimate 4.50% over 8 years for Medicare medical plan costs; and 4.00% for all years for dental and 4.50% Medicare Part B costs.	7.37% graded down to 4.50% over 12 years for Non-Medicare medical plan costs, and 6.37% graded down to 4.50% over 8 years for Medicare medical plan costs. 4.00% for all years for Dental and 4.50% for all years for Medicare Part B subsidy cost.	7.50% graded down to 4.50% over 12 years for non-Medicare medical plan costs; 6.50% graded down to 4.50% over 8 years for Medicare medical plan costs; and 4.0% for all years for dental and 4.50% Medicare Part B costs.
Mortality Rates: Pre-Retirement	Headcount-Weighted Above-Median Employee Mortality Table, projected generationally with two-dimensional mortality improvement scale MP-2019	Headcount-Weighted Above-Median Mortality Tables with rates increased by 10%, projected generationally with the two-dimensional mortality improvement scale MP-2019.	Headcount-Weighted Above-Median Mortality Table (separate tables for males and females), projected generationally with the two-dimensional mortality improvement scale MP-2018.
Postemployment Healthy	Headcount-Weighted Above-Median Mortality Table multiplied by 105% for males and 100% for females, projected generationally with the two-dimensional mortality improvement scale MP-2019.	Headcount-Weighted Above-Median Mortality Tables with rates increased by 10% for males, projected generationally with the two-dimensional mortality improvement scale MP-2019.	Headcount-Weighted Above-Median Mortality Table (separate tables for males and females) times 105% for males and 100% for females, projected generationally with the two-dimensional mortality improvement scale MP-2018.
Disabled	Headcount-Weighted Mortality Table projected generationally with the two dimensional scale MP-2019.	Headcount-Weighted Mortality Tables with rates increased by 10% for males and decreased by 5% for females, projected generationally with the two-dimensional mortality improvement scale MP-2019.	Headcount-Weighted Above-Median Mortality Table (separate tables for males and females) times 105% for males and 100% for females, projected generationally with the two-dimensional mortality improvement scale MP-2018.
Beneficiaries	Amount-Weighted Above-Median Mortality Table multiplied by 105%, projected generationally with the two-dimensional mortality improvement scale MP-2019.	Headcount-Weighted Above-Median Mortality Table with rates increased by 10% for males and females, projected generationally with the two-dimensional mortality improvement scale MP-2019.	Headcount-Weighted Above-Median Mortality Table (separate tables for males and females), projected generationally with the two-dimensional mortality improvement scale MP-2018.
Actuarial Experience Study	July 1, 2016 to June 30, 2019	July 1, 2016 to June 30, 2019	July 1, 2015 to June 30, 2018

### 8. Significant Change in the Net OPEB Liability

The General Fund and Enterprise Funds have historically been used to liquidate the OPEB liabilities. GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* states that when a significant change in the net OPEB liability has occurred between the measurement date (i.e., June 30, 2021) and the City's reporting date (i.e., June 30, 2022), a disclosure of that significant change should be made. Accordingly, the following significant changes to the net OPEB (asset) liability have occurred after the City's measurement date of June 30, 2021:

#### Pensions - Health Subsidy Plan

As of the measurement date June 30, 2022, the plan's fiduciary net position decreased approximately \$166.2 million from \$2.9 billion to \$2.7 billion due to significant decreases in fair value of the plan's investments. The total OPEB liability also decreased \$144.0 million from \$3.8 billion to \$3.7 billion due to changes in assumptions, resulting in an overall increase in net OPEB liability from approximately \$904.9 million to \$927.2 million, a change of approximately \$22.3 million.

#### LACERS - Postemployment Health Care Plan

As of the measurement date June 30, 2022, the plan's fiduciary net position decreased approximately \$433.9 million from \$3.8 billion to \$3.3 billion due to significant decreases in fair value of the plan's investments. Overall, the decrease in the fiduciary net position and increase in the total OPEB liability resulted in an increase in net OPEB liability from approximately (\$261.6) million to \$232.9 million, a change of approximately \$494.5 million.

#### DWP Plans

##### Retiree Health Benefits Fund

As of the measurement date June 30, 2022, the plan's fiduciary net position decreased approximately \$157.1 million from \$2.9 billion to \$2.8 billion due to significant decreases in fair value of the plan's investments. Overall, the decrease in the fiduciary net position and increase in the total OPEB liability resulted in a decrease in net OPEB asset from approximately \$348.8 million to \$130.2 million, a change of approximately \$218.6 million.

Additionally, the discount rate used to measure the total OPEB liability of the Retiree Health Benefits Fund was changed from 7.0% to 6.5% for the measurement period ended June 30, 2022.

##### Death Benefit Fund

As of the measurement date June 30, 2022, the plan's fiduciary net position decreased approximately \$213,000 from \$40.7 million to \$40.5 million due to decreases in fair value of the plan's investments. Overall, the decrease in the fiduciary net position and increase in the total OPEB liability resulted in an increase in net OPEB liability from approximately \$93.3 million to \$112.7 million, a change of approximately \$19.4 million.

Additionally, the discount rate used to measure the total OPEB liability of the Death Benefit Fund was changed from 3.5% to 2.75% for the measurement period ended June 30, 2022.

### 9. Two Percent Opt-In for Pensions Members

On July 15, 2011, the City Council adopted an ordinance to permanently freeze the retiree health subsidies and reimbursements for members of Pensions who retired or entered DROP on or after July 15, 2011. This ordinance added language to the Los Angeles Administrative Code to freeze the maximum monthly non-Medicare subsidy at the July 1, 2011, rate of \$1,097.41 per month, and freeze the maximum monthly Medicare subsidy as of the January 1, 2011, rate of \$480.41 per month. However, the ordinance also provided that members may make an irrevocable election to contribute towards vesting increases in the maximum medical subsidy, as allowed by an applicable MOU.

Members who opted-in to make an additional two percent pension contribution are entitled to the current maximum health subsidy benefit and all future subsidy increases once they retire and become eligible to receive a subsidy. The opt-in period for the majority of the members began August 15, 2011, and closed September 29, 2011.

### C. Commitments and Contingencies

#### Contingencies

##### 1. Governmental Activities

###### Pledges of Future Revenues

The City has pledged certain future revenues for the payment of certain outstanding long-term obligations. Discussions about pledged revenues are included in Note 4I on Long-Term Liabilities.

###### Pending Lawsuits and Claims

As mentioned in Note 4N, certain pending lawsuits and claims have a reasonable possibility of resulting in additional liability totaling approximately \$63.0 million. However, no amount has been accrued in the accompanying financial statements because it is not probable that a loss has been incurred as of June 30, 2022.

###### *Blue Cross of America v. City of Los Angeles.*

On March 30, 2017, Blue Cross filed a protective tax refund complaint of business taxes paid for tax year 2015 under Article XIII, Section 28 of the California Constitution. In October 2017, Blue Cross filed a supplemental complaint (together with the 2017 complaint, the "Blue Cross Action") seeking additional refunds of business taxes paid for tax years 2016, 2017, 2018, 2019, 2020, 2021, and 2022. Blue Cross' protective refund action arises out of a separate action in Los Angeles County Superior Court, entitled Michael D. Myers v. State Board of Equalization, et al. (BSJ 43436)(“Myers ”). Myers is proceeding under a California statute that permits an individual taxpayer to sue a governmental agency when the taxpayer believes the agency has failed to enforce governing law.

One of the issues to be resolved in Myers, is whether Blue Cross is an “insurer” for purposes of California tax law and therefore required to pay a gross premiums tax in lieu of a corporate franchise tax. Following an adverse appellate court ruling, which concluded that the matter should be first adjudicated at the trial court, on April 2, 2019, Blue Cross filed a request to the California Supreme Court to resolve the question of whether Blue Cross is an “insurer” under the California Constitution. The California Supreme Court denied the appeal on May 15, 2019. On February 21, 2021, the trial court, in a judgment, determined that Blue Cross was not an "insurer". On March 21, 2021, the plaintiffs filed a notice of appeal. The plaintiffs appeal was denied and the matter is before the trial court for further pleadings. In the event that Blue Cross is determined to be an "insurer" upon final adjudication of the issue, it would likely be entitled to a refund of previously paid City business taxes. The refund is estimated to be approximately \$63.0 million (inclusive of interest), as computed through the end of 2022, plus attorney's fees.

###### *Brewster v. City of Los Angeles.*

On or about November 2, 2014, plaintiff filed a putative class action in Federal District Court for damages pursuant to 42 U.S.C. § 1983. The complaint alleged that the City violated the plaintiffs' rights under the Fourth Amendment of the U.S. Constitution, and related state laws, by impounding vehicles without a warrant for 30 days pursuant to Vehicle Code section 14602.6.

Plaintiffs filed a motion for class certification. The District Court heard argument on the motion for class certification on September 21, 2020 and took the matter under submission on that date. On August 5, 2021, the District Court granted plaintiffs motion for class certification in part and denied in part. The District Court certified two classes and denied the certification of a third. Plaintiffs filed a motion of reconsideration with respect to the third class on August 17, 2021. The City, in turn, filed a motion contesting the certification of the third class and certification of the other two classes. On July 27, 2022, the District Court denied both Plaintiffs' motion to certify the third class and the City's motion to decertify the other two classes. The trial date has been vacated in consideration of renewed motions for summary judgment by the parties. The hearing date on the motions has been scheduled for March 13, 2023. The potential exposure to the City in the event of an adverse conclusion to the certification of the two classes could be approximately \$25.0 million.

## Notes to the Basic Financial Statements

### *Apartment Owners Association of Ca. v. City of Los Angeles.*

On September 27, 2017, the plaintiffs filed a class action claim in Superior Court alleging the franchise fee collected by the City from private commercial waste haulers for the rights to service commercial and multi-family buildings should be treated as taxes under Proposition 218, and therefore require voter approval. The plaintiffs asserted two causes of action: (1) a refund of the franchise fees; and (2) a declaration that the franchise fees are taxes. On November 2, 2020, the City filed a motion for summary judgment on both causes of action; that same date, the plaintiffs filed a motion for summary adjudication of the second cause of action. On March 16, 2021, the Court granted the City's motion for summary judgment, holding that the plaintiffs lacked standing to bring both causes of action. On the same date, the Court also denied the plaintiffs' motion for summary adjudication. On April 6, 2021, judgment was entered in the City's favor. On June 2, 2021, the plaintiffs' filed a notice of appeal. On December 8, 2022, the appeals court heard oral arguments. On December 28, 2022, the Court of Appeal reversed the trial court's judgment, relying on a recent California Supreme Court decision in *Zolly v. City of Oakland* (2022) 13 Cal.5th 780, which addressed a similar challenge to waste hauling franchise fees paid to the City of Oakland. In *Zolly*, the California Supreme Court found that the plaintiffs had standing to challenge the franchise fees. The Court of Appeal expressed no opinion on the underlying substantive issues. The matter will now be remanded back to Superior Court for further adjudication. Due to the unsettled nature of the law, an assessment of liability, if any, is difficult to ascertain. However, if the franchise fees are deemed to be taxes by the court, it could be required to pay back all franchise fees collected and to cease the collection of the franchise fees going forward. In addition, the City may also be liable for attorney's fees and interest attributable to the refund. From fiscal year 2017 to date, the City has collected approximately \$220.0 million. The City expects to continue to collect approximately \$45.0 million annually of the franchise fees during the pendency of the litigation, the timeframe of which remains uncertain.

## 2. Business-type Activities

### Airports Enterprise Fund

#### Aviation Security

Concerns about the safety and security of airline travel and the effectiveness of security precautions may influence passenger travel behavior and air travel demand, particularly in the light of existing international hostilities, potential terrorist attacks, and world health concerns, including epidemics and pandemics. As a result of terrorist activities, certain international hostilities and risk of violent crime, Airports has implemented enhanced security measures mandated by the FAA, the Transportation Security Administration (TSA), the Department of Homeland Security and Airport management. Current and future security measures may create significantly increased inconvenience, costs and delays at Los Angeles International Airport (LAX) which may give rise to the avoidance of air travel generally and the switching from air to ground travel modes and may adversely affect Airports' operations, expenses and revenues. LAX has been the target of a foiled terrorist bombing plot and has been recognized as a potential terrorist target. Recent incidents at United States and international airports underscore this risk. LAX is a high profile public facility in a major metropolitan area. Airports cannot predict whether LAX or any of Airports' other airports will be actual targets of terrorists or other violent acts in the future.

#### Environmental Matters

On November 7, 2019, the Board approved to: (i) update the LAX Ground Support Equipment Emissions Reduction Policy (GSE ERP) with new emission reduction targets for 2023 and 2031; (ii) create a set of LAX Air Quality Improvement Measures (AQIM) by consolidating mostly existing ongoing programs or previously adopted policies into one plan to more efficiently track progress and align with Airports' proposed Sustainability Action Plan; and (iii) approve a Memorandum of Understanding (MOU) with the South Coast Air Quality Management District (SCAQMD) to quantify emission reductions associated with the following LAX AQIM measures identified in the MOU to assist SCAQMD in obtaining emission reduction for these measures to meet its obligations under the Clean Air Act:

## Notes to the Basic Financial Statements

- Ground Support Equipment Emissions Reduction Policy
- Alternative Fuel Vehicle Incentive Program
- Zero-Emission Bus Program

Airports' primary obligations under the MOU are to implement the above measures and provide annual reports to SCAQMD on implementation of the measures, including equipment data and emission benefit calculations. In the event that actual emission reduction is less than the estimated emission reduction projected for these measures, Airports and SCAQMD will work together to consider potential new or enhanced programs, or better efforts to quantify existing programs, to help SCAQMD address any shortfalls.

### Harbor Enterprise Fund

#### Alameda Corridor Transportation Authority (ACTA) Agreement

In August 1989, Harbor and the Port of Long Beach (Ports) entered into a joint exercise of powers agreement and formed ACTA for the purpose of establishing a comprehensive transportation corridor and related facilities consisting of street and railroad rights-of-way and an improved highway and railroad network along Alameda Street between the Santa Monica Freeway and the Ports in San Pedro Bay, linking the Ports to the central Los Angeles area. The Alameda Corridor began operating on April 15, 2002. ACTA is governed by a seven-member board, which is comprised of two members from each Port, one each from the Cities of Los Angeles and Long Beach and one from the Metropolitan Transportation Authority. If in the future, ACTA is able to distribute income or make equity distributions, the Ports shall share such income and equity distributions equally.

In October 1998, the Ports, ACTA, and the railroad companies, which operate on the corridor, entered into a Corridor Use and Operating Agreement (Corridor Agreement). The Corridor Agreement provides for operation of the corridor to transport cargo into and out of the Ports. Payment of use fees and container charges, as defined in the Corridor Agreement are used to pay (a) the debt service that ACTA incurs on approximately \$2.0 billion of outstanding bonds, (b) for the cost of funding required reserves and costs associated with the financing, including credit enhancement and rebate requirements, and (c) repayment and reimbursement obligations to the Ports, (collectively, ACTA Obligations). Use fees end in 2062 or sooner if the ACTA Obligations are paid off earlier.

If ACTA revenues are insufficient to pay ACTA Obligations outlined in (a) and (b) above, the Corridor Agreement obligates each Port to pay up to twenty percent (20%) of the shortfall (Shortfall) for each debt service payment date. If this event occurs, the Ports' payments to ACTA are intended to provide cash for debt service payments and to assure that the Alameda Corridor is available to maintain continued cargo movement through the Ports. The Ports are required to include expected Shortfall payments in their budgets, but Shortfall payments are subordinate to other obligations of Harbor, including the bonds and commercial paper currently outstanding. Harbor does not and is not required to take Shortfall payments into account when determining whether it may incur additional indebtedness or when calculating compliance with rate covenants under the respective bond indentures and resolutions related to each Port bond or indebtedness.

An amended and restated Corridor Agreement became effective December 15, 2016, which (1) incorporated the July 5, 2006 First Amendment to the Corridor Agreement; (2) replaced the Operating Committee with an alternative decision making process for management of Alameda Corridor maintenance and operations; and (3) removed construction related provisions and updated certain other provisions to reflect current conditions and practices. The Los Angeles Board of Harbor Commissioners approved the amended and restated Corridor Agreement at a meeting held on October 24, 2016.

## Notes to the Basic Financial Statements

In 2016, ACTA issued Tax-Exempt First and Second Subordinate Lien Revenue Refunding Bonds, Series 2016A and Series 2016B (Series 2016 Bonds). With the intent of reducing future Shortfall payments, the issuance of the Series 2016 Bonds advance refunded most of ACTA's Refunding Series 2004A Bonds. There was no Shortfall payment in fiscal year 2022.

### Power and Water Enterprise Funds

A number of claims and suits are pending against Water and Power for alleged damages to persons and property and for other alleged liabilities arising out of Water and Power's operations. In the opinion of DWP management, any ultimate liability which may arise from these actions, is not expected to materially impact the Power and Water Enterprise Funds' financial statements as of June 30, 2022.

### Power Enterprise Fund

#### Power Revenue Fund Surplus Transfer to City

Under the provision of the City Charter, Power transfers funds at its discretion to the reserve fund of the City. Pursuant to the covenants contained in the bond indentures, the transfers may not be in excess of the increase in fund net position before transfers to the reserve fund of the City of the prior fiscal year.

On September 14, 2017, the Los Angeles County Superior Court preliminarily approved a settlement of a class action lawsuit under which the revenue collected under the 2016 Incremental Electric Rate Ordinance (the 2016 Ordinance) is precluded from being transferred to the reserve fund of the City. As of June 30, 2017, Power has billed approximately \$52.0 million under the 2016 Ordinance that under the settlement needs to be returned to customers net of attorney's fees and other administrative costs. Accordingly, for fiscal year ended June 30, 2017, Power reduced retail revenue by the same \$52.0 million and increased current accrued expenses accordingly.

In October 2017, \$52.0 million was placed in escrow account for return to customers. Upon proof of such return, Power can request funds from the escrow account accordingly. Going forward, the 2016 Ordinance rates will be reduced through the Variable Energy Cost Adjustment so that no revenue for transfers is billed under the Ordinance.

During fiscal year 2022, the 2008 Electric Rate Ordinance (the 2008 Ordinance) and the 2016 Ordinance were in effect. Revenue from each ordinance is listed below as well as revenue from other sources, including contracts for wholesale energy and transmission revenue. The 12.628 cents under the 2008 Ordinance is determined based on the fiscal year's revenue billed and kilowatt hour (kWh) usage as of November 3, 2010. The 2008 Ordinance was the only ordinance in effect at that time. The following table relates to revenue billed to customers for the fiscal year ended June 30, 2022:

Revenue Type	Basis of Revenue	kwh (in billions)	Rate per KWH Under the 2008 Ordinance	Revenue (in thousands)
Retail Sales	2008 Ordinance	21.3	\$ 0.12628	\$ 2,691,046
Retail Sales	2016 Ordinance	21.3		1,688,626
Wholesale Sales	Contract			125,614
Transmission Sales	Contract			93,152
Rent from Electric Property	Contract			205
Other Service Charges	Fee schedule			21,384
Unbilled Sales	Estimated			86,339
Bad Debts Expense	Estimated			(112,606)
				\$ 4,593,760

### Water Enterprise Fund

#### Surface Water Treatment Rule

The State of California Surface Water Treatment Rule (SWTR) imposed increased filtration requirements at any open distribution reservoir exposed to surface water runoff. DWP had four major reservoirs in its system subject to SWTR: Upper and Lower Hollywood, Lower Stone Canyon, and Encino. To comply with SWTR, DWP designed projects to remove these reservoirs from regular service through construction of larger pipelines and alternate covered storage facilities.

The Hollywood Water Quality Improvement Project was completed in July 2002. Upper and Lower Hollywood Reservoirs were removed from service and functionally replaced by two 30 million-gallon tanks and additional pipelines. Construction of the Encino Water Quality Improvement Project was completed in December 2007. Construction of the Lower Stone Canyon Water Quality Improvement Project was completed in November 2008. DWP is now in compliance with the SWTR.

#### Stage 2 Disinfectants and Disinfection Byproduct Rule

In January 2006, the Environmental Protection Agency (EPA) published the Stage 2 Disinfectants and Disinfection Byproduct Rule (Stage 2 DBP Rule) in the federal register. The Stage 2 DBP Rule strengthens public health protection for customers by tightening compliance monitoring requirements for two groups of disinfection by-products (DBPs): trihalomethanes (TTHM), and haloacetic acids (HAA5). DBPs form when naturally occurring materials in water (e.g., decomposing plant material) combine with chemicals added to disinfect the water. DBPs are associated with cancer. In order to comply with the requirements of the Stage 2 DBP Rule, DWP must change its primary disinfectant from chlorine to chloramines, a less reactive disinfectant, by April 1, 2014. In order to convert to chloramines, DWP constructed an ultraviolet filtration plant, two chloramination stations, three ammoniation stations, two chlorination stations and has and will continue to install mixers in tanks and reservoirs. DWP achieved compliance with the Stage 2 DBP Rule before April 2014 compliance date. Additional treatment facilities will be constructed as groundwater sources are improved and/or expanded. The cost of Stage 2 DBP compliance related engineering studies and construction activities is expected to be approximately \$393.1 million at completion. The actual expenditures to date are \$360.5 million.

#### Long-Term 2 Enhanced Surface Water Treatment Rule

In January 2006, the EPA published the Long-Term 2 Enhanced Surface Water Treatment Rule (LT2) in the federal register. The LT2 builds upon the Safe Drinking Water Act and other earlier water quality rules to strengthen protection against microbial contaminants, especially cryptosporidium. Cryptosporidium is a significant concern in drinking water because it contaminates most watersheds used for the collection of drinking water and can cause gastrointestinal illness. Five of the Department's six open reservoirs are now compliant under the LT 2, with the remaining reservoir to be brought into compliance through the completion of the Los Angeles Reservoir Ultraviolet Treatment Plant. Santa Ynez, Elysian, and Upper Stone Canyon Reservoirs were covered. Silver Lake and Ivanhoe Reservoirs were removed from service. Construction of an ultraviolet treatment plant at Los Angeles Reservoir is 89 percent complete. The cost of LT2 compliance-related engineering studies and construction activities is expected to reach \$1.5 billion at completion. The actual cost spent to date has been \$1.5 billion.

#### Owens Lake

Historically, the Owens River was the main source of water for Owens Lake. Diversion of water from the river, first by farmers in the Owens Valley and then by the City, resulted in the lake drying up. The exposed lakebed became a significant source of particulate matter of 10 micrometers or less in diameter (PM10), causing the U.S. EPA to classify the southern Owens Valley as a serious nonattainment area for PM10 in 1991. The EPA required the Great Basin Unified Air Pollution Control District (District) to prepare a State Implementation Plan (SIP) to bring the region into compliance with the National Ambient Air Quality Standard (NAAQS). In 1998, the District adopted the first SIP for attainment of the NAAQS to bring the region into compliance.

## Notes to the Basic Financial Statements

Water has successfully constructed approximately 48.6 square miles of dust control facilities in 10 corresponding phases of construction in response to orders issued by the District over the past 22 years. In November 2014, DWP reached an agreement with the District. The agreement was memorialized in a stipulated judgment that provides several benefits to DWP, including provisions: (1) permitting the use of less water intensive and completely waterless measures to control dust at the lakebed, resulting in more water available for customer use; (2) limiting the City's liability for dust mitigation to no more than 53.4 square miles; (3) forming an Owens Lake Scientific Advisory Panel; (4) addressing the discovery of Native American artifacts on or around the lakebed; (5) providing a clear path to reaching attainment of NAAQS.

Water completed construction of the Owens Lake Dust Mitigation Program – Phase 9/10 Project by the compliance deadline of December 31, 2017. The Phase 9/10 Project entailed mitigating dust emissions from an additional 3.62 square miles of Owens Lake playa through use of Gravel Blanket, Managed Vegetation, and Shallow Flooding Best Available Control Measures at a cost of \$268.0 million. At completion of Phase 9/10 the Department has now controlled dust emission on 48.6 square miles of Owens Lake playa resulting in 99.4% overall reduction in PM10 emissions. In accordance with the 2014 Stipulated Judgment, and as modeled by the District in the 2016 SIP, the Owens Valley Planning Area reached the regulatory finish line necessary for attainment of NAAQS by the end of 2017. The annual cost of operating and maintaining all infrastructure constructed at Owens Lake in the last three years runs at an average of \$34.0 million. All improvements made to Owens Lake as part of dust mitigation efforts are recorded as Utility Plant in the year made.

### Sewer Enterprise Fund

#### California Water and Wastewater Arrearage Payment Program

The State's fiscal year 2022 budget, utilizing funds sourced by the American Rescue Plan Act, included financial relief programs to address pandemic related utility arrears for residential and commercial customers that occurred during the period of March 4, 2020 to June 15, 2021. The State Water Resources and Control Board (State Water Board) initiated the California Water and Wastewater Arrearage Payment Program (CWWAPP). One-time payments were made to wastewater treatment providers to credit customer bills. The City submitted an application to the State Water Board for \$59.8 million. This included an estimated \$58.8 million in wastewater arrears for the Bureau of Sanitation wastewater collection system and an additional \$1.0 million for administrative costs to implement the CWWAPP. The City received payment from State Water Boards which was deposited to the Sewer in May 2022 and applied arrearage credits to customers on June 11, 2022. As of September 1, 2022, 65,972 residential accounts and 4,769 commercial accounts were credited for a total of \$55.2 million. Administrative costs incurred by LADWP and the City totaled \$0.2 million. Funds not credited to customer accounts or used for administrative costs must be remitted back to the State Water Board within six months of receiving payment. The City refunded the State \$4.3 million in December 2022 and will reimburse LADWP for administrative costs during fiscal year 2023.

#### Claims Payable

Certain claims and lawsuits are pending against the Sewer for construction claims and other alleged liabilities arising during the ordinary course of Sewer operations. The Sewer recognizes liabilities for claims and lawsuits when it is probable that an asset has been impaired or a liability has been incurred and the amount of the loss can be reasonably estimated. The City Attorney estimates the amount of liabilities that are probable of occurring from these claims and lawsuits. For fiscal year 2022, \$6.7 million was accrued as claims payable.

### Commitments

#### 1. Governmental Activities

The City uses encumbrance accounting under which contracts and other commitments for expenditures are recorded to reserve applicable appropriations. Encumbrances are reported as part of restricted, committed or assigned fund balance on the governmental funds balance sheet. As of June 30, 2022, the City's encumbrances totaled \$1.5 billion of which \$296.2 million were contractual commitments for various capital projects. Below are details of encumbrances by fund categories (in thousands):

	Restricted	Committed	Assigned	Totals
General Fund	\$ --	\$ 59,944	\$ 345,488	\$ 405,432
Nonmajor Governmental Funds	\$ 869,218	\$ 177,615	\$ 125	\$ 1,046,958
	<b>\$ 869,218</b>	<b>\$ 237,559</b>	<b>\$ 345,613</b>	<b>\$ 1,452,390</b>

The City is committed to fulfilling certain agreements entered by the City with respect to its litigation matters. The following describes certain litigation matters where the City, through settlement or agreement, has agreed to a liability or committed to spend \$10.0 million or more.

LA Alliance for Human Rights et al. v. City of Los Angeles et al. On March 10, 2020, the plaintiffs filed suit against the City of Los Angeles ("City") and the County of Los Angeles ("County") for violating various State and Federal laws in connection with homeless individuals. The plaintiffs contend that the County and the City have not made sufficient progress in providing housing and other services to the homeless population. Such failure has resulted in impassable sidewalks and exposed the public to health risks, environmental hazards, increased crime, and untreated mental illness and addiction. The plaintiffs demand that the Defendants provide immediate shelter for all homeless individuals to abate the degradation of the cities and communities.

On May 15, 2020, the US District Court of Central District of California ("District Court") issued a preliminary injunction requiring the City and the County to relocate and shelter approximately 6,000 to 7,000 homeless individuals living near freeway overpasses, underpasses, and ramps. Of that number, approximately 3,000 to 4,000 were found in the City. Under the order, the City, together with the County, were required to shelter or provide alternative housing to these homeless individuals in facilities that were safe, humane, hygienic, and public health compliant. The injunction was to be effective on May 22, 2020. The District Court stayed its order on May 22, 2020 pending the review of an alternative shelter and relocation plan submitted by the City and County. On June 18, 2020, the City and County entered into an agreement to memorialize an alternative shelter and relocation plan, subject to court approval and monitoring. Under the agreement, the City agreed to provide 6,700 beds to shelter homeless individuals. Of that number, 6,000 would be additional new beds to be available from the date of the agreement, as follows: 5,300 beds within 10 months and 700 beds within 18 months. On June 18, 2020, the District Court approved the agreement and vacated the preliminary injunction.

As of December 31, 2022, the City opened 6,161 new beds and 792 other interventions from existing agreements. Apart from the costs to provide such beds and interventions, the City estimates that the annual cost of operations and services for this population is \$104.0 million, of which the County has agreed to pay the City approximately \$60.0 million per year for five years. The City has committed to fund the remaining half of the estimated annual operations and services costs. Such costs will total approximately \$300.0 million over five years.

On April 1, 2022, the City and the plaintiffs filed a notice with the District Court indicating they had reached a potential settlement framework. Under the proposed settlement, the City would agree to create shelter or housing to accommodate 60 percent of unsheltered persons experiencing homelessness ("PEH") in the City. As in the City's June 18, 2020 settlement, the City may choose, at its sole discretion, any housing or shelter solution, including but not limited to tiny homes; shared housing; purchased or master leased apartments, hotels/motels, or other buildings; congregate

## Notes to the Basic Financial Statements

shelters; permanent supporting housing; rental assistance/rapid rehousing; family reunification; sprung structures or tents; safe parking; safe sleeping/camping; interim housing, etc. The 60 percent of PEH will be measured against the Los Angeles Homeless Services Authority ("LAHSA"), a joint powers authority formed by the City and the County) 2022 Point In Time Count (the annual census of PEH which is still in progress) of those unsheltered PEH in the City who can reasonably be assisted by the City (meaning such persons do not suffer from serious mental illness and are not chronically homeless with a substance use disorder or chronic physical illness or disability requiring the need for professional medical care and support). Based on LAHSA's 2020 count, such proposed settlement framework could require approximately 13,000 new beds for which total capital and operating costs could be as high as \$3.0 billion during the five year period. Such estimates do not include the new beds that were agreed to be provided, or related costs, under the City's June 18, 2020 agreement. On June 14, 2022, the District Court issued a ruling approving the proposed settlement between the City and the plaintiffs. In its order, the District Court retained jurisdiction for a period of five years to enforce the terms of the settlement and appointed a special master to assist the District Court to monitor and enforce the terms of the settlement. On July 13, 2022, the homeless rights advocates who intervened in the case filed a notice of appeal, indicating they intend to ask the Ninth Circuit Court of Appeals to invalidate the settlement agreement and overturn the District Court's order dismissing the City, which, if successful, would reinstate the litigation against the City.

The majority of the funding under this settlement, if upheld, is expected to be provided by the City's Proposition HHH general obligation bonds and other available funding. Any additional financing that would be needed has yet to be identified, but could come from other government sources including the County, State, and federal agencies.

### 2. Business-Type Activities

As of June 30, 2022, the following Enterprise Funds have commitments for construction contracts and open purchase orders in the following approximate amounts (in thousands):

Airports*	\$	177,200
Harbor		25,300
Power		54,160
Water		31,887
Sewer		196,200
	<hr/>	<hr/>
	\$	484,747

\*Excludes unpaid portion of total commitments on major construction contracts.

#### Airports Enterprise Fund

Airports has commitments for open purchase orders of approximately \$177.2 million as of June 30, 2022.

Airports has commitments to make a series of Milestone Payments according to the terms of contract for Automated People Mover (APM) totaling approximately \$1.2 billion during the construction, based upon the value of work performed and/or its completion of certain design and construction milestones. Total payments of \$957.8 million were made through fiscal year 2022. Subject to certain conditions, additional four APM Milestone Payments are to be made. Additional commitments related to further Availability Payments are subject to project completion.

Airports has commitments to make a series of Consolidated Rental Car Facility (ConRAC) Milestone/Progress Payments of approximately \$800.1 million during the construction based upon the value of work performed and/or its completion of certain design and construction milestones. Total payments of \$737.9 million were made through fiscal year 2022. Additional commitments related to further Availability Payments are subject to project completion.

## Notes to the Basic Financial Statements

### Harbor Enterprise Fund

In 1985, Harbor received a parcel of land, with an estimated value of \$14.0 million, from the federal government, for the purpose of constructing a marina. Harbor has agreed to reimburse the federal government up to \$14.0 million from excess revenues, if any, generated from marina operations after Harbor has recovered all costs of construction. No such payment was made in fiscal year 2022.

### Power Enterprise Fund

#### Purchased Power Commitments

As of June 30, 2022, the Power has entered into a number of energy and transmission service contracts, which involve substantial commitments as follows (amounts in thousands):

Agency	Agency Share (percentage)	DWP's Interest in Agency Share		
		Interest (percentage)	Capacity (Megawatts)	Outstanding Commitment
Intermountain Power Project	IPA	100.0 %	63.6 %	1,145 \$ 49,074
Intermountain Repower Project	IPA	100.0	71.4	840 999,000
Mead-Adelanto Transmission Project	SCPPA	68.0	48.9	539 24,364
Mead-Phoenix Transmission Project	SCPPA	17.8 - 22.4	50.4	647 19,800
Southern Transmission System	SCPPA	100.0	59.5	1,429 159,517
Miford I Wind	SCPPA	100.0	92.5	185 108,042
Windy Point *	SCPPA	100.0	100.0	262 314,946
Linden Wind Energy *	SCPPA	100.0	100.0	50 125,100
Miford II Wind *	SCPPA	100.0	100.0	102 100,722
Apex Power Project	SCPPA	100.0	100.0	520 367,381
				\$ 2,267,946

\* Power will receive 100% of the energy, unless City of Glendale exercises its option to repurchase any of its contract output entitlement share.

IPA – The Intermountain Power Agency (IPA) is an agency of the State of Utah established to own, acquire, construct, operate, maintain, and repair the Intermountain Power Project (IPP). The Power System serves as the project manager and operating agent of IPP. IPA and the Power Purchasers including the Power System executed the Second Amendatory Power Sales Contracts which provides that the IPP be repowered, and the IPA offer the Purchasers renewal in their generation and transmission entitlements through the Renewal Power Sales Contracts, the term of which commences upon the termination of the current Power Sales Contracts on June 15, 2027. IPA and Purchasers approved changes to the repowering that constitute an Alternative Repowering under the Power Sale Contracts which is scheduled to be completed by July 1, 2025. IPP is considered a related party.

SCPPA – The Southern California Public Power Authority (SCPPA) is a California joint powers agency that finances the construction or acquisition of generation, transmission, and renewable energy projects. The Power System is a member of SCPPA. SCPPA is considered a related party.

Power does not have ownership of any assets related to these service contracts. As costs are paid each year, they are recorded as purchase power expense. In addition to commitments noted above for debt service, Power is required to pay an average annual fixed charge of approximately \$550.0 million during each of the next five years for operating and maintenance costs related to actual deliveries of energy under these agreements. Power made a total payment under these agreements of approximately \$0.9 billion in fiscal year 2022. These agreements are scheduled to expire from 2027 to 2045.

Power is reimbursed for services provided to IPP under the IPP project manager and operating agent agreements totaling \$43.6 million in fiscal year 2022.

# Annual Comprehensive Financial Report

## Notes to the Basic Financial Statements

### Long-term Notes Receivable

Under the terms of its purchase power agreement with IPA, DWP is charged for its output entitlements based on its share of IPA's costs, including debt service. During fiscal year 2000 and 2005, DWP restructured a portion of this obligation by transferring \$1.28 billion to IPA in exchange for long-term notes receivable. The funds transferred were obtained from the debt reduction funds and through the issuance of new variable rate debentures. IPA used the proceeds from these transactions to defease and to tender various bonds.

The IPA notes are subordinate to all of IPA's publicly held debt obligations. Power's future payments to IPA will be partially offset by interest payments and principal maturities from the subordinated notes receivable. The net IPA notes receivable balance totaled \$76.0 million as of June 30, 2022. The IPA notes pay interest and principal monthly and mature on July 1, 2023. The interest rates are subject to adjustments related to IPA bond refundings.

### Energy Entitlement Contracts

DWP has a contract through 2067 with the U.S. Department of Energy for the purchase of available energy generated at the Hoover Power Plant. DWP's contractual share of contingent capacity at Hoover is 23.92% of the available capacity. The Boulder Canyon Project (BCP) cost was approximately \$14.6 million as of June 30, 2022. The BCP cost includes power purchased under the contract as well as fund contributions to the Lower Colorado River Multi-Species Conservation Program.

DWP has entered into contracts with SPPA to purchase available renewable energy generated at various renewable energy project sites.

As of June 30, 2022, Power's energy entitlement contracts with SPPA, which involves the annual costs for the power purchased, are as follows (in millions):

	Agency	Agency Share	Power's Interest in Agency's Share		
			Interest	Capacity (MWs)	Cost of Power Purchased
Pebble Springs Wind	SPPA	100.0	69.6	68.7	\$ 15.3
Don A Campbell I	SPPA	100.0	84.6	13.7	10.8
Don A Campbell II	SPPA	100.0	100.0	16.2	9.3
Copper Mountain Solar 3	SPPA	100.0	84.0	210.0	50.4
Heber-1 Geothermal	SPPA	100.0	78.0	35.9	16.2
Springbok 1 Wind Farm	SPPA	100.0	100.0	105.0	20.9
Springbok 2 Wind Farm	SPPA	100.0	100.0	155.0	24.8
Ormat Northern Nevada	SPPA	100.0	100.0	185.0	83.1
Ormesa	SPPA	100.0	85.7	30.0	19.0
ARP-Loyalton Biomass	SPPA	66.6	74.1	8.9	0.1
Springbok 3 Wind Farm	SPPA	100.0	100.0	90.0	11.5
Roseburg Biomass Project	SPPA	62.1	79.4	5.4	0.9
Red Cloud Wind Project	SPPA	100.0	100.0	331.0	27.0
Total energy costs under entitlement agreement					\$ 289.3

### Transfers to the Reserve Fund of the City of Los Angeles

Under the provisions of the City Charter, Power transfers funds at its discretion to the Reserve Fund of the City. The transfer is based on the prior year's operating revenue, pursuant to covenants contained in the bond indentures, the transfers may not be in excess of the increase in net position before transfers to the Reserve Fund of the City of the prior fiscal year. Such payments are not in lieu of taxes and are recorded as a transfer in the statement of revenues, expenses and changes in net position. DWP authorized total transfers of \$225.0 million in fiscal year 2022 from Power to the Reserve Fund of the City.

# Annual Comprehensive Financial Report

## Notes to the Basic Financial Statements

### Asset Retirement Obligation (ARO)

Power is the minority owner of Palo Verde Nuclear Generating System. Power's minority share interest is 5.7% of the total decommissioning liability of \$3.2 billion at June 30, 2022. Arizona Public Service has operating responsibility as well as minority interest (29.1%). Other minority owners are Salt River Project (17.5%), El Paso Electric Company (15.8%), Public Service Company of New Mexico (10.2%) and Southern California Public Power Authority (5.9%). The Power System recorded its proportionate share of the asset retirement obligation based on its ownership percentage of estimates made by the primary owner of the asset.

Power had the following asset retirement obligation at June 30, 2022 (in thousands):

Asset	Obligating event	Timeframe required for decommissioning	June 30, 2021	Additions	Payments	June 30, 2022
Navajo Generating Station	Legal agreements resulting from Sales Contract with Salt River Project	Plant was put out of commission as of December 2019	\$ 47,504	--	\$ (12,884)	\$ 34,620
Palo Verde Nuclear Generating Station	Ownership agreement	Unit 1: June 1, 2045 Unit 2: April 24, 2046 Unit 3: November 25, 2047	174,483	6,107	--	180,590
Other	Lessee or ownership agreements	2029 - 2064	14,609	--	(5,542)	9,067
<b>Total asset retirement obligation liability</b>			<b>\$ 236,596</b>	<b>\$ 6,107</b>	<b>\$ (18,426)</b>	<b>\$ 224,277</b>

Power has restricted investments in the amount of \$140.0 million as of June 30, 2022 related to this reserve. Deferred outflows related to Power's assets retirement obligation are as follows for the year ended June 30, 2022:

Asset	Remaining useful life of asset/lease term	June 30, 2021	Additions	Payments	June 30, 2022
Palo Verde Nuclear Generating Station	26	\$ 19,343	\$ 6,107	\$ (774)	\$ 24,676
Other	8-43				
<b>Total Deferred outflows - asset retirement obligation</b>		<b>\$ 30,409</b>	<b>\$ 6,107</b>	<b>\$ (7,297)</b>	<b>\$ 29,219</b>

### La Kretz Innovative Campus

Power has entered into a 50-year prepaid lease agreement for \$12.0 million to lease an office building to the La Kretz Innovative Campus (LKIC), a 501(c)3 nonprofit organization. LKIC prepaid the lease in fiscal year 2015 and the \$12.0 million is amortized to other nonoperating income starting February 2016. LKIC in turn leases some of the workspaces in the building to assist energy innovation companies with the resources needed to validate energy efficient technology. Power has energy efficiency staff also located at the building to work with inventors and determine if there are new energy efficiency programs to launch.

### Credit Risk

Financial instruments, which potentially expose Power to concentrations of credit risk, consist primarily of retail and wholesale receivables. Power's retail customer base is concentrated among commercial, industrial, residential, and governmental customers located within the City. Although Power is directly affected by the City's economy, management does not believe significant credit risk exists at June 30, 2022, except as provided in the allowance for losses. Power manages its credit exposure by requiring credit enhancements from certain customers and through procedures designed to identify and monitor credit.

### Water Enterprise Fund

#### Purchase Water Commitments

As a member of the Metropolitan Water District (Metropolitan), DWP purchases water from Metropolitan pursuant to water supply purchase orders entered into with Metropolitan for specific periods. In January 2015, DWP and Metropolitan executed a new purchase order for Imported Water Supply Agreement (the Purchase Order Agreement), which requires DWP to purchase at least 2,033,130 acre-feet of water over a 10-year period commencing on January 1, 2015 and expiring on December 31, 2024. Some of the key terms of the Purchase Order Agreement include the following: (a) DWP's annual maximum Tier 1 allocation of water from Metropolitan is 335,663 acre-feet per year, or 3,356,630 acre-feet for the 10-year term of the Purchase Order Agreement; (b) any obligation to pay Metropolitan's Tier 2 supply rate will only be assessed if a member agency exceeds their total 10-year Tier 1 allocation. Under the previous purchase order agreement, Tier 2 costs were assessed on an annual basis, with no ability for member agencies to carry over unused Tier 1 allocation from one year to the next; (c) opportunity to reset the base period demand using a five-year rolling average; and (d) an appeals process for agencies with unmet purchase commitments has been established. This will allow each acre-foot of unmet purchase order commitment to be reduced by the amount of production from a local resource project that commences operation on or after January 1, 2014, which will allow member agencies who successfully develop local supplies, not to be charged if production of these supplies negatively impacts their minimum purchase order commitment. As of June 30, 2022, Water has purchased 1,892,914 acre feet from Metropolitan under the current Purchase Order Agreement. Water expects to fulfill the remaining commitment of 140,216 acre feet of water from Metropolitan over the next 2.5 years, which is estimated to cost \$251.0 million, or approximately \$100.0 million per year.

### Sewer Enterprise Fund

As of June 30, 2022, Sewer had outstanding commitments to fund planned modification and improvement of the City's wastewater collection and treatment system of approximately \$196.2 million.

## 3. Los Angeles Fire and Police Pension System

Pensions has commitments to contribute capital for real estate and alternative investments in the aggregate amount of approximately \$3.2 billion at June 30, 2022.

All members who were active on or after July 1, 1982, have a vested right to their past contributions and accrued interest in the event of their termination prior to retirement, except Tier 4 members. The dollar amount of contributions and interest subject to this right was \$2.1 billion as of June 30, 2022. The City Charter and the Administrative Code provide that member contributions as of June 30 and December 31 of each year earn interest at a rate based on investment earnings, exclusive of gains and losses on principal resulting from sales of securities.

#### Pensions Retiree Health Subsidy Freeze Litigation

In fiscal year 2022, there were two cases before the courts that involved the retiree health insurance premium subsidy program that the System administers (retiree medical subsidy). Both pending actions were brought by the Los Angeles Police Protective League against the Board and the City.

The two cases (the LAPPL I Action and the LAPPL II Action) both seek to determine what retiree medical subsidy benefit the additional 2% salary contribution provides members who make the contribution under the unions' and City's 2011 Letter of Agreement (LOA). The unions argue that the 2% contribution grants members the ceiling amount under LAAC § 4.1167, meaning either 7% or the medical trend rate for that year, whichever of the two is lower, with no discretion reserved to the Board. The City argues that the 2% contribution gives member only the right to get out from under the Freeze Ordinance and participate in the process that existed under LAAC § 4.1154(e) prior to the 2011 Freeze Ordinance. Under the pre-Freeze Ordinance process, the Board may exercise its discretion in setting the annual subsidy rate and can set it up to the maximum amount of 7% or the medical trend rate, whichever is lower.

## Notes to the Basic Financial Statements

In the LAPPL I Action, on April 15, 2016, the plaintiffs agreed to dismiss Pensions from the action in exchange for Pensions' agreement to be bound by the final judgment rendered in the case. Until a court of competent jurisdiction renders a final judgment on the interpretation of the LOA, Pensions has a fiduciary duty to follow LAAC § 4.1154(e) as written, and must continue to exercise its discretion in setting the retiree medical subsidy as it did before the 2011 Freeze Ordinance.

The LAPPL Action I proceeded to trial, and on November 1, 2016, the trial court ruled in favor of the plaintiffs, finding that the language of the LOA was unambiguous without weighing the conflicting evidence regarding the interpretation of the LOA and the parties' intent. The City appealed, and on October 30, 2018, the Second District Court of Appeal reversed and remanded the case for further proceedings consistent with the Court of Appeal's decision. In its decision, the Court of Appeal found that the provisions at issue in the LOA were ambiguous, which required the trial court to consider and weigh the evidence of the parties' intent in its interpretation of the provisions, which the trial court did not do.

While the LAPPL Action I was pending on appeal, on August 10, 2017, the unions filed a second action (LAPPL Action II). The LAPPL Action II raises the same issues as the LAPPL Action I regarding the 2% contribution, and the interpretation of the LOA, but also asserts a new breach of fiduciary duty claim against LAFPP, which preserves the unions' rights to challenge LAFPP's 2017 discretionary action to set the subsidy should the unions lose in the pending LAPPL Action I.

On July 3, 2018, the LAPPL filed a First Amended Complaint, asserting the same claims based on Pensions' 2018 discretionary action in setting the subsidy. The union filed a Second Amended Complaint to add Pensions' 2019 and 2020 discretionary actions in setting the subsidy. The union later sought to file a Third Amended Complaint to add Pensions' 2021 discretionary actions in setting the subsidy, and on or around August 11, 2021, the parties stipulated to permit the union to file its Third Amended Complaint.

Upon remand of the LAPPL I Action back to the Superior Court, the case was reassigned to Judge Holly Fujie for further trial proceedings. The City filed a motion to consolidate the two actions before Judge Fujie, which the Court granted. On September 20, 2019, Judge Fujie ordered that the case be heard in phases. In Phase One, the LOA interpretation issues common to LAPPL I and LAPPL II are to be heard in a bench trial. Upon resolution of Phase One, the Court will then address the residual fiduciary duty claims against Pensions unique to LAPPL II.

On September 20, 2021 and October 28, 2021, Judge Fujie held a bench trial began in Phase One of the consolidated action. On May 2, 2022, Judge Fujie issued the trial court's Final Statement of Decision for Phase One in favor of the City on the LOA interpretation issues. On June 23, 2022 the union plaintiff appealed the trial court's Final Statement of Decision for Phase One. As of June 30, 2022 Phase One of the consolidated action is pending on appeal and Phase Two continues to be stayed pending the final resolution of Phase One.

### Current Status of the Retiree Medical Subsidy

As a result of the outcome in the Fry Action, which concluded in fiscal year 2017, Pensions continues to provide a subsidy frozen at the 2011 levels to current and future retired members who chose not to "opt-in" and contribute an additional 2% of their salaries in order to avoid the consequences of the Freeze Ordinance.

With regard to the LAPPL Action I and LAPPL Action II, until a final judgment is rendered on the LOA issues, Pensions will continue to abide by its fiduciary duty to follow LAAC § 4.1154(e) as written and to set and implement the retiree health insurance premium subsidy increases in the same manner as it did prior to the 2011 Freeze Ordinance for members who opted-in to pay the 2% contribution. This means that Pensions continues to exercise its discretion provided under the Los Angeles Administrative Code to set the subsidy up to and including the medical trend rate or 7%, whichever is lower, until the courts render final judgment.

**4. Los Angeles City Employees' Retirement System**

At June 30, 2022, LACERS was committed to future purchases of real estate and private equity investments at an aggregate cost of approximately \$2.0 billion, including agreements for acquisition not yet initiated.

# Annual Comprehensive Financial Report

## Notes to the Basic Financial Statements

### D. Third-Party Obligations

The City participated in the issuance of the following indebtedness to provide financing to private-sector entities for the acquisition, construction and improvements of housing, commercial, educational, medical, and other facilities deemed to be in the public interest (in thousands):

Issue	Amount Outstanding June 30, 2022
Multifamily Housing Bonds - 168 Issues	\$ 1,413,920
Multifamily Housing Bonds Transferred from CRA - 9 Issues  Bond proceeds were used to provide mortgage loans for the construction and financing of multi-family rental and single-family residences in the City. The indebtedness is secured solely by the property financed by the respective bond issues and by credit guarantees by reinvestment-grade financial institutions.	86,587
Industrial Development Bonds - 5 Issues  The proceeds were used to provide manufacturers low cost financing to expand industrial capacity and stimulate job creation in the City. The City has no financial obligation as each bond is secured through a letter of agreement between the borrower and the bank.	44,745
Community Facilities District No. 3 Special Tax Bonds  The proceeds were used to fund acquisition and construction of certain public improvements for the Cascade Business Park and Golf Course. The City's obligation is limited to collecting the special taxes annually levied and collected from the District for debt service payments.	605
Community Facilities District No. 4 Special Tax Bonds  The proceeds were used to fund acquisition and construction of public improvements for the Playa Vista Development project. The City's obligation is limited to collecting the special taxes annually levied and collected from the District for debt service payments.	59,225
Community Facilities District No. 8 Special Tax Bonds  The proceeds were used to fund acquisition and construction of public improvements for the Legends at Cascades Development. The City's obligation is limited to collecting the special taxes annually levied and collected from the District for debt service payments.	5,470
Community Facilities District No. 11 Special Tax Bonds  The proceeds used to fund the acquisition and construction of public improvements to the Pointe Vista development.	22,410
Street Improvement Assessment 1911/1913 Act Bonds  The proceeds were used to finance certain public improvements for the Westwood Village Streetscape Assessment District. The City's obligation is limited to collecting the assessments annually levied for debt service payments.	353
	<u>\$ 1,633,315</u>

The City is not obligated in any manner for repayment of the indebtedness. Accordingly, the liabilities are not reported in the accompanying financial statements.

### E. Other Matters

#### 1. Airports Enterprise Fund

##### Terminal Rates and Charges

On September 17, 2012, the Airports (Board) approved a methodology of calculating rates and charges for airlines and airline consortia using passenger terminals at LAX. The rates, which will recover the costs of acquiring, constructing, operating and maintaining terminal facilities, are as follows: terminal building rate, federal inspection services area (FIS) rate, common use holdroom rate, common use baggage claim rate, common use outbound baggage system rate, common use ticket counter rate, and terminal special charges for custodial services, outbound baggage system maintenance, terminal airline support systems, and loading bridge capital and maintenance.

The rates were effective January 1, 2013 to airlines and airline consortia (signatory airlines) agreeing to the methodology and executing a rate agreement with Airports. Agreements with signatory airlines terminate on December 31, 2022. The rate agreement provides a Signatory Transitional Phase-in (STP) program that allows for reduced rates during the first five years of the implementation period; this program expired in fiscal year 2018 for the calendar 2018 rate setting. Signatory airlines in good standing are also eligible to participate to rate agreement revenue sharing programs.

In December 2019, the Board approved a ten year extension of the Rate Agreement ("Amended and Restated Rate Agreement," or "Rate Agreement Amendment") which would, among other things: (i) extend the term and terms of the Rate Agreement through December 2032; (ii) require airlines executing a Rate Agreement Amendment to pay an "extraordinary debt service coverage charge" to Airports designed to maintain a debt service coverage ratio equal to not less than 1.40X; and (iii) under certain circumstances, eliminate the requirement that a participating airline provide a performance guarantee and instead pay to Airports a "bad debt surcharge", a pooled surcharge designed to compensate Airports for bad debt costs. A signatory airline choosing not to sign the Rate Agreement Amendment will be governed by its Rate Agreement (unmodified by the Rate Agreement Amendment) and at the expiration of such Rate Agreement airlines not agreeing to a Rate Agreement Amendment will be subject to the Airport Terminal Tariff. Passenger airlines and approved airline consortium not currently operating at LAX and commencing operations in the future will have an opportunity to sign the new agreement during or prior to their first 30 days of passenger service at LAX.

Prior to fiscal year 2019, airlines with existing leases that opted not to sign an agreement under the methodology (non-signatory tenant airlines) continued to pay rates and charges based on their legacy leases. During fiscal year 2019, all such remaining aeronautical leases were transitioned to the rate agreement methodology.

In response to the COVID-19 pandemic, Airports is proactively implementing measures intended to mitigate operational and financial impacts. Among those measures are the April 2020 approvals of the Passenger Airline Temporary Relief Program and the Concessionaires and Services Temporary Relief Program. On October 21, 2021, the Board approved to amend concession agreements at LAX to revise payment terms due to the continuing impacts of COVID-19. For concessions that are open and conducting business at LAX, the Board approved to extend the revised rent payment terms, require payment of percentage rents instead of MAG rent for the period July 1, 2021 through June 30, 2022, and establish new MAG rents effective July 1, 2022. Airports plans to use ARPA grant funds to offset the revenue Airports will forgo by continuing to suspend MAG payments through June 30, 2022.

In addition, Airports developed an Airline Cost Stability and Recovery Plan (ACSRP) aimed at managing rates and charges at LAX through fiscal year 2023. The key objectives of this plan are to: 1) make LAX rates and charges more competitive; 2) mitigate the increase in rates and charges for airlines due to reduced activity; 3) harmonize common use costs across the airport; and 4) achieve stability in LAX financial operations. As part of the ACSR, Airports has completed taking over the operations and maintenance and rate setting responsibilities for the common use facilities from the Tom Bradley International Terminal Equipment Company, an airline consortium. Airports completed the following actions according to the Plan: (1) amended the methodology for establishing rates and charges for the use of terminal facilities and equipment (Amended Rate Methodology); (2) amended

## Notes to the Basic Financial Statements

and restated the Amended and Restated Rate Agreement (Further Amended and Restated Rate Agreement or FARRA); (3) revised terminal rates and charges to include costs previously collected by the consortium and cost reduction and deferral measures per the ACSRP; (4) revised landing and apron fees to include cost deferrals, per the ACSRP.

In June 2021, the Board adopted the Amended Rate Methodology and the FARRA. The FARRA, which extends the current Agreement to fiscal year 2033, implements the Amended Rate Methodology and streamlines Airports' common use rate structure. Passenger airlines and approved airline consortiums that are party to the current Amended and Restated Rate Agreement must execute and deliver the Further Amended and Restated Agreement to Airports by September 30, 2021. Majority of the airlines have executed the FARRA.

### Passenger Facility Charges (PFCs)

Passenger Facility Charges (PFCs) are fees imposed on enplaning passengers by airports to finance eligible airport related projects that preserve or enhance safety, capacity, or security of the national air transportation system; reduce noise or mitigate noise impacts resulting from an airport; or furnish opportunities for enhanced competition between or among carriers. Both the fee and the intended projects are reviewed and approved by the Federal Aviation Administration (FAA). Airlines operating at LAX have been collecting PFCs on behalf of Airports. PFCs are recorded as nonoperating revenue and presented as restricted assets in the financial statements. The current PFCs at LAX is \$4.50 per enplaned passenger. PFCs collection authorities approved by FAA are \$6.0 billion at LAX as of June 30, 2022. Airports has received approval from the FAA to collect and use PFCs to pay for debt service on bonds issued to finance the TBIT Renovations, Bradley West projects and Terminal 6 improvements. Airports Board authorized \$97.5 million for debt service in fiscal year 2022.

LAX's PFCs collected and the related interest earnings through June 30, 2022 was \$3.2 billion. As of June 30, 2022, LAX's cumulative expenditures on approved PFCs projects totaled \$2.9 billion.

### Customer Facility Charges (CFCs)

California CFC Legislation permits Airports to require the collection by rental car companies of CFCs at a rate charged on a per-day basis up to \$9.00 per day (for up to 5 days), and CFCs collected by the rental car companies on behalf of Airports are permitted under the California CFC Legislation to finance, design and construct the ConRAC; to finance, design, construct and operate the APM System, as well as acquiring vehicles for use in that system; and to finance, design and construct terminal modifications to accommodate the common-use transportation system.

In November 2001, in anticipation of constructing a ConRAC identified in LAX's master plan, the Board approved collection of CFCs of \$10.00 per rental contract and began collections in August 2007. On October 5, 2017, the Board authorized collection of an updated CFC pursuant to the California CFC Legislation to fund costs of a ConRAC and its share of a common-use transportation system (CTS) at LAX. The Board authorized collection of CFCs of \$7.50 per day for the first five days of each car rental contract, effective January 1, 2018, by rental car companies serving LAX. On June 20, 2019, the Board authorized collection of \$9.00 per day for the first five days of each car rental contract, effective September 1, 2019, by rental car companies serving LAX.

LAX's CFCs collected and the related interest earnings through June 30, 2022 was \$602.9 million. As of June 30, 2022, cumulative expenditures to date on approved CFCs projects totaled \$593.7 million.

Airports is in the stages of delivering Landside Access Modernization Program (LAMP) to modernize and improve landside access at LAX with the ConRAC as a critical component. Pursuant to Board Resolution No. 26684 that was adopted on January 17, 2019, Airports has authority to use up to \$2.1 billion for the payment/reimbursement of Design-Build-Finance-Operate-Maintain (DBFOM) Agreement with LA Gateway Partners for the ConRAC from sources of revenue including but not limited to CFCs, LAX non-aeronautical revenues, special facility bond proceeds, and revenues derived from concession and lease agreements between Airports and rental car companies using the ConRAC. In this regard, the amount of CFC funds that was used for ConRAC Design and Construction (D&C) payments was \$145.5 million in fiscal year 2022.

### 2. Harbor Enterprise Fund

#### Cash Funding of Reserve Fund

As of June 30, 2022, Harbor had \$631.7 million of outstanding parity bonds (including net unamortized premiums). Harbor holds cash reserves for each Indenture of the outstanding bonds, except for the 2019 Revenue Refunding Bonds that were issued without a reserve, as the Board of Harbor Commissioners (BHC), on September 18, 2008, approved the full cash funding of the entire reserve requirement of \$61.5 million and transferred it to Harbor's bond trustee in December 2008. The cash funding of the reserve took place to reassure bond holders of the strong commitment of Harbor to its financial wherewithal as rating agencies had reduced the AAA ratings of the surety companies that had provided insurance for the bonds that Harbor had issued. As of June 30, 2022, the balance in the Common Reserve fund totaled \$37.5 million. Any excess amounts in the Common Reserve resulting from principal repayments will be transferred to the interest fund and/or redemption fund to be used to pay interest and redeem bonds. The required amount for the reserve fund will be reevaluated on a yearly basis. The funds in the reserve are invested in the U.S. Treasury securities and money market funds.

#### Impact of the Pandemic

Harbor reported declines in both import and export containers volume between March and June 2020 due to impacts of the Pandemic on global shipping. Those declines resulted in an 11.6% decrease in annual containers volume in fiscal year 2020. In fiscal year 2022, the Port processed 10.7 million TEUs, a 2.0% decrease relative to fiscal year 2021.

### 3. Power and Water Enterprise Funds

#### FBI Investigation

In July 2019, the Federal Bureau of Investigation (FBI) began conducting an investigation of Water and Power and the Office of the City Attorney. Water and Power is cooperating fully with the investigators. Water and Power has been requested by the investigating agency to exercise confidentiality with respect to the investigation. Water and Power can generally state that the search warrants served by the Federal Bureau of Investigation on Water and Power and the Office of the City Attorney relate to issues that have arisen over the class action litigation and settlement regarding the Department's billing system and the lawsuit against PricewaterhouseCoopers LLP. Based on Water and Power's understanding of the nature of the investigation and the current status of the lawsuits relating to the new billing system, Water and Power does not believe that the investigation or the billing-system-related lawsuits will have a material adverse effect on Water and Power's operations or financial position.

### 4. Sewer Enterprise Fund

#### Contract Agencies

The City has entered into universal terms agreements with twenty contract agencies for which the City provides wastewater treatment services. Billings for a fiscal year are estimated based on the City's budgeted costs and the agencies' projected wastewater flows and strength. After the close of the fiscal year, these bills are then reconciled based on actual costs, flows and strengths.

Revenues in fiscal year 2022 for Wastewater Service Contracts: Operation and Maintenance (O&M) Charges were \$23.9 million, or \$1.9 million less than budget, and for Wastewater Service Contracts: Capital receipts were \$15.3 million, or \$3.7 million more than budget. O&M revenues were in part lower than budget because the City of Burbank did not pay the amount billed by the City. Additionally, the actual Glendale billings were lower than the original projection due to disagreements between Glendale and Sewer. Additional discussion related to Burbank and Glendale follows below. Greater than budgeted Capital revenues were largely due to increased agency rates and from an increase in agency flows following COVID reopening. Reconciliation bills for service in fiscal year 2022 have not been completed at this time, so City does not have sufficient data to determine if there is a likelihood of reconciliation amounts that would have a material impact to the Sewer in fiscal year 2023. The reconciliation bills will include interest for any late payments by agencies.

## Notes to the Basic Financial Statements

On-going past disagreements over flow and strength monitoring of the City of Burbank's wastewater were addressed with the joint hiring of a consultant to investigate the differences. The consultant submitted its report. Because Burbank indicated that not all of their remaining comments to the report were addressed to its satisfaction, Los Angeles and Burbank continue to meet to discuss their differences. Negotiations resulted in Burbank submitting partial payments through fiscal year 2022. Remaining unpaid balances and estimated billings total approximately \$19.0 million. Burbank has indicated that it will continue to pay based on its calculation of the flow and strength of its wastewater discharged to the City's system. The City continues to negotiate the payment of the remaining disputed amount. In September 2022, City informed the City of Burbank that it would remove the 2-FLUMES on the North Outfall Sewer, one of which Burbank is currently using to gauge. The City's gauging program is based on gauges and does not use flumes, thus maintenance holes and pipes will replace the flumes. As of November 7, 2022, Burbank has not formally responded and therefore the City does not have sufficient data to determine the longer term impact to the Sewer.

Glendale and the City are partners in the Los Angeles-Glendale Water Reclamation Plant (LAGWRP) and, though the City operates the plant, each is responsible to pay half the cost of O&M and capital projects at the plant, pursuant to cost-sharing agreement between the two cities. Glendale has objected to paying half of the estimated cost increases for nine capital projects. The construction costs of these projects have increased from the estimated \$43.1 million provided in January 2018 to \$140.6 million provided in September 2022. The agreement requires that for Glendale to cost-share, they must approve of capital and O&M expenditures proposed by the City. The cities are currently negotiating the handling of the cost increases.

### Front-funded Programs

On November 6, 2018, LA County voters approved Measure W for the Los Angeles region's Public Health and Safe, Clean Water Program, a special parcel tax to fund projects and programs to increase stormwater capture, reduce stormwater and urban runoff pollution, increase local water supply and improve water quality. It is estimated the City will receive approximately \$83.0 million annually: \$37.0 million as a local return from the Municipal Program and up to \$46.0 million from the competitive Regional Program.

The first revenues were expected in the fall of 2020; therefore, front funding was needed for project feasibility studies in order to secure funding from the Regional Program. The first loan in an amount of \$2.2 million to the Stormwater Pollution Abatement (SPA) Fund from Sewer was authorized by City Council on April 17, 2019. A second loan in an amount of \$1.0 million to the SPA Fund from Sewer was authorized by City Council on April 29, 2020. The first loan of \$2.2 million was repaid in fiscal year 2021 with Safe, Clean Water revenues. Although authorized, the second loan of \$1.0 million has not been used and will not be accessed.

### Capital Projects

#### Total Maximum Daily Loads (TMDLs)

The United States Environmental Protection Agency and Los Angeles Regional Water Quality Control Board (LARWQCB) are required to develop TMDLs for impaired water bodies. TMDLs identify the maximum amount of pollutants that can be discharged to water bodies without causing violations of water quality standards. Various watersheds in the Los Angeles area have water bodies and/or water body segments that are listed as impaired due to a variety of pollutants. TMDLs are not self-executing, but become enforceable by incorporation into the appropriate Basin Plan (i.e., Water Quality Control Plan for the Coastal Watersheds of Los Angeles and Ventura Counties) and National Pollutant Discharge Elimination System (NPDES) permits. Federal regulations require that NPDES permits include effluent limitations developed consistent with the assumptions and requirements of any Waste Load Allocation (WLA) that has been assigned to the permitted discharge as part of an approved TMDL.

## Notes to the Basic Financial Statements

At this time, it is difficult to predict the full impact of current TMDLs on the following effluent limits that are prescribed in the respective NPDES permits of the City's four water reclamation plants (WRPs):

- Hyperion WRP: Dichlorodiphenyltrichloroethane (DDT) and polychlorinated biphenyls (PCBs)
- LA-Glendale and DC Tillman WRPs (LAGWRP and DCTWRP): Ammonia, Nitrate/Nitrite, Cadmium (wet weather), Copper, Lead, Zinc (wet weather), and E. Coli
- Terminal Island WRP: Copper, Lead, Zinc, polycyclic aromatic hydrocarbons (PAHs), DDT, and PCBs

Overall, more than twenty TMDLs are in effect and being administered by LARWQCB. The list of impaired water bodies (formally known as the State's 303(d) list) is updated on a two-year cycle, based on new water quality data that become available. It is expected that new water body impairments will be identified in future iterations of the State's 303(d) list, thus requiring new TMDLs to be developed for the Los Angeles area. Los Angeles Sanitation and Environment (LASAN) is closely watching recent 303(d) listings that have potential to become TMDLs with significant cost impacts to the City. These include the following:

- Mercury and arsenic (in fish tissue) in Santa Monica Bay. If a TMDL is developed, new discharge limits could be very challenging to meet, and may require upgrades to the treatment process at Hyperion WRP.
- Nutrient criteria in the LA River may be revised, resulting in very low limits for nitrogen and phosphorus. This could have significant impacts on DCTWRP and LAGWRP, possibly accelerating the need to move to reverse osmosis or a similar treatment system.

### NPDES Permits

The current Waste Discharge Requirements (WDRs) and NPDES permits for DCTWRP and LAGWRP were set to expire on April 30, 2022, but have been extended until the permits are renewed. The City is in the process of renewing the WDRs and NPDES permits for both plants with the LARWQCB. Currently, DCTWRP and LAGWRP are in compliance with their permit limits and discharge conditions for fiscal year 2022.

In April 2022, LARWQCB staff informed City of their intent to revise the effluent and receiving water limitations for temperature in the upcoming renewal of City NPDES permits discharging into the LA River. The LARWQCB intends to reduce the receiving water and effluent limitation of 86 °F to 80 °F and remove the ambient temperature exception footnote from the effluent limitation currently in the DCTWRP and LAGWRP permits. If implemented, both plants will not be able to meet these proposed temperature limitations. On September 14, 2022, the City requested for an in-permit compliance schedule for up to 10 years to address expected temperature limitations in the upcoming renewed NPDES. The in-permit compliance schedule will provide the City time to undertake the actions necessary to study, assess, plan, finance, and construct any necessary facilities to comply with the new and more stringent effluent limitations being proposed by the LARWQCB for temperature based on a new interpretation of the Basin Plan's Water Quality Objective (WQO). The potential cost impacts are unknown at this time.

The current WDR and NPDES permit for the HWRP was set to expire on March 31, 2022, but was extended until the permit is renewed. The City is in the process of renewing the permit with the LARWQCB. The current permit imposes a new ammonia limit on the effluent discharge. HWRP may have difficulty meeting this limit in the future, if ammonia concentrations continue to increase due to water conservation efforts and persistent drought conditions. Potential remedies include providing sidestream treatment to reduce ammonia in the effluent at an estimated capital cost of \$40 - \$50 million.

Additionally, the City plans to recycle 100% of its treated wastewater by 2035. The anticipated change in discharge characteristics associated with implementing the proposed recycled water uses at HWRP may affect the provisions of the NPDES permit when it is reissued in 2022, as well as subsequent permit renewals, and could lead to potential compliance issues with revised effluent limitations, if any

## Notes to the Basic Financial Statements

such changes are made. Potential cost impacts are unknown at this time. The HWRP headworks overflow event on July 11, 2021 and the resulting discharge of untreated sewage into Santa Monica Bay caused the violations of the NPDES permit and will subject the City to penalties and/or third-party lawsuits. Additionally, there were numerous discharge violations of BOD, TSS, SS, and Oil and Grease from July to December 2021. The City is still under enforcement actions from LARWQCB. The potential cost impacts are unknown at this time.

The LARWQCB adopted the renewal of the WDR and NPDES permit for the TIWRP on June 10, 2021. The permit became effective on August 1, 2021 and expires on July 31, 2026. The previous permit included LARWQCB Resolution No. 94-009 (adopted October 31, 1994), which approved the City's proposal to: 1) ultimately phase out the discharge of tertiary treated wastewater effluent from TIWRP into the Los Angeles Harbor at the earliest practicable date; and 2) to implement a Water Recycling Program with the goal of achieving total recycled water reuse by 2020. The renewed permit acknowledges the capital improvements that the City and recycled water users have completed to date and will be completed that will enable TIWRP to cease discharging into the Los Angeles Harbor by 2024. Thus, the renewed permit prohibits the discharge of treated municipal wastewater into the Harbor as of December 31, 2024.

In the future, the City may be required to install new treatment processes, if more stringent permit requirements that impact the reclamation plants are imposed. As an example, the SWRCB has initiated a process to develop a nutrient policy for inland surface waters in California. The proposed policy will establish methods to develop numeric or narrative water quality objectives for nutrients. Potential impacts of the policy for DCTWRP and LAGWRP may include the need to make significant facility upgrades, and an increase in energy use to run additional treatment processes, to meet the objectives. However, until such permit requirements are established, the City cannot factor them into the CWCIP nor project their design, construction, or operational costs.

Per- and polyfluoroalkyl substances (PFAS) are constituents of emerging concern for Sewer. PFAS are fluorinated organic chemicals that have been extensively produced and studied in the United States and internationally. They have been used extensively in consumer products such as carpets, clothing, fabrics for furniture, paper packaging for food, and other materials (e.g., cookware) designed to be waterproof, stain-resistant or non-stick. In addition, they have been used in fire-retarding foam and various industrial processes. Exposure to PFAS over certain levels may result in adverse health effects. There are some accepted methods for accurately measuring and effectively removing PFAS contamination, but the science for both is still developing. Concurrently, calls to take corrective action are becoming more frequent and urgent, and numerous regulations and legislative measures are being proposed to limit the level of PFAS in the environment, including in the effluent from wastewater treatment plants. Consequently, future NPDES permits for Sewer's four water reclamation plants may include discharge limits for PFAS. This may require the City to install treatment systems to remove PFAS in the effluent in order to comply, which may require significant expenditures by the City.

On July 15, 2020, the SWRCB issued its PFAS Investigate Order to Sewer's four plants to conduct PFAS sampling and analysis and to submit the results of the sampling. The activities included in this order are part of a statewide effort to 1) evaluate PFAS groundwater and surface water impacts, and 2) conduct a preliminary investigation of the mass loading of PFAS entering publicly owned treatment works (POTW) and then leaving the POTW in different media (treated wastewater, brine, biosolids). The total cost to comply with the Order is unknown at this time.

On September 6, 2022, the U.S. Environmental Protection Agency (EPA) published in the Federal Register its Notice of Proposed Rulemaking (NPRM); Designation of Perfluorooctanoic acid (PFOA) and Perfluorooctanesulfonic acid (PFOS) as Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) Hazardous Substances. If finalized, this proposal may present significant challenges and potential legal liabilities for Sewer including the discharge of wastewater effluent from Sewer's four treatment plants, recycled water and municipal stormwater, and biosolids management including the land application of biosolids containing PFOA/PFOS in the City's Green Acres Farm. It may include significant financial burden if Sewer is required to utilize different treatment technologies, remediation, testing, reporting, and monitoring to address PFOA and PFOS.

## Notes to the Basic Financial Statements

### Wastewater Spill

On December 29, 2020, Sewer experienced an overflow on a 36-inch sewer that is tributary to the North Outfall Sewer (NOS) resulting from a defective structure that has since been repaired. On February 20, and 22, 2021, Sewer experienced two more Sanitary Sewer Overflows, related to the repairs on the NOS that resulted in a discharge, due to a mechanical malfunction on the by-pass pumping system. To date no fines have been levied on Sewer wastewater spills in fiscal year 2022.

On July 26, 2022, the Regional Water Board issued a Notice of Violation Letter (NOV) to Sewer for the City of Los Angeles Hyperion Collection System, WDID 4SS010450, ORDER NOS. 2006-0003-DWQ AND 2013-0058- EXEC.

The NOV was associated with Sanitary Sewer Overflows from the conveyance system that occurred between January 2, 2007 and April 27, 2022 and identified the following potential penalties: Pursuant to Water Code section 13350, subdivision (e), the Enrollee is subject to administrative penalties of up to \$5,000 for each day in which a violation occurs or \$10 for each gallon of waste discharged. Pursuant to Water Code section 13385, subdivision (c), the Enrollee is subject to administrative civil liability of up to \$10,000 for each day in which a violation occurs plus \$10 multiplied by the number of gallons by which the volume discharged but not cleaned up exceeds 1,000 gallons. These civil liabilities may be assessed by the Regional Water Board for failure to comply, beginning with the date that the violation first occurred and without further warning. The Regional Water Board may also refer this matter to the Attorney General for judicial enforcement, which would result in civil penalties of \$15,000 per day or \$20 per gallon under Water Code section 13350, subdivision (d), and \$25,000 per day and \$25 per gallon under Water Code section 13385, subdivision (b). The Regional Water Board reserves its right to take any enforcement actions authorized by law. Sewer responded to the NOV on September 30, 2022 refuting many of the alleged violations. No fines or penalties have been calculated or assessed to date.

### 5. Federal Public Corruption Investigation

On October 13, 2021, Mark Ridley-Thomas, a member of the City Council, was indicted on federal charges of conspiracy, bribery, mail fraud and wire fraud relating to alleged actions taken while he served on the Board of Supervisors of the County. On October 20, 2021, the Council voted to suspend Mr. Ridley-Thomas from office in light of the charges. The City cannot predict the outcome of the investigation or proceedings.

### 6. COVID-19 Pandemic

In March 2020, the World Health Organization (WHO) declared the outbreak of the Coronavirus Disease 2019 (COVID-19) a global pandemic. The State, County, and City have put in place measures and protocols to help reduce the virus's spread and provide financial relief to individuals and businesses.

The ongoing COVID-19 pandemic and the social distancing measures implemented to contain its spread have had an immediate adverse impact on City and its enterprise departments' operations, such as increasing the expenditures and reducing receipts. For additional information about the COVID-19 effects on the business-type activities, please refer to each reporting entity's separately audited financial statements listed in Note 1B.

The Coronavirus Aid, Relief, and Economic Security (CARES) Act and the American Rescue Plan Act (ARPA) were passed by the federal government on March 27, 2020, and March 11, 2021, respectively, which provided various emergency funding to the City. In addition to the combined \$1.3 billion CARES and ARPA funding received in fiscal year 2021, additional ARPA grant funds of \$639.5 million was received in fiscal year 2022. Approximately \$681.2 million of eligible expenses were incurred in the fiscal year 2022.

### F. CRA/LA, a Designated Local Authority and Successor Agency for the Former Community Redevelopment Agency (Former Agency) and Related Contingencies

The enactment in June 2011 of the Assembly Bill 1X26 (Dissolution Act) resulted in the dissolution of all redevelopment agencies as of February 1, 2012. To help facilitate the winding down process, Successor Agencies have been established to manage redevelopment projects currently underway, make payments on enforceable obligations, and dispose of redevelopment assets and properties. On February 3, 2012, Governor Brown appointed three Los Angeles County residents as the governing board of CRA/LA-Designated Local Authority (CRA/LA), successor agency of the Former Agency.

On January 25, 2012, the City Council adopted a resolution wherein the City elected to opt-in as the Housing Successor Agency and designated the Housing and Community Investment Department (HCIDLA) as the City's representative in carrying out the housing functions and responsibilities of the Former Agency.

#### 1. Housing Assets Transfer

On March 22, 2011, Council authorized the transfer of 74 properties from the Former Agency to the City, in connection with the implementation of a Cooperation Agreement (C.F. 11-0086-S1). Since some properties have more than one assessor parcel number (APN), the City Attorney reviewed the Council Motion and identified 130 parcels based on their discrete APN. As of February 1, 2012, 52 grant deeds, including 106 parcels, with historical cost of \$93.4 million were transferred from the Former Agency to the City.

The City elected to retain the housing functions and responsibilities previously performed by the Former Agency. Pursuant to California Health and Safety Code (H&SC) Section 34176 (a) (2), the Housing Asset Transfer Schedule (HATS) prepared by CRA/LA staff was submitted by the City's HCIDLA to State Department of Finance (DOF) on August 1, 2012. DOF issued its final determination letters on March 27, 2013 and July 12, 2013, granting approval of most of the housing assets listed on HATS. Effective May 1, 2013, CRA/LA's housing assets including loans receivable, land held for redevelopment and land inventory unspent housing bond proceeds and functions were assumed by HCIDLA.

In accordance with H&SC section 34176 (g)(1)(A), the Housing Successor is allowed to use or commit unspent housing bond proceeds for the purpose of affordable housing. DOF has advised the Housing Successor that, if it agrees to assume the obligations of the CRA/LA with respect to ensuring compliance with bond covenants and redevelopment objectives, it may drawdown the unspent bond proceeds in lump sum. In fiscal year 2022, there were no outstanding unspent housing bond proceeds listed on the Recognized Obligation Payment Schedule (ROPS) for distribution.

#### 2. Transfer of Properties for Government Use

Pursuant to H&SC Section 34191, the Successor Agency must prepare a "Long-Range Property Management Plan" (LRPMP) that addresses the disposition and use of the real properties of the former redevelopment agencies. The report must be submitted to the Oversight Board and DOF for approval. The LRPMP must include an inventory of all properties in the Community Redevelopment Property Trust Fund, the repository of all real properties of the Former Agency, and a proposal for how to use or dispose of each property. The LRPMP shall separately identify and list properties dedicated to governmental use purposes and properties retained for purposes of fulfilling an enforceable obligation.

On February 27, 2014, DOF approved the transfer from CRA/LA to the City of 31 real property interests, including seven public parks, 14 public rights of way and parcel remnants, two government facilities and eight access and use easements. In addition, the transfer of four real property interests representing approximately 5.6 million square feet of Transferable Floor Area Ratio development rights may become available for transfer to the City upon DOF approval. All received properties will be encumbered with restrictions that require that the properties continue to be used for government purposes in perpetuity, and will be conveyed by grant deed, quitclaim or easement transfer (Transfer Documents) at no cost to the City.

## Notes to the Basic Financial Statements

On May 6, 2014, the City Council and Mayor approved actions to assume ownership of the 35 real property interests for Government Use (C.F. 13-1482). As of June 30, 2022, properties transferred to the City net of certain real properties sold totaled \$106.3 million.

### 3. Transfer of Excess CRA/LA Non-Housing Bond Proceeds

In accordance with H&SC section 34191.4, remaining bond proceeds that cannot be spent in a manner consistent with the bond covenants were to be used to defease the bonds or purchase those same bonds on the open market. CRA/LA's Governing Board and the Oversight Board approved a Bond Expenditure Agreement (BEA) with the City on November 6, 2014 and November 13, 2014, respectively. The BEA authorizes the listing of the agreement as an enforceable obligation on ROPS 14-15B and the transfer of the excess non-housing bond proceeds. As a result, CRA/LA identified and transferred total excess non-housing bond proceeds in the amount of \$88.4 million, as of June 30, 2022. The \$88.4 million consists of three allocations: (1) on November 4, 2014, DOF partially approved the BEA and authorized an initial transfer of \$84.1 million; (2) in FY 2017-18 the City received an additional \$1.9 million; and (3) in FY 2019-20 the City received an additional \$2.4 million. These monies have accumulated interest for a cumulative total of approximately \$95.8 million through June 30, 2022.

The City met its contractual obligation to encumber 100 percent of the Excess Non-housing Bond Proceeds (EBP), including interest for redevelopment projects within a five-year timeframe (January 2020). The City is committed to expending the full EBP and all accumulated interest by the final expenditure January 2025 deadline imposed by the DOF. The City recognized a liability for Excess Bond Proceeds for the \$42.6 million at June 30, 2022.

### G. Subsequent Events

#### 1. Indebtedness and Credit Ratings

Subsequent to June 30, 2022, the City issued the following indebtedness:

Issue Date	Description	Amount (in thousands)	Interest Rate (Percentage)
September 28, 2022	General Obligation Bonds, Series 2022-A (Taxable)	\$ 389,435	4.375%-5.000%
August 24, 2022	Airports Senior Revenue Bonds, 2022 Series G	602,820	4.000 - 5.500
August 24, 2022	Airports Senior Revenue Bonds, 2022 Series H	373,735	4.000 - 5.500
August 24, 2022	Airports Senior Revenue Bonds, 2022 Series I	206,825	4.000 - 5.000
December 01, 2022	Power System Revenue Bonds, 2022 Series D	28,455	5.000
December 01, 2022	Power System Revenue Bonds, 2022 Series E	238,060	5.000
December 28, 2022	Water System Revenue Bonds, 2022 Series D	399,685	5.000

In August 2022, Fitch Ratings assigned a 'AAA' rating to the City's General Obligation (GO) bonds, series 2022-A issued on September 28, 2022. In addition, Fitch affirmed the City's Issuer Default Rating (IDR) at 'AA' and 'AAA' rating for the City's outstanding GO bonds, series 2017-A, 2017-B, 2021-A and 2021-B. The rating Outlook is stable. Fitch Ratings concluded that the City's 'AA' IDR reflects its strong operating performance with solid revenue growth largely outpacing managed expenditure growth and that the City also benefits from a moderate debt burden and superior gap-closing capacity.

#### 2. Airports Enterprise Fund

On July 21, 2022, the Board approved to award a three-year contract in the not-to-exceed amount of \$85.9 million to W.E. O'Neil Construction Co. of California, for construction of the Midfield Satellite Concourse South Project at LAX, and appropriate capital funds in the amount of \$105.9 million for this project, which includes Pre-Construction, Long-Lead Procurement, Enabling and Construction Services, and Airports' costs.

On July 21, 2022, the Board approved the letters of credit (LOCs) to be provided by Barclays Bank PLC (Barclays), Bank of America, N.A. (Bank of America), and PNC Bank, National Association (PNC), which in aggregate provide credit support for up to \$500.0 million principal amount of Commercial Paper (CP) Notes outstanding at any one time, and authorizes documents associated with the LOCs and the Commercial Paper Offering Memorandum in order to provide continued access to short-term financing for Airports' Strategic Capital Program Plan Goals and Objectives. The LAX CP Program is a short-term financing vehicle that allows Airports to access up to \$500.0 million on short notice for a variety of financing needs. It is primarily used as interim financing for capital projects, and also can be used as an emergency line of credit.

On August 24, 2022, Airports issued \$602.8 million of LAX senior revenue bonds Series 2022G with a premium of \$59.9 million; \$373.7 million of LAX senior revenue bonds Series 2022H with a premium of \$37.8 million and \$206.8 million of LAX senior refunding and revenue bonds Series 2022I with a premium of \$29.5 million. The Series 2022GHI bonds were issued to fund certain capital projects at LAX and refund a portion of the outstanding Commercial Paper Notes.

On September 1, 2022, the Board approved capital budget in the total amount of \$6.3 billion for various active projects in the Capital Improvement Plan and cancel appropriations previously authorized to be charged to the same projects, including all appropriations without a specified Work Breakdown Structure account, so that capital expenditures can be actively tracked in the financial systems to allow for improved financial controls.

## Notes to the Basic Financial Statements

In September 2022, Airports made a payment of \$507.6 million to Delta Airlines for the purchase of Terminals 2 and 3 SkyWay Program Asset Acquisition (Central Headhouse). On October 5, 2022, the new concourse at Terminal 3 was opened, marking the completion of the third phase of construction on Terminal 3. Eight out of nine gates have been completed, with the ninth scheduled to be ready by early next year.

On October 20, 2022, the Board approved the actions associated with the issuance of LAX revenue bonds, notes, or other obligations, in one or more series, and LAX special facility obligations, in one or more series, in an aggregate principal amount not to exceed \$6.0 billion, which Airports expects to issue from time to time from fiscal year 2023 through fiscal year 2027.

On November 3, 2022, the Board authorized to defease a portion of the debt service on the Department of Airports of the City of Los Angeles, California, Los Angeles International Airport, Subordinate Revenue/Refunding Revenue Bonds, 2016 Series A, 2019 Series C, 2021 Series D, and 2021 Series E, in an amount not to exceed \$125.0 million.

On November 3, 2022, Commissioner Sean Burton resigned from the Board.

On December 22, 2022, Airports paid settlement amount of \$85.0 million to Turner-PCL, a Joint Venture ("TPJV") to resolve all remaining litigation, disputes, claims, and potential claims between TPJV and the City arising out of the MSC Contract and MSC Project and close-out the MSC Contract between TPJV and the City.

On January 20, 2023, the Board approved to award a seven-year Progressive Design-Build contract to Skanska-Flatiron, a Joint Venture, in the not-to-exceed amount of \$173.7 million, for Phase 1 of the Airfield and Terminal Modernization Project (ATMP) - Roadway Improvements at LAX, and appropriate capital funds in the amount of \$192.2 million. As a critical component of the overall ATMP, the Roadway Improvements enhance safety, efficiency, and the user experience for ground transportation systems in and around LAX. These roadway improvements will reduce congestion and improve flow in the Central Terminal Area and surrounding areas by separating airport and local traffic, incorporating transportation technology, and reconfiguring roadway access into and out of the airport.

### 3. Power and Water Enterprise Funds

In November 2022, the Board authorized the Power to execute a substitute for the Standby Bond Purchase Agreements with Barclays Bank PLC and Bank of the West which provide liquidity support to the \$174.3 million Power System Variable Rate Demand Revenue Bonds, 2001 Series B, Subseries B-1, B-2, and B-3, which are scheduled to expire on January 25, 2023 and the Standby Bond Purchase Agreement with Barclays Bank PLC which provides liquidity support to the \$148.5 million Power System Variable Rate Demand Revenue Bonds, 2001 Series B, Subseries B-5, B-6, B-7, and B-8, which are scheduled to expire on January 23, 2023. Power successfully substituted the liquidity facility providers effective January 12, 2023 with Barclays Bank PLC, for a 4-year term, to expire on January 21, 2027.

In December 2022, Power issued \$28.5 million of revenue bonds, 2022 Series D. The net proceeds of \$30.0 million, including a \$1.5 million issue premium net of underwriter's discount, were used to refund a portion of the Power System 2018 Series B revenue bonds.

In December 2022, Power issued \$238.1 million of revenue bonds, 2022 Series E. The net proceeds of \$254.0 million, including a \$15.9 million issue premium net of underwriter's discount, were used to refund a portion of the Power System 2013 Series A revenue bonds.

In November 2022, the Board authorized the Water to execute a substitute for the Standby Bond Purchase Agreement with TD Bank, N.A. which provides liquidity support to the \$200.0 million Water System Variable Rate Demand Revenue Bonds, 2021 Series A, Subseries A-1 and A-2, which is scheduled to expire on January 25, 2023. Water successfully entered into an amended agreement with the liquidity facility provider which is scheduled to close on January 24, 2023, for a 4-year term, to expire on January 22, 2027.

## Notes to the Basic Financial Statements

In December 2022, Water issued \$399.7 million of revenue bonds, 2022 Series D. The net proceeds of \$449.4 million, including a \$49.7 million issue premium net of underwriter's discount, was used to refund the Water System 2013 Series A revenue bonds and fund capital improvements.

### 4. Sewer Enterprise Fund

Sewer is currently litigating a class action lawsuit challenging the City's calculation of the annual, fiscal year Dry Winter Compensation Factor (DWCF) relating to residential sewer service charges (*Hoffman v. City*). The trial court's Statement of Decision, served on June 30, 2021, determined that the City did not comply with the applicable Los Angeles Municipal Code Section and the Board of Public Works Rules and Regulations in setting the DWCF, and overcharged residential customers. The City and the plaintiff have mediated this matter and reached a tentative common fund settlement of \$57.5 million, including refunds to the class, administrative expenses, costs and attorneys' fees. This class action settlement is still subject to court approval and a court hearing on preliminary approval has been scheduled for May 2023.

On September 26, 2022, Sewer issued tax-exempt commercial paper notes in the amount of \$30.0 million.

On December 15, 2022, Sewer issued tax-exempt commercial paper notes in the amount of \$30.0 million.

### 5. City's new leadership of governance and measures

The Mayor, City Attorney, and Controller of the City of Los Angeles are elected every four years for a four-year term and are limited to serving no more than two terms. The most recent election on November 8, 2022, resulted in a new set of elected officials after the incumbents had served a maximum of two terms.

Current 43rd Mayor, Karen Bass succeeded former Mayor Eric Garcetti, 43rd City Attorney Hydee Feldstein Soto succeeded former City Attorney Michael Feuer, and 20th City Controller Kenneth Mejia succeeded former City Controller Ron Galperin.

There are also newly elected council members representing the following City Council Districts: District 1, Eunisses Hernandez; District 5, Katy Yaroslavsky; District 11, Traci Park; District 13, Hugo Soto-Martinez; and District 15, Tim McOske.

All newly elected officials were sworn in on December 11, 2022, and officially took office on December 12, 2022.

On September 2, 2022, Heather Hutt, was officially appointed by the City Council as interim councilmember to fill the open seat left by Mark Ridley-Thomas in District 10. Mark Ridley-Thomas was suspended by the City Council in October 2021 due to his federal charges' indictments.

On October 25, 2022, the City Council adopted the Special Election Ordinance that calls for a Special Election on April 4, 2023, with a Special Runoff Election on June 27, 2023, if necessary. The special election is to fill the vacancy created by the resignation of the former Council District 6 Councilmember, Nury Martinez.

During the November 2022 election, the following measures were also adopted after the corresponding proposition and initiative were ratified by the voters:

Measure LH – Authorization for additional low-income housing. Proposition LH passed and was adopted as Measure LH authorizing public entities in the City of Los Angeles to develop, construct, or acquire an additional up to 5,000 units of low-income rental housing in each Council District, for a total of 75,000 additional authorized units of low-income housing within the City, to address homelessness and affordable housing needs, subject to availability of funding and City development requirements.

### Notes to the Basic Financial Statements

Measure ULA – Funding for affordable housing and tenant assistance programs through a tax on real property transfers over \$5.0 million. Initiative Ordinance ULA passed and was adopted as Measure ULA, funding and authorizing affordable housing programs and resources for tenants at risk of homelessness through a 4.0% tax on sales/transfers of real property exceeding \$5.0 million, and 5.5% on properties of \$10.0 million or more, with exceptions; until ended by voters. The measure is expected to generate approximately \$600.0 million to \$1.1 billion annually for existing and new programs. This measure would also authorize the use of at least 92.0% of the revenue for affordable housing and tenant assistance programs administered by the Los Angeles Housing Department (LAHD) and up to 8.0% for administration. It will also establish a Citizens Oversight Committee to make funding and program recommendations and a Tenant Council to advise on housing matters.

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## **Required Supplementary Information**

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**CITY OF LOS ANGELES**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**Fiscal Year Ended June 30, 2022**  
**(Unaudited)**

**Los Angeles Fire and Police Pension System**  
**Benefit Pension Plan**  
**Schedule of Employer Contributions**  
(in thousands)

Fiscal Year	Actuarially Determined Contribution	Actual Contributions	Contribution Deficiency / (Excess)	Covered Payroll	Contribution as Percentage of Covered Payroll <sup>(1)</sup>
2022	\$ 535,450	\$ 535,450	\$ --	\$ 1,598,685	33.5 %
2021	543,819	543,819	--	1,603,349	33.9 %
2020	516,638	516,638	--	1,509,613	34.2 %
2019	504,877	504,877	--	1,487,978	33.9 %
2018	459,632	459,632	--	1,451,996	31.7 %
2017	454,309	454,309	--	1,397,245	32.5 %
2016	478,385	478,385	--	1,351,788	35.4 %
2015	480,332	480,332	--	1,316,969	36.5 %
2014	440,698	440,698	--	1,308,149	33.7 %
2013	375,448	375,448	--	1,277,031	29.4 %

<sup>(1)</sup> Contribution rate as a percentage of covered payroll reflects discount applied when the employer prepays its contribution. This rate has been "backed" into by dividing the actual contributions by the budgeted covered payroll.

**Los Angeles City Employees' Retirement System**  
**Benefit Pension Plan**  
**Schedule of Employer Contributions**  
(in thousands)

Fiscal Year	Actuarially Determined Contribution	Actual Contributions	Contribution Deficiency / (Excess)	Covered Payroll	Contribution as Percentage of Covered Payroll
2022	\$ 591,234	\$ 591,234	\$ --	\$ 2,155,005	27.4 %
2021	554,856	554,856	--	2,276,768	24.4 %
2020	553,118	553,118	--	2,271,039	24.4 %
2019	478,717	478,717	--	2,108,171	22.7 %
2018	450,195	450,195	--	2,057,565	21.9 %
2017	453,356	453,356	--	1,973,049	23.0 %
2016	440,546	440,546	--	1,876,946	23.5 %
2015	381,141	381,141	--	1,835,637	20.8 %
2014	357,649	357,649	--	1,802,931	19.8 %
2013	346,181	346,181	--	1,736,113	19.9 %

**Water and Power Employees' Retirement Plan**  
**Benefit Pension Plan**  
**Schedule of Employer Contributions**  
(in thousands)

Fiscal Year	Actuarially Determined Contribution	Actual Contributions	Contribution Deficiency / (Excess)	Covered Payroll	Contribution as Percentage of Covered Payroll
2022	\$ 302,800	\$ 318,874	\$ (16,074)	\$ 1,178,016	27.1 %
2021	373,374	378,990	(5,616)	1,121,883	33.8 %
2020	424,375	422,017	2,358	1,130,066	37.3 %
2019	408,750	410,165	(1,415)	1,028,212	39.9 %
2018	425,512	433,413	(7,901)	953,636	45.4 %
2017	403,780	391,717	12,063	892,332	43.9 %
2016	368,600	362,360	6,240	861,819	42.0 %
2015	387,465	376,902	10,563	839,213	44.9 %
2014	387,824	384,266	3,558	819,924	46.9 %
2013	376,668	368,426	8,242	817,421	45.1 %

**CITY OF LOS ANGELES**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**Fiscal Year Ended June 30, 2022**  
(b unaudited)

**Los Angeles Fire and Police Pension System**  
**Schedule of Changes in Net Pension Liability and Related Ratios \***  
(amounts in thousands)

	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>
<b>TOTAL PENSION LIABILITY</b>				
Service Cost	\$ 455,362	\$ 410,559	\$ 402,708	\$ 390,743
Interest	1,668,212	1,654,964	1,572,220	1,502,656
Benefit Payments, including Refunds of Member Contributions	(1,186,963)	(1,121,252)	(1,070,456)	(994,800)
Difference of Expected and Actual Experience	254,452	(23,348)	81,465	21,700
Assumption Changes	--	48,286	357,369	--
Benefit Changes	--	--	(79,650)	--
Other	--	--	--	2,505
Net Change in Total Pension Liability	1,191,063	969,209	1,263,656	922,804
Total Pension Liability at Beginning of Year	<u>23,969,714</u>	<u>23,000,505</u>	<u>21,736,849</u>	<u>20,814,045</u>
Total Pension Liability at End of Year (a)	<u>\$ 25,160,777</u>	<u>\$ 23,969,714</u>	<u>\$ 23,000,505</u>	<u>\$ 21,736,849</u>
<b>FIDUCIARY NET POSITION</b>				
Employer Contributions	\$ 543,819	\$ 516,638	\$ 504,877	\$ 459,632
Member Contributions	157,786	153,787	147,753	145,112
Net Investment Income	6,972,104	606,244	1,218,138	1,892,870
Benefit Payments, Including Refunds of Member Contributions	(1,186,963)	(1,121,252)	(1,070,456)	(994,800)
Administrative Expenses	(21,372)	(20,685)	(20,244)	(19,908)
Other	--	--	--	2,505
Net Change	6,465,374	134,732	780,068	1,485,411
Fiduciary Net Position at Beginning of Year	<u>21,396,933</u>	<u>21,262,201</u>	<u>20,482,133</u>	<u>18,996,722</u>
Fiduciary Net Position at End of Year (b) <sup>(1)</sup>	<u>\$ 27,862,307</u>	<u>\$ 21,396,933</u>	<u>\$ 21,262,201</u>	<u>\$ 20,482,133</u>
Net Pension Liability (Asset) (a) - (b)	<u>\$ (2,701,530)</u>	<u>\$ 2,572,781</u>	<u>\$ 1,738,304</u>	<u>\$ 1,254,716</u>
Fiduciary Net Position as a Percentage of the Total Pension Liability	110.74 %	89.27 %	92.44 %	94.23 %
Covered Payroll	\$ 1,603,349	\$ 1,509,613	\$ 1,487,978	\$ 1,451,996
Net Pension Liability (Asset) as a Percentage of Covered Payroll	(168.49)%	170.43 %	116.82 %	86.41 %

<sup>(1)</sup> Fiduciary Net Position - The fiduciary net position is calculated based on financial information available to the actuary for the presentation of the actuarial valuation and does not include subsequent adjustments.

\* Based on measurement periods

Details of changes in assumption can be obtained from the actuarial valuation reports.

The schedules for the Pensions plan are intended to show information for 10 years. However, the schedules do not have an entire 10-year trend, and therefore, City presented information only for those years in which data is available. Additional years will be displayed in the future as they become available.

**CITY OF LOS ANGELES**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**Fiscal Year Ended June 30, 2022**  
(b unaudited)

**Los Angeles Fire and Police Pension System**  
**Schedule of Changes in Net Pension Liability and Related Ratios \***  
(amounts in thousands)

	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>	<u>June 30, 2014</u>
<b>TOTAL PENSION LIABILITY</b>				
Service Cost	\$ 367,600	\$ 365,956	\$ 368,700	\$ 368,018
Interest	1,436,068	1,399,576	1,384,527	1,392,552
Benefit Payments, including Refunds of Member Contributions	(930,078)	(990,363)	(918,909)	(858,986)
Difference of Expected and Actual Experience	(320,404)	(595,188)	(310,882)	(234,638)
Assumption Changes	695,450	--	--	(69,482)
Benefit Changes	--	--	--	--
Other	--	--	--	--
Net Change in Total Pension Liability	1,248,636	179,981	523,436	597,464
Total Pension Liability at Beginning of Year	<u>19,565,409</u>	<u>19,385,428</u>	<u>18,861,992</u>	<u>18,264,528</u>
Total Pension Liability at End of Year (a)	<u>\$ 20,814,045</u>	<u>\$ 19,565,409</u>	<u>\$ 19,385,428</u>	<u>\$ 18,861,992</u>
<b>FIDUCIARY NET POSITION</b>				
Employer Contributions	\$ 454,309	\$ 478,385	\$ 480,332	\$ 440,698
Member Contributions	128,900	129,734	126,771	124,395
Net Investment Income	2,260,130	159,313	686,470	2,617,090
Benefit Payments, Including Refunds of Member Contributions	(930,078)	(990,363)	(918,909)	(858,986)
Administrative Expenses	(20,816)	(19,346)	(17,815)	(13,865)
Other	--	--	--	--
Net Change	1,892,445	(242,277)	356,849	2,309,332
Fiduciary Net Position at Beginning of Year	<u>17,104,277</u>	<u>17,346,554</u>	<u>16,989,705</u>	<u>14,680,373</u>
Fiduciary Net Position at End of Year (b) <sup>(1)</sup>	<u>\$ 18,996,722</u>	<u>\$ 17,104,277</u>	<u>\$ 17,346,554</u>	<u>\$ 16,989,705</u>
Net Pension Liability (Asset) (a) - (b)	<u>\$ 1,817,323</u>	<u>\$ 2,461,132</u>	<u>\$ 2,038,874</u>	<u>\$ 1,872,287</u>
Fiduciary Net Position as a Percentage of the Total Pension Liability	91.27 %	87.42 %	89.48 %	90.07 %
Covered Payroll	\$ 1,397,245	\$ 1,351,788	\$ 1,316,969	\$ 1,308,149
Net Pension Liability (Asset) as a Percentage of Covered Payroll	130.06 %	182.06 %	154.82 %	143.12 %

**CITY OF LOS ANGELES**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**Fiscal Year Ended June 30, 2022**  
(b unaudited)

**Los Angeles City Employees' Retirement System**  
**Schedule of Changes in Net Pension Liability and Related Ratios <sup>(1)</sup> \***  
(amounts in thousands)

	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>
<b>TOTAL PENSION LIABILITY</b>				
Service Cost <sup>(2)</sup>	\$ 451,426	\$ 374,967	\$ 370,409	\$ 352,283
Interest	1,570,785	1,499,208	1,439,661	1,332,878
Changes of Benefit Terms	--	--	--	25,173
Benefit Payments, Including Refunds of Member Contributions	(1,077,691)	(979,305)	(915,192)	(851,885)
Difference of Expected and Actual Experience	(189,822)	308,184	(46,035)	144,224
Assumption Changes	--	530,720	--	483,717
Net Change in Total Pension Liability	754,698	1,733,774	848,843	1,486,390
Total Pension Liability at Beginning of Year	<u>22,527,195</u>	<u>20,793,421</u>	<u>19,944,578</u>	<u>18,458,188</u>
Total Pension Liability at End of Year (a)	<u>\$ 23,281,893</u>	<u>\$ 22,527,195</u>	<u>\$ 20,793,421</u>	<u>\$ 19,944,578</u>
<b>FIDUCIARY NET POSITION</b>				
Employer Contributions	\$ 554,856	\$ 553,118	\$ 478,717	\$ 450,195
Member Contributions	252,123	259,817	237,087	230,757
Net Investment Income <sup>(4)</sup>	4,283,202	306,712	799,351	1,243,817
Benefit Payments, Including Refunds of Member Contributions	(1,077,691)	(979,305)	(915,192)	(851,885)
Administrative Expenses	(26,758)	(23,531)	(19,600)	(17,699)
Other (Transfer to Larger Annuity Reserve) <sup>(3)</sup>	--	--	--	(471)
Net Change	3,985,732	116,811	580,363	1,054,714
Fiduciary Net Position at Beginning of Year	<u>14,932,404</u>	<u>14,815,593</u>	<u>14,235,230</u>	<u>13,180,516</u>
Fiduciary Net Position at End of Year (b)	<u>\$ 18,918,136</u>	<u>\$ 14,932,404</u>	<u>\$ 14,815,593</u>	<u>\$ 14,235,230</u>
Net Pension Liability (a) - (b)	<u>\$ 4,363,757</u>	<u>\$ 7,594,791</u>	<u>\$ 5,977,828</u>	<u>\$ 5,709,348</u>
Fiduciary Net Position as a Percentage of the Total Pension Liability	81.26 %	66.29 %	71.25 %	71.37 %
Covered Payroll	\$ 2,276,768	\$ 2,271,039	\$ 2,108,171	\$ 2,057,565
Net Pension Liability as a Percentage of Covered Payroll	191.66 %	334.42 %	283.56 %	277.48 %

<sup>(1)</sup> In calculating the Plan's net pension liability, the total pension liability and the Plan fiduciary net position exclude amounts associated with Family Death, and Larger Annuity Benefits.

<sup>(2)</sup> The service cost is based on the previous year's valuation.

<sup>(3)</sup> On July 1, 2015, LACERS segregated members' voluntary larger annuity contributions into the (non-pension related) Reserve for Larger Annuity Contributions pursuant to a suggestion made by the actuarial consultant. The Reserve balance for Larger Annuity Contributions as of June 30, 2015 was \$5.2 million.

On July 1, 2017, the System reallocated \$0.47 million of interest from the Reserve for Mandatory Member Contributions into the Reserve for Voluntary Member Contributions.

<sup>(4)</sup>Building Lease and Other Income were included in the Net investment income (loss) starting in fiscal year 2020. Investment related administrative expenses is part of Administrative expenses and excluded from Net investment Income.

\* Based on measurement periods

The schedules for the LACERS plan are intended to show information for 10 years. However, the schedules do not have an entire 10-year trend, and therefore, City presented information only for those years in which data is available. Additional years will be displayed in the future as they become available.

**CITY OF LOS ANGELES**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**Fiscal Year Ended June 30, 2022**  
(b unaudited)

**Los Angeles City Employees' Retirement System**  
**Schedule of Changes in Net Pension Liability and Related Ratios <sup>(1)</sup> \***  
(amounts in thousands)

	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>	<u>June 30, 2014</u>
<b>TOTAL PENSION LIABILITY</b>				
Service Cost <sup>(2)</sup>	\$ 340,759	\$ 322,574	\$ 322,380	\$ 317,185
Interest	1,302,278	1,263,556	1,215,151	1,149,966
Changes of Benefit Terms	--	--	--	--
Benefit Payments, Including Refunds of Member Contributions	(804,089)	(770,317)	(740,567)	(721,153)
Difference of Expected and Actual Experience	(146,474)	(300,813)	(135,821)	(164,247)
Assumption Changes	<u>340,718</u>	<u>--</u>	<u>--</u>	<u>785,439</u>
Net Change in Total Pension Liability	1,033,192	515,000	661,143	1,367,190
Total Pension Liability at Beginning of Year	<u>17,424,996</u>	<u>16,909,996</u>	<u>16,248,853</u>	<u>14,881,663</u>
Total Pension Liability at End of Year (a)	<u>\$ 18,458,188</u>	<u>\$ 17,424,996</u>	<u>\$ 16,909,996</u>	<u>\$ 16,248,853</u>
<b>FIDUCIARY NET POSITION</b>				
Employer Contributions	\$ 453,356	\$ 440,546	\$ 381,141	\$ 357,649
Member Contributions	221,829	206,377	202,463	203,975
Net Investment Income <sup>(4)</sup>	1,517,545	29,358	306,980	1,810,782
Benefit Payments, Including Refunds of Member Contributions	(804,089)	(770,318)	(740,567)	(721,153)
Administrative Expenses	(17,454)	(17,204)	(15,860)	(12,372)
Other (Transfer to Larger Annuity Reserve) <sup>(3)</sup>	<u>--</u>	<u>--</u>	<u>(4,666)</u>	<u>(2,288)</u>
Net Change	1,371,187	(111,241)	129,491	1,636,593
Fiduciary Net Position at Beginning of Year	<u>11,809,329</u>	<u>11,920,570</u>	<u>11,791,079</u>	<u>10,154,486</u>
Fiduciary Net Position at End of Year (b)	<u>\$ 13,180,516</u>	<u>\$ 11,809,329</u>	<u>\$ 11,920,570</u>	<u>\$ 11,791,079</u>
Net Pension Liability (a) - (b)	<u>\$ 5,277,672</u>	<u>\$ 5,615,667</u>	<u>\$ 4,989,426</u>	<u>\$ 4,457,774</u>
Fiduciary Net Position as a Percentage of the Total Pension Liability	71.41 %	67.77 %	70.49 %	72.57 %
Covered Payroll	\$ 1,973,049	\$ 1,876,946	\$ 1,835,637	\$ 1,802,931
Net Pension Liability as a Percentage of Covered Payroll	267.49 %	299.19 %	271.81 %	247.25 %

**CITY OF LOS ANGELES**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**Fiscal Year Ended June 30, 2022**  
(b unaudited)

**Water and Power Employees' Retirement Plan**  
**Schedule of Changes in Net Pension Liability and Related Ratios \***  
(amounts in thousands)

	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>
<b>TOTAL PENSION LIABILITY</b>				
Service Cost	\$ 275,366	\$ 263,473	\$ 243,263	\$ 228,621
Interest	1,008,130	963,032	952,071	913,798
Benefit Payments, Including Refunds of Member Contributions	(677,717)	(635,652)	(597,563)	(563,213)
Change of Benefit Terms	--	--	--	(59,019)
Differences Between Expected and Actual Experience	(62,311)	62,540	17,807	10,254
Assumption Changes	--	--	8,836	--
Net Change in Total Pension Liability	543,468	653,393	624,414	530,441
Total Pension Liability at Beginning of Year	<u>14,465,349</u>	<u>13,811,956</u>	<u>13,187,542</u>	<u>12,657,101</u>
Total Pension Liability at End of Year (a)	<u>\$ 15,008,817</u>	<u>\$ 14,465,349</u>	<u>\$ 13,811,956</u>	<u>\$ 13,187,542</u>
<b>FIDUCIARY NET POSITION</b>				
Employer Contributions	\$ 385,071	\$ 427,655	\$ 416,180	\$ 439,299
Member Contributions	122,316	120,299	104,742	93,659
Net Investment Income	3,489,200	459,024	791,832	998,777
Benefit Payments, Including Refunds of Member Contributions	(677,717)	(635,652)	(597,563)	(563,213)
Administrative Expenses	(5,115)	(4,705)	(5,189)	(5,336)
Net Change	3,313,755	366,621	710,002	963,186
Fiduciary Net Position at Beginning of Year	<u>13,353,708</u>	<u>12,987,087</u>	<u>12,277,085</u>	<u>11,313,899</u>
Fiduciary Net Position at End of Year (b)	<u>\$ 16,667,463</u>	<u>\$ 13,353,708</u>	<u>\$ 12,987,087</u>	<u>\$ 12,277,085</u>
Net Pension Liability (Asset) (a) - (b)	<u>\$ (1,658,646)</u>	<u>\$ 1,111,641</u>	<u>\$ 824,869</u>	<u>\$ 910,457</u>
Fiduciary Net Position as a Percentage of the Total Pension Liability	111.05 %	92.32 %	94.03 %	93.10 %
Covered Payroll	\$ 1,121,883	\$ 1,130,066	\$ 1,028,212	\$ 953,636
Net Pension Liability (Asset) as a Percentage of Covered Payroll	(147.84)%	98.37 %	80.22 %	95.47 %

\* Based on measurement periods

Details of changes in assumption can be obtained from the actuarial valuation reports.

The schedules for the DWP plans are intended to show information for 10 years. However, the schedules do not have an entire 10-year trend, and therefore, City presented information only for those years in which data is available. Additional years will be displayed in the future as they become available.

**CITY OF LOS ANGELES**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**Fiscal Year Ended June 30, 2022**  
(b unaudited)

**Water and Power Employees' Retirement Plan**  
**Schedule of Changes in Net Pension Liability and Related Ratios \***  
(amounts in thousands)

	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>	<u>June 30, 2014</u>
<b>TOTAL PENSION LIABILITY</b>				
Service Cost	\$ 217,277	\$ 209,832	\$ 214,735	\$ 193,661
Interest	887,133	837,977	821,048	779,397
Benefit Payments, Including Refunds of Member Contributions	(540,361)	(510,485)	(485,967)	(463,597)
Change of Benefit Terms	--	--	(144,008)	--
Differences Between Expected and Actual Experience	(196,177)	(189,469)	(162,913)	(154,222)
Assumption Changes	--	722,928	--	525,444
Net Change in Total Pension Liability	367,872	1,070,783	242,895	880,683
Total Pension Liability at Beginning of Year	<u>12,289,229</u>	<u>11,218,446</u>	<u>10,975,551</u>	<u>10,094,868</u>
Total Pension Liability at End of Year (a)	<u>\$ 12,657,101</u>	<u>\$ 12,289,229</u>	<u>\$ 11,218,446</u>	<u>\$ 10,975,551</u>
<b>FIDUCIARY NET POSITION</b>				
Employer Contributions	\$ 397,748	\$ 368,259	\$ 382,232	\$ 389,138
Member Contributions	83,239	75,069	68,552	72,300
Net Investment Income	1,280,806	95,808	410,778	1,405,686
Benefit Payments, Including Refunds of Member Contributions	(540,361)	(510,485)	(485,967)	(463,597)
Administrative Expenses	(5,376)	(5,108)	(4,612)	(4,221)
Net Change	1,216,056	23,543	370,983	1,399,306
Fiduciary Net Position at Beginning of Year	<u>10,097,843</u>	<u>10,074,300</u>	<u>9,703,317</u>	<u>8,304,011</u>
Fiduciary Net Position at End of Year (b)	<u>\$ 11,313,899</u>	<u>\$ 10,097,843</u>	<u>\$ 10,074,300</u>	<u>\$ 9,703,317</u>
Net Pension Liability (Asset) (a) - (b)	<u>\$ 1,343,202</u>	<u>\$ 2,191,386</u>	<u>\$ 1,144,146</u>	<u>\$ 20,678,868</u>
Fiduciary Net Position as a Percentage of the Total Pension Liability	89.39 %	82.17 %	89.80 %	88.41 %
Covered Payroll	\$ 892,332	\$ 861,819	\$ 839,213	\$ 819,924
Net Pension Liability (Asset) as a Percentage of Covered Payroll	150.53 %	254.27 %	136.34 %	2,522.05 %

**CITY OF LOS ANGELES**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**Fiscal Year Ended June 30, 2022**  
**(Unaudited)**

**Los Angeles Fire and Police Pension System**  
**Other Postemployment Benefit Plan**  
**Schedule of Employer Contributions**  
(in thousands)

<b>Fiscal Year</b>	<b>Actuarially Determined Contribution</b>	<b>Actual Contribution</b>	<b>Contribution Deficiency / (Excess)</b>	<b>Covered Payroll<sup>(2)</sup></b>	<b>Contribution as Percentage of Covered Payroll</b>
2022	\$ 193,140	\$ 193,140	\$ --	\$ 1,598,685	12.1 %
2021	200,425	200,425	--	1,603,349	12.5 %
2020	193,213	193,213	--	1,509,613	12.8 %
2019	188,020	188,020	--	1,487,978	12.6 %
2018	178,462 <sup>(1)</sup>	178,462 <sup>(1)</sup>	--	1,451,996	12.3 %
2017	165,170	165,170	--	1,397,245	11.8 %
2016	150,315	150,315	--	1,351,788	11.1 %
2015	148,477	148,477	--	1,316,969	11.3 %
2014	138,107	138,107	--	1,308,149	10.6 %
2013	132,939	132,939	--	1,277,031	10.4 %

<sup>(1)</sup> Excludes the transfer of employer contributions for all new Airport Police members from the Los Angeles City Employees' Retirement System (LACERS) who elected to join the Pension Plan in Tier 6.

<sup>(2)</sup> Covered payroll represents payroll in which contributions to the Pension Plan are based.

**Los Angeles City Employees' Retirement System**  
**Other Postemployment Benefit Plan**  
**Schedule of Employer Contributions**  
(in thousands)

<b>Fiscal Year</b>	<b>Actuarially Determined Contribution</b>	<b>Actual Contribution</b>	<b>Contribution Deficiency / (Excess)</b>	<b>Covered Payroll</b>	<b>Contribution as Percentage of Covered Payroll</b>
2022	\$ 91,623	\$ 91,623	\$ --	\$ 2,155,005	4.3 %
2021	103,454	103,454	--	2,276,768	4.5 %
2020	112,136	112,136	--	2,271,039	4.9 %
2019	107,927	107,927	--	2,108,171	5.1 %
2018	100,909	100,909	--	2,057,565	4.9 %
2017	97,457	97,457	--	1,973,049	4.9 %
2016	105,983	105,983	--	1,876,946	5.7 %
2015	100,467	100,467	--	1,835,637	5.5 %
2014	97,841	97,841	--	1,802,931	5.4 %
2013	72,916	72,916	--	1,736,113	4.2 %

**Water and Power Employees' Retirement Plan**  
**Other Postemployment Benefit Plan**  
**Schedule of Employer Contributions**  
(in thousands)

<b>Fiscal Year</b>	<b>Actuarially Determined Contribution</b>	<b>Actual Contribution</b>	<b>Contribution Deficiency / (Excess)</b>	<b>Covered Payroll</b>	<b>Contribution as Percentage of Covered Payroll</b>
2022	\$ 49,688	\$ 112,081	\$ (62,393)	\$ 1,178,016	9.5 %
2021	63,165	109,282	(46,117)	1,121,883	9.7 %
2020	95,375	109,401	(14,026)	1,130,066	9.7 %
2019	80,851	101,595	(20,744)	1,028,212	9.9 %
2018	85,339	95,234	(9,895)	953,636	10.0 %
2017	93,920	90,310	3,610	892,332	10.1 %
2016	61,971	79,896	(17,925)	861,819	9.3 %
2015	70,748	78,497	(7,749)	839,213	9.4 %
2014	58,453	74,106	(15,653)	819,924	9.0 %
2013	36,907	67,563	(30,656)	817,421	8.3 %

**CITY OF LOS ANGELES**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**Fiscal Year Ended June 30, 2022**  
**(Unaudited)**

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**Water and Power Employees' Retirement Plan**  
**Other Postemployment Benefit Plan - Death Benefits**  
**Schedule of Employer Contributions**  
**(in thousands)**

<b>Fiscal Year</b>	<b>Actuarially Determined Contribution</b>	<b>Actual Contribution</b>	<b>Contribution Deficiency / (Excess)</b>	<b>Covered Payroll</b>	<b>Contribution as Percentage of Covered Payroll</b>
2022	\$ 13,076	\$ 13,134	\$ (58)	\$ 1,178,016	1.1 %
2021	12,565	12,899	(334)	1,121,883	1.1 %
2020	13,335	13,300	35	1,130,066	1.2 %
2019	7,260	7,260	--	1,028,212	0.7 %

This schedule is presented for those years for which information is available.

**CITY OF LOS ANGELES**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**Fiscal Year Ended June 30, 2022**  
(b unaudited)

**Los Angeles Fire and Police Pension System**  
**Schedule of Changes in Net Other Postemployment Benefits Liability and Related Ratios**  
(amounts in thousands)

	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
<b>TOTAL OPEB LIABILITY</b>					
Service Cost	\$ 80,618	\$ 79,394	\$ 74,090	\$ 69,940	\$ 65,407
Interest	260,018	263,088	260,513	243,769	231,285
Benefit Payments	(151,855)	(143,600)	(137,874)	(130,722)	(122,561)
Changes of Benefit Terms	--	--	--	--	--
Differences Between Expected and Actual Experience	8,191	(190,525)	(249,568)	(16,532)	(144,022)
Assumption Changes	(113,656)	80,297	85,911	63,332	248,048
Other	--	--	--	517	--
Net Change in Total OPEB Liability	83,316	88,654	33,072	230,304	278,157
Total OPEB Liability at Beginning of Year	<u>3,709,858</u>	<u>3,621,204</u>	<u>3,588,132</u>	<u>3,357,827</u>	<u>3,079,670</u>
Total OPEB Liability - Ending (a)	<u>\$ 3,793,174</u>	<u>\$ 3,709,858</u>	<u>\$ 3,621,204</u>	<u>\$ 3,588,131</u>	<u>\$ 3,357,827</u>
<b>FIDUCIARY NET POSITION</b>					
Employer Contributions	\$ 200,425	\$ 193,213	\$ 188,020	\$ 178,462	\$ (165,170)
Member Contributions	--	--	--	--	--
Net Investment Income	698,434	58,101	111,188	166,040	(189,420)
Benefit Payments	(151,856)	(143,600)	(137,874)	(130,722)	122,562
Administrative Expenses	(2,141)	(1,982)	(1,856)	(1,745)	1,747
Other	--	--	--	517	--
Net Change (Gain)	744,862	105,732	159,478	212,552	230,281
Fiduciary Net Position at Beginning of Year	<u>2,143,448</u>	<u>2,037,716</u>	<u>1,878,238</u>	<u>1,665,686</u>	<u>1,435,404</u>
Fiduciary Net Position at End of Year (b) <sup>(1)</sup>	<u>\$ 2,888,310</u>	<u>\$ 2,143,448</u>	<u>\$ 2,037,716</u>	<u>\$ 1,878,238</u>	<u>\$ 1,665,685</u>
Net OPEB Liability - Ending (a) - (b)	<u>\$ 904,864</u>	<u>\$ 1,566,410</u>	<u>\$ 1,583,488</u>	<u>\$ 1,709,893</u>	<u>\$ 1,692,142</u>
Fiduciary Net Position as a Percentage of the Total OPEB Liability	76.14 %	57.78 %	56.27 %	52.35 %	49.61 %
Covered Payroll	\$ 1,603,349	\$ 1,509,613	\$ 1,487,978	\$ 1,451,996	\$ 1,397,245
Net OPEB Liability as a Percentage of Covered Payroll	56.44 %	103.76 %	106.42 %	117.76 %	121.11 %

<sup>(1)</sup> Fiduciary Net Position - The fiduciary net position is calculated based on financial information available to the actuary for the presentation of the actuarial valuation and does not include subsequent adjustments. Employer contributions excludes the transfer of employer contributions.

The schedules for the Pensions OPEB Plan are intended to show information for 10 years. However, the schedules do not have an entire 10-year trend, and therefore, City presented information only for those years in which data is available. Additional years will be displayed in the future as they become available.

**CITY OF LOS ANGELES**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**Fiscal Year Ended June 30, 2022**  
(b unaudited)

**Los Angeles City Employees' Retirement System**  
**Schedule of Changes in Net Other Postemployment Benefits Liability and Related Ratios**  
(amounts in thousands)

	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018 <sup>(1)</sup>	June 30, 2017
<b>TOTAL OPEB LIABILITY</b>					
Service Cost	\$ 84,817	\$ 76,423	\$ 74,478	\$ 74,611	\$ 68,385
Interest	244,776	242,666	236,678	218,686	210,170
Benefit Payments <sup>(2)</sup>	(149,103)	(127,214)	(133,571)	(128,081)	(119,616)
Changes of Benefit Terms	--	--	--	948	--
Differences Between Expected and Actual Experience <sup>(3)</sup>	10,672	(135,720)	(134,053)	(7,321)	19,666
Assumption Changes	(157,614)	96,076	33,940	92,178	33,512
Other	--	--	--	--	--
Net Change in Total OPEB Liability	33,548	152,231	77,472	251,021	212,117
Total OPEB Liability at Beginning of Year	<u>3,486,530</u>	<u>3,334,299</u>	<u>3,256,827</u>	<u>3,005,806</u>	<u>2,793,689</u>
Total OPEB Liability - Ending (a)	<u>\$ 3,520,078</u>	<u>\$ 3,486,530</u>	<u>\$ 3,334,299</u>	<u>\$ 3,256,827</u>	<u>\$ 3,005,806</u>
<b>FIDUCIARY NET POSITION</b>					
Employer Contributions	\$ 103,454	\$ 112,136	\$ 107,927	\$ 100,909	\$ 97,457
Member Contributions	--	--	--	--	--
Net Investment Income	983,522	60,899	166,470	269,380	330,708
Benefit Payments <sup>(2)</sup>	(149,103)	(127,214)	(133,571)	(128,081)	(119,616)
Administrative Expenses	(7,425)	(6,715)	(5,099)	(4,699)	(4,564)
Other	--	--	--	--	--
Net Change (Gain)	930,448	39,106	135,727	237,509	303,985
Fiduciary Net Position at Beginning of Year	<u>2,851,204</u>	<u>2,812,098</u>	<u>2,676,371</u>	<u>2,438,862</u>	<u>2,134,877</u>
Fiduciary Net Position at End of Year (b)	<u>\$ 3,781,652</u>	<u>\$ 2,851,204</u>	<u>\$ 2,812,098</u>	<u>\$ 2,676,371</u>	<u>\$ 2,438,862</u>
Net OPEB Liability (Asset) - Ending (a) - (b)	<u>\$ (261,574)</u>	<u>\$ 635,326</u>	<u>\$ 522,201</u>	<u>\$ 580,456</u>	<u>\$ 566,944</u>
Fiduciary Net Position as a Percentage of the Total OPEB Liability	107.43 %	81.78 %	84.34 %	82.18 %	81.14 %
Covered Payroll	\$ 2,276,768	\$ 2,271,039	\$ 2,108,171	\$ 2,057,565	\$ 1,973,049
Net OPEB Liability (Asset) as a Percentage of Covered Payroll	(11.49)%	27.98 %	24.77 %	28.21 %	28.73 %

<sup>(1)</sup> After the GASB Statement No. 74 valuation report was issued for the fiscal year June 30, 2017, the LACERS' consulting actuary reclassified \$12.5 million of OPEB liability from the Changes of Assumption (revised from \$46.0 million to \$33.5 million) to the Differences Between Expected and Actual Experience (revised from \$7.2 million to \$19.7 million). However, this reclassification did not affect the recommended employer contribution rates or results of the OPEB valuation in total.

<sup>(2)</sup> Benefit payments associated with the self-funded insurance premium and Member's health insurance premium reserve that were reported as both additions and deductions in fiduciary net position beginning fiscal year 2019 were excluded from the above schedule.

<sup>(3)</sup> Building Lease and Other Income were included in the Net investment income (loss) starting in fiscal year 2020. Investment related administrative expenses is part of Administrative expenses and excluded from Net investment Income.

The schedules for the LACERS OPEB Plan are intended to show information for 10 years. However, the schedules do not have an entire 10-year trend, and therefore, City presented information only for those years in which data is available. Additional years will be displayed in the future as they become available.

**CITY OF LOS ANGELES**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**Fiscal Year Ended June 30, 2022**  
(b unaudited)

**Water and Power Employees' Retirement Plan - Retiree Health Benefits**  
**Schedule of Changes in Net Other Postemployment Benefits Liability and Related Ratios**  
(amounts in thousands)

	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
<b>TOTAL OPEB LIABILITY</b>					
Service Cost	\$ 48,226	\$ 52,964	\$ 46,188	\$ 49,191	\$ 49,295
Interest	173,866	187,719	178,690	170,306	169,518
Benefit Payments	(109,282)	(109,401)	(101,595)	(95,234)	(90,310)
Changes of Benefit Terms	--	--	--	(286)	--
Differences Between Expected and Actual Experience	(27,834)	(288,180)	(40,432)	(6,956)	(44,554)
Assumption Changes	(5,918)	(36,325)	131,290	4,799	(70,508)
Net Change in Total OPEB Liability	79,058	(193,223)	214,141	121,820	13,441
Total OPEB Liability at Beginning of Year	2,490,223	2,683,446	2,469,304	2,347,484	2,334,043
<b>Total OPEB Liability - Ending (a)</b>	<b>\$ 2,569,281</b>	<b>\$ 2,490,223</b>	<b>\$ 2,683,445</b>	<b>\$ 2,469,304</b>	<b>\$ 2,347,484</b>
<b>FIDUCIARY NET POSITION</b>					
Employer Contributions	\$ 110,261	\$ 110,445	\$ 102,631	\$ 95,919	\$ (91,024)
Member Contributions	--	--	--	--	--
Net Investment Income	614,234	83,021	134,707	173,674	(218,836)
Benefit Payments	(109,282)	(109,401)	(101,595)	(95,234)	90,310
Administrative Expenses	(822)	(887)	(883)	(549)	585
Net Change (Gain)	614,391	83,178	134,860	173,810	218,965
Fiduciary Net Position at Beginning of Year	2,303,729	2,220,551	2,085,691	1,911,881	1,692,916
Fiduciary Net Position at End of Year (b) <sup>(1)</sup>	<b>\$ 2,918,120</b>	<b>\$ 2,303,729</b>	<b>\$ 2,220,551</b>	<b>\$ 2,085,691</b>	<b>\$ 1,911,881</b>
<b>Net OPEB Liability (Asset) - Ending (a) - (b)</b>	<b>\$ (348,839)</b>	<b>\$ 186,494</b>	<b>\$ 462,894</b>	<b>\$ 383,613</b>	<b>\$ 435,603</b>
Fiduciary Net Position as a Percentage of the Total OPEB Liability	113.58 %	92.51 %	82.75 %	84.46 %	81.44 %
Covered Payroll	\$ 1,121,883	\$ 1,130,066	\$ 1,028,212	\$ 953,636	\$ 892,332
Net OPEB Liability (Asset) as a Percentage of Covered Payroll	(31.09)%	16.50 %	45.02 %	40.23 %	48.82 %

<sup>(1)</sup> Fiduciary Net Position - The fiduciary net position is calculated based on financial information available to the actuary for the presentation of the actuarial valuation and does not include subsequent adjustments. Employer contributions excludes the transfer of employer contributions.

The schedules for the DWP OPEB Plan are intended to show information for 10 years. However, the schedules do not have an entire 10-year trend, and therefore, City presented information only for those years in which data is available. Additional years will be displayed in the future as they become available.

**CITY OF LOS ANGELES**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**Fiscal Year Ended June 30, 2022**  
(b unaudited)

**Water and Power Employees' Retirement Plan - Death Benefits**  
**Schedule of Changes in Net Other Postemployment Benefits Liability and Related Ratios**  
(amounts in thousands)

	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
<b>TOTAL OPEB LIABILITY</b>					
Service Cost	\$ 5,040	\$ 4,717	\$ 4,780	\$ 3,875	\$ 3,657
Interest	4,678	4,725	5,059	5,141	5,095
Benefit Payments	(10,245)	(7,923)	(8,232)	(7,602)	(7,968)
Changes of Benefit Terms	--	--	--	91	--
Differences Between Expected and Actual Experience	828	(2,040)	485	(4,444)	125
Assumption Changes	--	--	(11,704)	--	--
Net Change in Total OPEB Liability	301	(521)	(9,612)	(2,939)	909
Total OPEB Liability at Beginning of Year	<u>133,737</u>	<u>134,258</u>	<u>143,870</u>	<u>146,809</u>	<u>145,900</u>
<b>Total OPEB Liability - Ending (a)</b>	<b>\$ 134,038</b>	<b>\$ 133,737</b>	<b>\$ 134,258</b>	<b>\$ 143,870</b>	<b>\$ 146,809</b>
<b>FIDUCIARY NET POSITION</b>					
Employer Contributions	\$ 14,523	\$ 14,909	\$ 8,778	\$ 8,101	\$ (8,207)
Member Contributions	374	385	358	347	(337)
Net Investment Income	343	2,793	2,293	(120)	57
Benefit Payments	(10,245)	(7,923)	(8,232)	(7,602)	7,968
Administrative Expenses	(1,622)	(1,606)	(1,600)	(1,100)	1,119
Net Change (Gain)	3,373	8,558	1,597	(374)	(600)
Fiduciary Net Position at Beginning of Year	<u>37,365</u>	<u>28,807</u>	<u>27,210</u>	<u>27,584</u>	<u>28,185</u>
Fiduciary Net Position at End of Year (b) <sup>(1)</sup>	<b>\$ 40,738</b>	<b>\$ 37,365</b>	<b>\$ 28,807</b>	<b>\$ 27,210</b>	<b>\$ 27,585</b>
<b>Net OPEB Liability - Ending (a) - (b)</b>	<b>\$ 93,300</b>	<b>\$ 96,372</b>	<b>\$ 105,451</b>	<b>\$ 116,660</b>	<b>\$ 119,224</b>
Fiduciary Net Position as a Percentage of the Total OPEB Liability	30.39 %	27.94 %	21.46 %	18.91 %	18.79 %
Covered Payroll	\$ 1,121,883	\$ 1,130,066	\$ 1,028,212	\$ 953,636	\$ 892,332
Net OPEB Liability as a Percentage of Covered Payroll	8.32 %	8.53 %	10.26 %	12.23 %	13.36 %

<sup>(1)</sup> Fiduciary Net Position - The fiduciary net position is calculated based on financial information available to the actuary for the presentation of the actuarial valuation and does not include subsequent adjustments. Employer contributions excludes the transfer of employer contributions.

The schedules for the DWP OPEB Plan are intended to show information for 10 years. However, the schedules do not have an entire 10-year trend, and therefore, City presented information only for those years in which date is available. Additional years will be displayed in the future as they become available.

**CITY OF LOS ANGELES**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**Fiscal Year Ended June 30, 2022**  
**(Unaudited)**

**Actuarial Methods and Assumptions Used to Determine Employer Contribution Rates - Pension**

	<b>Los Angeles Fire and Police Pension System</b>	<b>Los Angeles City Employees' Retirement System</b>	<b>Water and Power Employees' Retirement Plan</b>
Valuation Date	Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported.	Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported.	Actuarially determined contribution rates are calculated as of June 30, one year prior to the end of the fiscal year in which contributions are reported.
Actuarial Cost Method	Entry age actuarial cost method	Entry age actuarial cost method	Entry age actuarial cost method
Amortization Method	For Tier 1, level dollar amortization is used with last period ending on June 30, 2037. For Tiers 2, 3, and 4, level percent of payroll amortization with multiple layers is used as a percent of total valuation payroll from the respective employer (i.e., City). For Tiers 5 and 6, level percent of payroll with multiple layers is used as a percent of combined payroll for these tiers from the respective employer (i.e., City, Harbor Department, or Airport Department).	Level Percent of Payroll	Level dollar amortization
Amortization Period	Actuarial gains/losses are amortized over 20 years. Assumption changes are amortized over 20 years. Plan changes are amortized over 15 years.	Multiple layers, closed amortization periods. Actuarial gains/losses are amortized over 15 years. Assumption or method changes are amortized over 20 years. Plan changes, including the 2009 ERIP, are amortized over 15 years. Future ERIPs will be amortized over 5 years. Any actuarial surplus is amortized over 30 years. The existing layers on June 30, 2012, except those arising from the 2009 ERIP and the two GASB 25/27 layers, were combined and amortized over 30 years.	The July 1, 2004 Unfunded Actuarial Accrued Liability is amortized over a 15-year period commencing July 1, 2004. Any subsequent changes in Unfunded Actuarial Liability are amortized over separate 15-year periods effective with that valuation.
Asset Valuation Method	The fair value of assets less unrecognized returns. Unrecognized return is equal to the difference between the actual and the expected return on fair value basis, and is recognized over a seven-year period. The actuarial value of assets is further adjusted, if necessary, to be within 40% of the fair value of assets.	Fair value of assets less unrecognized returns in each of the last 7 years. Unrecognized return is equal to the difference between the actual market value and the expected return on a fair value basis, and is recognized over a 7-year period. The actuarial value of assets cannot be less than 60% or greater than 140% of the fair value of assets.	The fair value of assets less unrecognized returns in each of the last 5 years. Unrecognized return is equal to the difference between the actual market returns and the expected returns on a fair value basis, and is recognized over a five-year period.
Actuarial Assumptions:			
Investment Rate of Return	7.00%	7.00%	7.00%
Inflation Rate	2.75%	2.75%	2.75%
Real Across-the-Board Salary Increase	0.50%	0.50%	0.5%
Project Salary Increase	Ranges from 4.15% to 12.25% based on service.	Ranges from 4.25% to 9.95% based on years of service.	4.50% to 10.25%
Cost of Living Adjustment	2.75% of retirement income for all Tiers.	2.75% for Tier 1 and 2.00% for Tier 3	2.75% (actual increases are contingent upon CPI increases with a 3.00% maximum for Tier 1, 2.00% maximum for Tier 2).
Mortality Rates:			
Healthy	Pub-2010 Safety Healthy Retiree Amount-Weighted Above-Median Mortality Table multiplied by 105% for males and 100% for females, projected generationaly with the two-dimensional mortality improvement scale MP-2019.	Pub-2010 General Health Retiree Amount-Weighted Above-Median Mortality Tables with rates increased by 10% for males, projected generationaly with the two-dimensional mortality improvement scale MP-2019.	Pub-2010 General Healthy Retiree Amount-Weighted Above Median Mortality Table (separate tables for males and females) times 105% for males and 100% for females, projected generationaly with the two-dimensional mortality improvement scale MP-2018.
Disabled	Pub-2010 Safety Disabled Retiree Amount-Weighted Mortality Table projected generationaly with the two-dimensional mortality improvement scale MP-2019.	Pub-2010 Non-Safety Disabled Retiree Amount-Weighted Mortality Tables with rates increased by 10% for males and decreased by 5% for females, projected generationaly with the two-dimensional mortality improvement scale MP-2019.	Pub-2010 General Healthy Retiree Amount-Weighted Above Median Mortality Table (separate tables for males and females) times 105% for males and 100% for females, projected generationaly with the two-dimensional mortality improvement scale MP-2018.
Beneficiary	Pub-2010 General Healthy Retiree Amount-Weighted Above-Median Mortality Table multiplied by 105%, projected generationaly with the two-dimensional mortality improvement scale MP-2019.	Pub-2010 Contingent Survivor Amount-Weighted Above-Median Mortality Tables with rates increased by 10% for males and females, projected generationaly with the two-dimensional mortality improvement scale MP-2019.	Pub-2010 General Healthy Retiree Amount-Weighted Above-Median Mortality Table (separate tables for males and females), projected generationaly with the two-dimensional mortality improvement scale MP-2018.

**CITY OF LOS ANGELES**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**Fiscal Year Ended June 30, 2022**  
**(Unaudited)**

**Actuarial Methods and Assumptions Used to Determine Employer Contribution Rates - OPEB**

<b>Los Angeles Fire and Police Pension System</b>		<b>Los Angeles City Employees' Retirement System</b>	<b>Water and Power Employee Retirement Plan</b>	
			<b>Retiree Health Benefits</b>	<b>Death Benefit</b>
Valuation Date	Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported.	Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which the contributions are reported.	Actuarially determined contribution rates are calculated as of June 30, one year prior to the end of the fiscal year in which contributions are reported.	Actuarially determined contribution rates are calculated as of June 30, one year prior to the end of the fiscal year in which contributions are reported.
Actuarial Cost Method	Entry age actuarial cost method	Entry age actuarial cost method	Entry Age, Level Percent of Pay	Entry age actuarial cost method
Amortization Method	For Tier 1, level dollar amortization is used with last period ending on June 30, 2037. For Tiers 2, 3, and 4, level percent of payroll amortization with multiple layers is used as a percent of total valuation payroll from the respective employer (i.e., City). For Tiers 5 and 6, level percent of payroll with multiple layers is used as a percent of combined payroll for these tiers from the respective employer (i.e., City, Harbor Department, or Airport Department).	Level Percent of Payroll	30-year amortization open, level percent of pay	Level dollar amortization
Amortization Period	Actuarial gains/losses are amortized over 20 years. Assumption changes are amortized over 20 years. Plan changes are amortized over 15 years.	Multiple layers - closed amortization period. The unfunded actuarial accrued liability as of June 30, 2020 is amortized over a fixed period of 21 years beginning June 30, 2021. Actuarial gains/losses are amortized over 15 years. Non-health related assumptions or method changes are amortized over 20 years. Health related assumptions or method changes are amortized over 15 years. Plan changes, including the 2009 Early Retirement Incentive Program (ERIP), are amortized over 15 years. Future ERIPs will be amortized over 5 years. Any actuarial surplus is amortized over 30 years. The existing layers on June 30, 2012, except those arising from the 2009 ERIP and the two GASB 25/27 layers, were combined and amortized over 30 years.	15 years remaining as of June 30, 2020	The July 1, 2019 Unfunded Actuarial Accrued Liability is amortized over a fifteen-year period commencing July 1, 2019 (fully amortized as of July 1, 2034). Any subsequent changes in Surplus or Unfunded Actuarial Accrued Liability are amortized over separate fifteen-year periods. All amortization amounts are determined in equal dollar amounts over the amortization period.
Asset Valuation Method	The fair value of assets less unrecognized returns. Unrecognized return is equal to the difference between the actual and the expected return on fair value basis, and is recognized over a seven-year period. The actuarial value of assets is further adjusted, if necessary, to be within 40% of the fair value of assets.	Fair value of assets less unrecognized returns in each of the last 7 years. Unrecognized return is equal to the difference between the actual and the expected return on the fair value basis, and is recognized over a 7-year period. The actuarial value of assets cannot be less than 60% or greater than 140% of the fair value of assets.	The fair value of assets less unrecognized returns in each of the last five years. Unrecognized return is equal to the difference between the actual market returns and the expected returns on a fair value basis, and is recognized over a five-year period.	The fair value of assets less unrecognized returns in each of the last five years. Unrecognized return is equal to the difference between the actual and expected returns on a fair value basis and is recognized over a five-year period. Prior to the July 1, 2020 valuation, as directed by the Retirement Office, the actuarial value of assets was reduced by 1% as an amount classified as a non-valuation reserve to develop the net actuarial value of assets.
Actuarial Assumptions:				
Investment Rate of Return	7.00%	7.00%	7.00%	3.50%
Inflation Rate	2.75%	2.75%	2.75%	2.75%
Real Across-the-Board Salary Increase	0.50%	0.50%	0.5%	0.5%
Project Salary Increase	Ranges from 4.15% to 12.25% based on years of service	Ranges from 4.25% to 9.95% based on years of service	4.50% to 10.25%	4.5% to 10.25%
Cost of Living Adjustment	N/A	N/A	N/A	Contingent upon Consumer Price Index (CPI) increases with a 3.00% maximum for Tier 1, 2.00% maximum for Tier 2 members.
Mortality Rates:				
Healthy	Pub-2010 Safety Healthy Retiree Headcount-Weighted Above-Median Mortality Table multiplied by 105% for males and 100% for females, projected generationaly with the two-dimensional mortality improvement scale MP-2019.	Pub-2010 General Healthy Retiree Headcount-Weighted Above-Median Mortality Tables with rates increased by 10% for males, projected generationaly with the two-dimensional mortality improvement scale MP-2019	Pub-2010 General Healthy Retiree Headcount-Weighted Above-Median Mortality Table times 105% for males and 100% for females, projected generationaly with the two-dimensional mortality improvement scale MP-2018.	Pub-2010 General Healthy Retiree Amount-Weighted Above Median Mortality Table (separate tables for males and females) times 105% for males and 100% for females, projected generationaly with the two-dimensional mortality improvement scale MP-2018.
Disabled	Pub-2010 Safety Disabled Retiree Headcount-Weighted Mortality Table projected generationaly with the two-dimensional mortality improvement scale MP-2019.	Pub-2010 Non-Safety Disabled Retiree Headcount-Weighted Mortality Tables with rates increased by 10% for males and decreased by 5% for females, projected generationaly with the two-dimensional mortality improvement scale MP-2019.	Same as above	Same as above
Beneficiary	Pub-2010 General Healthy Retiree Headcount-Weighted Above-Median Mortality Table multiplied by 105%, projected generationaly with the two dimensional mortality improvement scale MP-2019.	Pub-2010 Contingent Survivor Headcount-Weighted Above-Median Mortality Tables with rates increased by 10% for males and females, projected generationaly with the two-dimensional mortality improvement scale MP-2019.	Pub-2010 General Healthy Retiree Headcount-Weighted Above-Median Mortality Table, projected generationaly with the two-dimensional mortality improvement scale MP-2018.	Pub-2010 General Healthy Retiree Amount-Weighted Above-Median Mortality Table, projected generationaly with the two-dimensional mortality improvement scale MP-2018.

**CITY OF LOS ANGELES**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**Fiscal Year Ended June 30, 2022**  
**(Unaudited)**

**Condition Rating for City Bridges**  
**As of July 1, 2022**

Bridge Type	No. of Bridges	Rating				
		A = 90% - 100% (Very Good)	B = 80% - 89% (Good to Fair)	C = 70% - 79% (Fair to Poor)	D = 50% - 69% (Very Poor)	F = Below 50% (Failure)
Vehicular	425	169	115	100	37	4
Pedestrian	72	8	59	4	1	--
Tunnel	16	5	7	4	--	--
Bikeway	3	1	2	--	--	--
Total	516	183	183	108	38	4
Percentage	100.0 %	35.4 %	35.5 %	20.9 %	7.4 %	0.8 %

**Condition Rating for City Bridges**  
**As of July 1, 2019**

Bridge Type	No. of Bridges	Rating				
		A = 90% - 100% (Very Good)	B = 80% - 89% (Good to Fair)	C = 70% - 79% (Fair to Poor)	D = 50% - 69% (Very Poor)	F = Below 50% (Failure)
Vehicular	424	170	110	102	41	1
Pedestrian	69	5	59	4	1	--
Tunnel	16	5	7	4	--	--
Bikeway	3	1	2	--	--	--
Total	512	181	178	110	42	1
Percentage	100.0 %	35.3 %	34.8 %	21.5 %	8.2 %	0.2 %

**Condition Rating for City Bridges**  
**As of July 1, 2016**

Bridge Type	No. of Bridges	Rating				
		A = 90% - 100% (Very Good)	B = 80% - 89% (Good to Fair)	C = 70% - 79% (Fair to Poor)	D = 50% - 69% (Very Poor)	F = Below 50% (Failure)
Vehicular	427	176	100	118	31	2
Pedestrian	69	4	62	3	--	--
Tunnel	16	5	7	4	--	--
Bikeway	3	2	1	--	--	--
Total	515	187	170	125	31	2
Percentage	100.0 %	36.3 %	33.0 %	24.3 %	6.0 %	0.4 %

**CITY OF LOS ANGELES**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**Fiscal Year Ended June 30, 2022**  
**(Unaudited)**

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**Comparison of Needed-to-Actual Maintenance/Preservation Costs**  
(amounts expressed in thousands)

	<b>Fiscal Year Ended June 30</b>				
	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Needed	\$ 1,583	\$ 1,317	\$ 1,601	\$ 1,429	\$ 1,189
Actual	2,456	994	1,130	794	701

The Bridges and Tunnel System is a comprehensive bridge database system that enables the City to track the entire bridge inventory, inspection data, repair records, structural condition of various bridge elements, bridge sufficiency rating, cost data, traffic data, and geometric data. The Sufficiency Rating given to each bridge is in accordance with national standards developed by the Federal Highway Administration. The Sufficiency Rating ranges from 0% to 100% and is composed of the following elements: Structural Safety and Adequacy ( $S_1=55\%$ ), Serviceability and Functional Obsolescence ( $S_2=30\%$ ), Essentiality for Public Use ( $S_3=15\%$ ), and Special Reductions ( $S_4=\text{up to a maximum of } 13\%$ ). The Special Reductions is provided for long detour distance, traffic safety features, and structure type. The Sufficiency Rating is computed by summing the four elements ( $SR = S_1 + S_2 + S_3 - S_4$ ).

Once every three years, the Bureau of Engineering (BOE) submits a report on the condition of the City's bridges, establishing the City's compliance (or lack thereof) with the City Council's adopted policy on maintaining the condition of the City's bridge inventory. The City's policy is to maintain the bridges such that at least 70% of the bridges are rated "B" or better, and that no bridge shall be rated less than "D".

According to the applicable GAAP guidelines and GASB guidance, compliance with the policy (and therefore ability to use the modified approach to capital asset accounting) should be judged based on the three most recent reports. It should also be noted that the guidance repeatedly states the requirement as "approximately at (or above)" the policy standard.

The 2022 report rated 70.9% of the bridges "B" or better, with four bridges rated "F".

The 2019 report states that 70.1% of the bridges are rated "B" or better, and one bridge is rated "F".

The 2016 report rated 69.3% of the bridges "B" or better, with two bridges rated "F".

Clearly, the City has maintained the bridge inventory "approximately at (or above)" the 70% "B" or better policy standard over the past three evaluations.

Over the past three evaluations, a total of 6 bridges have received a grade of "F." In 2016, two bridges were rated "F" due to the same Caltrans standards changes. Subsequent inspections under the new standard also resulted in higher ratings for these two bridges. In 2019 and the most recent report, a bridge rated "F" sustained fire damage that requires significant repair, though it is not in imminent danger of collapse. Another three bridges rated "F" are a part of the Venice Canals in a densely populated area. The current speed limit has been restricted to 5 mph from 25 mph. Additionally, there is posted signage limiting the gross weight of vehicles to 6,000 lbs on the bridges. The current speed limit and weight restrictions help mitigate further damage. BOE has developed a mitigation plan for "F" rated bridges, and the plan's implementation is in progress based on the funding status.

The letter grades are not provided by Caltrans – only the numerical scores. The letter grades are provided by the Bureau of Engineering for consistency with national standards and practice. As such, a rating by Caltrans under 50 does not necessarily indicate a "failed" bridge which should not be used. Given that the letter grades (and how they correspond to Caltrans' numerical ratings) are determined by the City, but Caltrans occasionally changes their rating methodology, the City will work to bring these standards together to generate a more meaningful rating.

Over the past three assessments, all six ratings were due to extraordinary circumstances (changing standards, an unanticipated fire, and access restriction). The GASB Implementation Guidance regarding capital infrastructure reporting indicates that individual changes or incidents reported in a single evaluation should not create policy non-compliance.

Based on our understanding of the BOE report, and the guidance currently available to us, it is our conclusion that the City is in compliance with the adopted policy and therefore the application of the modified approach under GAAP is appropriate.

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## **Combining and Individual Fund Financial Statements and Schedules**

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## **COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES**

The other governmental funds combining balance sheet and other governmental funds combining statement of revenues, expenditures and changes in fund balances provide the detail for the combined amounts presented in the financial statements. Subcombining statements are presented to provide the detail for the Nonmajor Special Revenue Funds, Nonmajor Debt Service Funds, and Nonmajor Capital Projects Funds. In addition, combining budgetary comparison schedules are presented for each of the Nonmajor Budgeted Funds.

The combining statements for the fiduciary funds are also presented for the Pension and Other Postemployment Benefits Trust Funds, and Custodial Funds to provide the detail for the combined amounts presented in the statement of fiduciary net position and statement of changes in fiduciary net position of the basic financial statements.

**CITY OF LOS ANGELES**  
**Combining Balance Sheet**  
**Other Governmental Funds**  
**June 30, 2022**  
(amounts expressed in thousands)

	<b>Nonmajor Special Revenue Funds</b>	<b>Nonmajor Debt Service Funds</b>	<b>Nonmajor Capital Projects Funds</b>	<b>Total Other Governmental Funds</b>
<b>ASSETS</b>				
Cash and Pooled Investments	\$ 4,221,512	\$ 146,871	\$ 270,706	\$ 4,639,089
Taxes Receivable (Net of Allowance for Uncollectibles of \$601)	2,133	17,268	--	19,401
Accounts Receivable (Net of Allowance for Uncollectibles of \$8,376)	119,633	--	198	119,831
Special Assessments Receivable	10,094	--	1,842	11,936
Investment Income Receivable	11,253	311	768	12,332
Intergovernmental Receivable	279,009	--	8,441	287,450
Leases Receivable	14,957	--	--	14,957
Loans Receivable (Net of Allowance of Uncollectibles of \$1,312,253)	2,217,237	--	--	2,217,237
Due from Other Funds	80,973	--	2,976	83,949
Inventories	13,037	--	--	13,037
Prepaid Items and Other Assets	8,864	--	--	8,864
Advances to Other Funds	76,494	--	--	76,494
Restricted Assets	10,572	--	--	10,572
Properties Held for Housing Development	106,301	--	--	106,301
<b>TOTAL ASSETS</b>	<b>\$ 7,172,069</b>	<b>\$ 164,450</b>	<b>\$ 284,931</b>	<b>\$ 7,621,450</b>
<b>LIABILITIES</b>				
Accounts, Contracts and Retainage Payable	\$ 243,419	\$ --	\$ 2,630	\$ 246,049
Obligations Under Securities Lending Transactions	53,824	1,845	3,646	59,315
Accrued Salaries and Overtime Payable	16,620	--	--	16,620
Intergovernmental Payable	4,032	--	--	4,032
Due to Other Funds	123,450	--	2,701	126,151
Unearned Revenue	113,813	--	--	113,813
Deposits and Advances	228,645	--	4	228,649
Interest Payable	--	268	--	268
Advances from Other Funds	153,652	3,245	--	156,897
Other Liabilities	34,025	974	1,919	36,918
Liability for Excess CRA Bond Proceeds	42,628	--	--	42,628
<b>TOTAL LIABILITIES</b>	<b>1,014,108</b>	<b>6,332</b>	<b>10,900</b>	<b>1,031,340</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property Taxes	34	10,960	--	10,994
Receivables from Other Government Agencies	193,555	--	3,523	197,078
Interest Receivable on Loans and Others	679,712	76	917	680,705
Leases	14,393	--	--	14,393
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>887,694</b>	<b>11,036</b>	<b>4,440</b>	<b>903,170</b>
<b>FUND BALANCES</b>				
Nonspendable	21,901	--	--	21,901
Restricted	3,527,770	147,082	269,591	3,944,443
Committed	1,810,604	--	--	1,810,604
Assigned	2,814	--	--	2,814
Unassigned	(92,822)	--	--	(92,822)
<b>TOTAL FUND BALANCES</b>	<b>5,270,267</b>	<b>147,082</b>	<b>269,591</b>	<b>5,686,940</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 7,172,069</b>	<b>\$ 164,450</b>	<b>\$ 284,931</b>	<b>\$ 7,621,450</b>

**CITY OF LOS ANGELES**

**Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances  
Other Governmental Funds  
For the Fiscal Year Ended June 30, 2022  
(amounts expressed in thousands)**

	<b>Nonmajor Special Revenue Funds</b>	<b>Nonmajor Debt Service Funds</b>	<b>Nonmajor Capital Projects Funds</b>	<b>Total Other Governmental Funds</b>
<b>REVENUES</b>				
Property Taxes	\$ 27,214	\$ 112,611	\$ --	\$ 139,825
Other Taxes	56,133	--	3,247	59,380
Licenses and Permits	65,798	--	10	65,808
Intergovernmental	2,191,589	--	20,701	2,212,290
Charges for Services	1,082,839	8,015	724	1,091,578
Services to Enterprise Funds	5,055	--	--	5,055
Fines	13,058	--	--	13,058
Special Assessments	124,247	--	24,927	149,174
Investment Earnings	40,098	1,110	3,521	44,729
Change in Fair Value of Investments	(197,474)	(7,015)	(14,099)	(218,588)
Program Income	30,869	--	--	30,869
Other	53,040	--	5	53,045
<b>TOTAL REVENUES</b>	<b>3,492,466</b>	<b>114,721</b>	<b>39,036</b>	<b>3,646,223</b>
<b>EXPENDITURES</b>				
Current:				
General Government	59,920	178	--	60,098
Protection of Persons and Property	430,695	--	--	430,695
Public Works	278,870	--	--	278,870
Health and Sanitation	372,124	--	--	372,124
Transportation	372,649	--	--	372,649
Cultural and Recreational Services	602,362	--	--	602,362
Community Development	882,479	--	--	882,479
Capital Outlay	220,071	--	50,523	270,594
Debt Service:				
Principal	8,579	126,890	--	135,469
Interest	975	27,482	--	28,457
Cost of Issuance	1,476	163	--	1,639
<b>TOTAL EXPENDITURES</b>	<b>3,230,200</b>	<b>154,713</b>	<b>50,523</b>	<b>3,435,436</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>262,266</b>	<b>(39,992)</b>	<b>(11,487)</b>	<b>210,787</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	873,416	48,671	24,182	946,269
Transfers Out	(748,762)	(12,969)	(32,061)	(793,792)
Issuance of Long-Term Debt	211,940	--	--	211,940
Premium on Issuance of Long-Term Debt	2,859	--	--	2,859
Issuance of Refunding Bonds	--	65,490	--	65,490
Premium on Issuance of Refunding Bonds	--	4,042	--	4,042
Payment to Refunding Bond Escrow Agent	--	(69,369)	--	(69,369)
Lease Liabilities Issued	6,927	--	--	6,927
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>346,380</b>	<b>35,865</b>	<b>(7,879)</b>	<b>374,366</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>608,646</b>	<b>(4,127)</b>	<b>(19,366)</b>	<b>585,153</b>
<b>FUND BALANCES, JULY 1</b>	<b>4,661,621</b>	<b>151,209</b>	<b>288,957</b>	<b>5,101,787</b>
<b>FUND BALANCES, JUNE 30</b>	<b>\$ 5,270,267</b>	<b>\$ 147,082</b>	<b>\$ 269,591</b>	<b>\$ 5,686,940</b>

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## **General Fund**

The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in other funds. General Fund revenues are derived from such sources as Taxes, Licenses and Permits, Intergovernmental Revenues, Charges for Services, Fines, Special Assessments, Interest and Others. Expenditures are expended for function of General Government, Protection of Persons and Property, Public Works, Health and Sanitation, Transportation, Cultural and Recreational Services, Community Development, Capital Outlay, and Debt Service.

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**CITY OF LOS ANGELES**

**Supplemental Schedule of Budget Appropriations,  
Expenditures and Other Financing Uses by Function  
Budget and Actual (Non-GAAP Budgetary Basis)  
General Fund  
For the Fiscal Year Ended June 30, 2022  
(amounts expressed in thousands)**

	<b>Original Adopted Budget</b>	<b>Additional Appropriations and Transfers</b>	<b>Final Budget</b>	<b>Expenditures</b>	<b>Encumbrances June 30, 2022</b>	<b>Total Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>GENERAL GOVERNMENT</b>							
Cannabis Regulation	\$ 5,213	\$ 295	\$ 5,508	\$ 3,668	\$ 258	\$ 3,926	\$ 1,582
City Administrative Officer	17,889	12,972	30,861	20,090	6,570	26,660	4,201
City Attorney	154,288	8,677	162,965	147,213	12,525	159,738	3,227
City Clerk	15,818	2,645	18,463	14,252	1,503	15,755	2,708
Civil, Human Rights	3,316	384	3,700	1,655	520	2,175	1,525
Controller	19,494	276	19,770	16,832	975	17,807	1,963
Council	33,218	26,130	59,348	39,899	1,830	41,729	17,619
Employee Relations Board	455	--	455	401	26	427	28
Ethics Commission	4,099	--	4,099	3,576	396	3,972	127
Finance	44,207	113	44,320	35,425	3,854	39,279	5,041
General Services	253,473	96,211	349,684	260,906	37,308	298,214	51,470
Information Technology Agency	115,830	20,839	136,669	81,143	41,393	122,536	14,133
Mayor	9,115	100,889	110,004	78,300	16,330	94,630	15,374
Neighborhood Empowerment	3,015	39	3,054	2,471	289	2,760	294
Personnel	69,926	12,173	82,099	69,121	8,295	77,416	4,683
Public Accountability	3,347	--	3,347	831	39	870	2,477
Non-departmental							
Capital Finance							
Administration	3,858	--	3,858	3,568	289	3,857	1
General City Purposes	331,184	(65,561)	265,623	82,214	38,596	120,810	144,813
Human Resources							
Benefits	774,378	--	774,378	754,094	15,556	769,650	4,728
Leasing	21,221	57,044	78,265	71,070	5,674	76,744	1,521
Liability Claims	87,370	21,111	108,481	91,317	12,133	103,450	5,031
Unappropriated Balance	531,533	(449,684)	81,849	--	--	--	81,849
Water and Electricity	36,887	--	36,887	28,081	7,940	36,021	866
<b>TOTAL GENERAL GOVERNMENT</b>	<b>2,539,134</b>	<b>(155,447)</b>	<b>2,383,687</b>	<b>1,806,127</b>	<b>212,299</b>	<b>2,018,426</b>	<b>365,261</b>
<b>PROTECTION OF PERSONS AND PROPERTY</b>							
Animal Services	25,734	697	26,431	24,336	1,509	25,845	586
Building and Safety	132,873	2,124	134,997	108,125	3,917	112,042	22,955
Emergency Management	3,604	175	3,779	2,812	117	2,929	850
Fire	746,268	54,111	800,379	746,979	33,249	780,228	20,151
Police	1,760,909	58,559	1,819,468	1,682,653	92,314	1,774,967	44,501
<b>TOTAL PROTECTION OF PERSONS AND PROPERTY</b>	<b>2,669,388</b>	<b>115,666</b>	<b>2,785,054</b>	<b>2,564,905</b>	<b>131,106</b>	<b>2,696,011</b>	<b>89,043</b>
<b>PUBLIC WORKS</b>							
Board of Public Works	36,740	41,091	77,831	36,333	22,776	59,109	18,722
Bureau of Contract Administration	45,215	204	45,419	36,064	1,635	37,699	7,720
Bureau of Engineering	104,892	5,856	110,748	96,770	4,840	101,610	9,138
Bureau of Street Lightning	41,267	4,767	46,034	37,786	3,745	41,531	4,503
Bureau of Street Services	205,239	27,440	232,679	198,524	26,816	225,340	7,339
Non-departmental							
Water and Electricity	6,902	--	6,902	3,326	3,223	6,549	353
<b>TOTAL PUBLIC WORKS</b>	<b>440,255</b>	<b>79,358</b>	<b>519,613</b>	<b>408,803</b>	<b>63,035</b>	<b>471,838</b>	<b>47,775</b>
<b>HEALTH AND SANITATION</b>							
Public Works - Bureau of Sanitation	344,662	17,149	361,811	305,705	24,912	330,617	31,194

Continued...

**CITY OF LOS ANGELES**

**Supplemental Schedule of Budget Appropriations,  
Expenditures and Other Financing Uses by Function  
Budget and Actual (Non-GAAP Budgetary Basis) - (Continued)**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2022**  
(amounts expressed in thousands)

	<b>Original Adopted Budget</b>	<b>Additional Appropriations and Transfers</b>	<b>Final Budget</b>	<b>Expenditures</b>	<b>Encumbrances June 30, 2022</b>	<b>Total Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>TRANSPORTATION</b>	\$ 204,941	\$ 8,462	\$ 213,403	\$ 164,646	\$ 11,258	\$ 175,904	\$ 37,499
<b>CULTURAL AND RECREATIONAL SERVICES</b>							
City Tourism	1,450	5,009	6,459	6,238	48	6,286	173
Cultural Affairs	20,295	3,841	24,136	9,061	5,225	14,286	9,850
El Pueblo De Los Angeles Historical Monument	1,647	300	1,947	1,659	96	1,755	192
Zoo	24,892	1,661	26,553	23,715	1,850	25,565	988
Non-departmental Water and Electricity	5,010	--	5,010	4,348	662	5,010	--
<b>TOTAL CULTURAL AND RECREATIONAL SERVICES</b>	<b>53,294</b>	<b>10,811</b>	<b>64,105</b>	<b>45,021</b>	<b>7,881</b>	<b>52,902</b>	<b>11,203</b>
<b>COMMUNITY DEVELOPMENT</b>							
Aging	7,080	13,083	20,163	10,376	6,851	17,227	2,936
Economic and Workforce Environment	23,854	(3,547)	20,307	13,848	917	14,765	5,542
Community Investment for Families	14,387	6,532	20,919	8,281	8,535	16,816	4,103
Disability	4,800	500	5,300	3,410	1,444	4,854	446
Los Angeles Housing	76,707	7,056	83,763	66,290	4,002	70,292	13,471
Planning	59,542	5,067	64,609	45,432	10,346	55,778	8,831
Youth Development	1,067	1,122	2,189	347	126	473	1,716
<b>TOTAL COMMUNITY DEVELOPMENT</b>	<b>187,437</b>	<b>29,813</b>	<b>217,250</b>	<b>147,984</b>	<b>32,221</b>	<b>180,205</b>	<b>37,045</b>
<b>PENSION AND RETIREMENT CONTRIBUTIONS</b>							
Non-Departmental General City Purposes	2,406	(245)	2,161	2,060	101	2,161	--
<b>CAPITAL OUTLAY</b>							
Non-Departmental Capital Improvement Projects	128,088	27,982	156,070	24,714	26,621	51,335	104,735
<b>TRANSFERS TO OTHER FUNDS</b>							
Non-Departmental Capital Financing Administration General	248,129	228	248,357	240,195	--	240,195	8,162
<b>TOTAL TRANSFERS TO OTHER FUNDS</b>	<b>1,954,120</b>	<b>343,304</b>	<b>2,297,424</b>	<b>2,288,848</b>	<b>--</b>	<b>2,288,848</b>	<b>8,576</b>
<b>GRAND TOTAL</b>	<b>\$ 8,771,854</b>	<b>\$ 477,081</b>	<b>\$ 9,248,935</b>	<b>\$ 7,999,008</b>	<b>\$ 509,434</b>	<b>\$ 8,508,442</b>	<b>\$ 740,493</b>

**CITY OF LOS ANGELES**

**Supplemental Schedule of Budget Appropriations,  
Expenditures and Other Financing Uses by Function and Object  
Budget and Actual (Non-GAAP Budgetary Basis)  
General Fund  
For the Fiscal Year Ended June 30, 2022  
(amounts expressed in thousands)**

	<b>Original Adopted Budget</b>	<b>Additional Appropriations and Transfers</b>	<b>Final Budget</b>	<b>Expenditures</b>	<b>Encumbrances June 30, 2022</b>	<b>Total Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>GENERAL GOVERNMENT CANNABIS REGULATION</b>							
Salaries	\$ 3,944	\$ 298	\$ 4,242	\$ 2,794	\$ 102	\$ 2,896	\$ 1,346
Expenses	1,269	(3)	1,266	874	156	1,030	236
Subtotal	<u>5,213</u>	<u>295</u>	<u>5,508</u>	<u>3,668</u>	<u>258</u>	<u>3,926</u>	<u>1,582</u>
<b>CITY ADMINISTRATIVE OFFICER</b>							
Salaries	16,828	461	17,289	15,380	589	15,969	1,320
Expenses	1,061	12,511	13,572	4,710	5,981	10,691	2,881
Subtotal	<u>17,889</u>	<u>12,972</u>	<u>30,861</u>	<u>20,090</u>	<u>6,570</u>	<u>26,660</u>	<u>4,201</u>
<b>CITY ATTORNEY</b>							
Salaries	146,177	(737)	145,440	137,506	4,983	142,489	2,951
Expenses	8,111	9,414	17,525	9,707	7,542	17,249	276
Subtotal	<u>154,288</u>	<u>8,677</u>	<u>162,965</u>	<u>147,213</u>	<u>12,525</u>	<u>159,738</u>	<u>3,227</u>
<b>CITY CLERK</b>							
Salaries	12,804	1,564	14,368	12,132	415	12,547	1,821
Expenses	3,014	1,081	4,095	2,120	1,088	3,208	887
Subtotal	<u>15,818</u>	<u>2,645</u>	<u>18,463</u>	<u>14,252</u>	<u>1,503</u>	<u>15,755</u>	<u>2,708</u>
<b>CIVIL, HUMAN RIGHTS</b>							
Salaries	2,593	(473)	2,120	1,410	76	1,486	634
Expenses	723	857	1,580	245	444	689	891
Subtotal	<u>3,316</u>	<u>384</u>	<u>3,700</u>	<u>1,655</u>	<u>520</u>	<u>2,175</u>	<u>1,525</u>
<b>CONTROLLER</b>							
Salaries	18,541	(594)	17,947	16,657	575	17,232	715
Expenses	953	870	1,823	175	400	575	1,248
Subtotal	<u>19,494</u>	<u>276</u>	<u>19,770</u>	<u>16,832</u>	<u>975</u>	<u>17,807</u>	<u>1,963</u>
<b>COUNCIL</b>							
Salaries	32,310	20,312	52,622	36,367	1,193	37,560	15,062
Expenses	908	5,818	6,726	3,532	637	4,169	2,557
Subtotal	<u>33,218</u>	<u>26,130</u>	<u>59,348</u>	<u>39,899</u>	<u>1,830</u>	<u>41,729</u>	<u>17,619</u>
<b>EMPLOYEE RELATIONS BOARD</b>							
Salaries	375	9	384	358	16	374	10
Expenses	80	(9)	71	43	10	53	18
Subtotal	<u>455</u>	--	<u>455</u>	<u>401</u>	<u>26</u>	<u>427</u>	<u>28</u>
<b>ETHICS COMMISSION</b>							
Salaries	3,691	(58)	3,633	3,445	128	3,573	60
Expenses	408	58	466	131	268	399	67
Subtotal	<u>4,099</u>	--	<u>4,099</u>	<u>3,576</u>	<u>396</u>	<u>3,972</u>	<u>127</u>
<b>FINANCE</b>							
Salaries	34,824	(1,353)	33,471	29,063	1,048	30,111	3,360
Expenses	9,383	1,466	10,849	6,362	2,806	9,168	1,681
Subtotal	<u>44,207</u>	<u>113</u>	<u>44,320</u>	<u>35,425</u>	<u>3,854</u>	<u>39,279</u>	<u>5,041</u>
<b>GENERAL SERVICES</b>							
Salaries	131,191	33,283	164,474	130,686	4,429	135,115	29,359
Expenses	118,667	62,393	181,060	126,978	31,988	158,966	22,094
Equipment	120	113	233	51	171	222	11
Special	3,495	422	3,917	3,191	720	3,911	6
Subtotal	<u>253,473</u>	<u>96,211</u>	<u>349,684</u>	<u>260,906</u>	<u>37,308</u>	<u>298,214</u>	<u>51,470</u>

Continued...

**CITY OF LOS ANGELES**

**Supplemental Schedule of Budget Appropriations,  
Expenditures and Other Financing Uses by Function and Object  
Budget and Actual (Non-GAAP Budgetary Basis) - (Continued)**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2022**  
(amounts expressed in thousands)

	Original Adopted Budget	Additional Appropriations and Transfers	Final Budget	Expenditures	Encumbrances June 30, 2022	Total Actual	Variance with Final Budget Positive (Negative)
<b>INFORMATION TECHNOLOGY AGENCY</b>							
Salaries							
Salaries	\$ 49,694	\$ 1,758	\$ 51,452	\$ 42,350	\$ 1,423	\$ 43,773	\$ 7,679
Expenses	40,017	14,775	54,792	29,483	25,076	54,559	233
Equipment	153	--	153	--	123	123	30
Special	25,966	4,306	30,272	9,310	14,771	24,081	6,191
Subtotal	<u>115,830</u>	<u>20,839</u>	<u>136,669</u>	<u>81,143</u>	<u>41,393</u>	<u>122,536</u>	<u>14,133</u>
<b>MAYOR</b>							
Salaries	8,726	16,644	25,370	17,293	629	17,922	7,448
Expenses	389	84,245	84,634	61,007	15,701	76,708	7,926
Subtotal	<u>9,115</u>	<u>100,889</u>	<u>110,004</u>	<u>78,300</u>	<u>16,330</u>	<u>94,630</u>	<u>15,374</u>
<b>NEIGHBORHOOD EMPOWERMENT</b>							
Salaries	2,765	(195)	2,570	2,307	82	2,389	181
Expenses	236	238	474	164	207	371	103
Special	14	(4)	10	--	--	--	10
Subtotal	<u>3,015</u>	<u>39</u>	<u>3,054</u>	<u>2,471</u>	<u>289</u>	<u>2,760</u>	<u>294</u>
<b>PERSONNEL</b>							
Salaries	58,084	350	58,434	54,370	1,902	56,272	2,162
Expenses	9,808	11,823	21,631	14,301	6,212	20,513	1,118
Special	2,034	--	2,034	450	181	631	1,403
Subtotal	<u>69,926</u>	<u>12,173</u>	<u>82,099</u>	<u>69,121</u>	<u>8,295</u>	<u>77,416</u>	<u>4,683</u>
<b>PUBLIC ACCOUNTABILITY</b>							
Salaries	1,664	--	1,664	814	28	842	822
Expenses	1,683	--	1,683	17	11	28	1,655
Subtotal	<u>3,347</u>	<u>--</u>	<u>3,347</u>	<u>831</u>	<u>39</u>	<u>870</u>	<u>2,477</u>
<b>NON-DEPARTMENTAL</b>							
Capital Finance Administration	3,858	--	3,858	3,568	289	3,857	1
General City Purposes	331,184	(65,561)	265,623	82,214	38,596	120,810	144,813
Human Resources Benefits	774,378	--	774,378	754,094	15,556	769,650	4,728
Leasing	21,221	57,044	78,265	71,070	5,674	76,744	1,521
Liability Claims	87,370	21,111	108,481	91,317	12,133	103,450	5,031
Unappropriated Balance	531,533	(449,684)	81,849	--	--	--	81,849
Water and Electricity	36,887	--	36,887	28,081	7,940	36,021	866
Subtotal	<u>1,786,431</u>	<u>(437,090)</u>	<u>1,349,341</u>	<u>1,030,344</u>	<u>80,188</u>	<u>1,110,532</u>	<u>238,809</u>
<b>TOTAL GENERAL GOVERNMENT</b>							
	<u>2,539,134</u>	<u>(155,447)</u>	<u>2,383,687</u>	<u>1,806,127</u>	<u>212,299</u>	<u>2,018,426</u>	<u>365,261</u>
<b>PROTECTION OF PERSONS AND PROPERTY</b>							
<b>ANIMAL SERVICES</b>							
Salaries	23,832	(83)	23,749	22,494	728	23,222	527
Expenses	1,902	780	2,682	1,842	781	2,623	59
Subtotal	<u>25,734</u>	<u>697</u>	<u>26,431</u>	<u>24,336</u>	<u>1,509</u>	<u>25,845</u>	<u>586</u>
<b>BUILDING AND SAFETY</b>							
Salaries	130,215	2,097	132,312	106,267	3,739	110,006	22,306
Expenses	2,658	27	2,685	1,858	178	2,036	649
Subtotal	<u>132,873</u>	<u>2,124</u>	<u>134,997</u>	<u>108,125</u>	<u>3,917</u>	<u>112,042</u>	<u>22,955</u>

Continued...

**CITY OF LOS ANGELES**

**Supplemental Schedule of Budget Appropriations,  
Expenditures and Other Financing Uses by Function and Object  
Budget and Actual (Non-GAAP Budgetary Basis) - (Continued)**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2022**  
(amounts expressed in thousands)

	<b>Original Adopted Budget</b>	<b>Additional Appropriations and Transfers</b>	<b>Final Budget</b>	<b>Expenditures</b>	<b>Encumbrances June 30, 2022</b>	<b>Total Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>EMERGENCY MANAGEMENT</b>							
Salaries	\$ 3,532	\$ --	\$ 3,532	\$ 2,779	\$ 87	\$ 2,866	\$ 666
Expenses	72	175	247	33	30	63	184
Subtotal	<u>3,604</u>	<u>175</u>	<u>3,779</u>	<u>2,812</u>	<u>117</u>	<u>2,929</u>	<u>850</u>
<b>FIRE</b>							
Salaries	708,571	34,837	743,408	706,066	21,404	727,470	15,938
Expenses	37,697	19,274	56,971	40,913	11,845	52,758	4,213
Subtotal	<u>746,268</u>	<u>54,111</u>	<u>800,379</u>	<u>746,979</u>	<u>33,249</u>	<u>780,228</u>	<u>20,151</u>
<b>POLICE</b>							
Salaries	1,656,036	55,960	1,711,996	1,626,666	56,099	1,682,765	29,231
Expenses	97,945	2,404	100,349	55,890	29,231	85,121	15,228
Equipment	6,928	195	7,123	97	6,984	7,081	42
Subtotal	<u>1,760,909</u>	<u>58,559</u>	<u>1,819,468</u>	<u>1,682,653</u>	<u>92,314</u>	<u>1,774,967</u>	<u>44,501</u>
<b>TOTAL PROTECTION OF PERSONS AND PROPERTY</b>	<u>2,669,388</u>	<u>115,666</u>	<u>2,785,054</u>	<u>2,564,905</u>	<u>131,106</u>	<u>2,696,011</u>	<u>89,043</u>
<b>PUBLIC WORKS</b>							
<b>BOARD OF PUBLIC WORKS</b>							
Salaries	10,563	1,863	12,426	10,375	367	10,742	1,684
Expenses	26,177	39,228	65,405	25,958	22,409	48,367	17,038
Subtotal	<u>36,740</u>	<u>41,091</u>	<u>77,831</u>	<u>36,333</u>	<u>22,776</u>	<u>59,109</u>	<u>18,722</u>
<b>BUREAU OF CONTRACT ADMINISTRATION</b>							
Salaries	42,720	130	42,850	34,943	1,129	36,072	6,778
Expenses	2,495	74	2,569	1,121	506	1,627	942
Subtotal	<u>45,215</u>	<u>204</u>	<u>45,419</u>	<u>36,064</u>	<u>1,635</u>	<u>37,699</u>	<u>7,720</u>
<b>BUREAU OF ENGINEERING</b>							
Salaries	100,273	5,782	106,055	94,507	3,311	97,818	8,237
Expenses	4,619	74	4,693	2,263	1,529	3,792	901
Subtotal	<u>104,892</u>	<u>5,856</u>	<u>110,748</u>	<u>96,770</u>	<u>4,840</u>	<u>101,610</u>	<u>9,138</u>
<b>BUREAU OF STREET LIGHTING</b>							
Salaries	35,590	1,895	37,485	33,430	1,189	34,619	2,866
Expenses	4,246	837	5,083	2,644	1,741	4,385	698
Equipment	1	--	1	--	--	--	1
Special	1,430	2,035	3,465	1,712	815	2,527	938
Subtotal	<u>41,267</u>	<u>4,767</u>	<u>46,034</u>	<u>37,786</u>	<u>3,745</u>	<u>41,531</u>	<u>4,503</u>
<b>BUREAU OF STREET SERVICES</b>							
Salaries	112,409	10,075	122,484	114,733	3,897	118,630	3,854
Expenses	92,830	17,365	110,195	83,791	22,919	106,710	3,485
Subtotal	<u>205,239</u>	<u>27,440</u>	<u>232,679</u>	<u>198,524</u>	<u>26,816</u>	<u>225,340</u>	<u>7,339</u>
<b>NON-DEPARTMENTAL</b>							
Water and Electricity	6,902	--	6,902	3,326	3,223	6,549	353
<b>TOTAL PUBLIC WORKS</b>	<u>440,255</u>	<u>79,358</u>	<u>519,613</u>	<u>408,803</u>	<u>63,035</u>	<u>471,838</u>	<u>47,775</u>

Continued...

**CITY OF LOS ANGELES**

**Supplemental Schedule of Budget Appropriations,  
Expenditures and Other Financing Uses by Function and Object  
Budget and Actual (Non-GAAP Budgetary Basis) - (Continued)**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2022**  
(amounts expressed in thousands)

	<b>Original Adopted Budget</b>	<b>Additional Appropriations and Transfers</b>	<b>Final Budget</b>	<b>Expenditures</b>	<b>Encumbrances June 30, 2022</b>	<b>Total Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>HEALTH AND SANITATION</b>							
<b>PUBLIC WORKS - BUREAU OF SANITATION</b>							
Salaries	\$ 307,785	\$ 12,623	\$ 320,408	\$ 287,952	\$ 10,697	\$ 298,649	\$ 21,759
Expenses	36,877	4,526	41,403	17,753	14,215	31,968	9,435
<b>TOTAL HEALTH AND SANITATION</b>	<b>344,662</b>	<b>17,149</b>	<b>361,811</b>	<b>305,705</b>	<b>24,912</b>	<b>330,617</b>	<b>31,194</b>
<b>TRANSPORTATION</b>							
Salaries	176,667	3,851	180,518	147,408	5,029	152,437	28,081
Expenses	28,274	4,611	32,885	17,238	6,229	23,467	9,418
<b>TOTAL TRANSPORTATION</b>	<b>204,941</b>	<b>8,462</b>	<b>213,403</b>	<b>164,646</b>	<b>11,258</b>	<b>175,904</b>	<b>37,499</b>
<b>CULTURAL AND RECREATIONAL SERVICES</b>							
<b>CITY TOURISM</b>							
Salaries	1,378	(29)	1,349	1,186	37	1,223	126
Expenses	72	5,038	5,110	5,052	11	5,063	47
Subtotal	1,450	5,009	6,459	6,238	48	6,286	173
<b>CULTURAL AFFAIRS</b>							
Salaries	8,556	--	8,556	6,755	218	6,973	1,583
Expenses	1,555	28	1,583	330	172	502	1,081
Special	10,184	3,813	13,997	1,976	4,835	6,811	7,186
Subtotal	20,295	3,841	24,136	9,061	5,225	14,286	9,850
<b>EL PUEBLO DE LOS ANGELES HISTORICAL MONUMENT</b>							
Salaries	1,003	300	1,303	1,153	33	1,186	117
Expenses	644	--	644	506	63	569	75
Subtotal	1,647	300	1,947	1,659	96	1,755	192
<b>ZOO</b>							
Salaries	21,151	(493)	20,658	19,374	667	20,041	617
Expenses	3,741	2,154	5,895	4,341	1,183	5,524	371
Subtotal	24,892	1,661	26,553	23,715	1,850	25,565	988
<b>NON-DEPARTMENTAL</b>							
Water and Electricity	5,010	--	5,010	4,348	662	5,010	--
<b>TOTAL CULTURAL AND RECREATIONAL SERVICES</b>	<b>53,294</b>	<b>10,811</b>	<b>64,105</b>	<b>45,021</b>	<b>7,881</b>	<b>52,902</b>	<b>11,203</b>
<b>COMMUNITY DEVELOPMENT</b>							
<b>AGING</b>							
Salaries	4,302	922	5,224	3,863	136	3,999	1,225
Expenses	2,778	12,161	14,939	6,513	6,715	13,228	1,711
Subtotal	7,080	13,083	20,163	10,376	6,851	17,227	2,936
<b>ECONOMIC AND WORKFORCE DEVELOPMENT</b>							
Salaries	15,606	455	16,061	11,295	409	11,704	4,357
Expenses	8,248	(4,002)	4,246	2,553	508	3,061	1,185
Subtotal	23,854	(3,547)	20,307	13,848	917	14,765	5,542

Continued...

**CITY OF LOS ANGELES**

**Supplemental Schedule of Budget Appropriations,  
Expenditures and Other Financing Uses by Function and Object  
Budget and Actual (Non-GAAP Budgetary Basis) - (Continued)**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2022**  
(amounts expressed in thousands)

	<b>Original Adopted Budget</b>	<b>Additional Appropriations and Transfers</b>	<b>Final Budget</b>	<b>Expenditures</b>	<b>Encumbrances June 30, 2022</b>	<b>Total Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>COMMUNITY INVESTMENT FOR FAMILIES</b>							
Salaries	\$ 6,548	\$ 267	\$ 6,815	\$ 5,315	\$ 234	\$ 5,549	\$ 1,266
Expenses	7,839	6,265	14,104	2,966	8,301	11,267	2,837
Subtotal	<b>14,387</b>	<b>6,532</b>	<b>20,919</b>	<b>8,281</b>	<b>8,535</b>	<b>16,816</b>	<b>4,103</b>
<b>DISABILITY</b>							
Salaries	2,907	89	2,996	2,631	94	2,725	271
Expenses	1,800	411	2,211	735	1,325	2,060	151
Special	93	--	93	44	25	69	24
Subtotal	<b>4,800</b>	<b>500</b>	<b>5,300</b>	<b>3,410</b>	<b>1,444</b>	<b>4,854</b>	<b>446</b>
<b>LOS ANGELES HOUSING</b>							
Salaries	68,155	388	68,543	56,559	2,114	58,673	9,870
Expenses	8,552	6,668	15,220	9,731	1,888	11,619	3,601
Subtotal	<b>76,707</b>	<b>7,056</b>	<b>83,763</b>	<b>66,290</b>	<b>4,002</b>	<b>70,292</b>	<b>13,471</b>
<b>PLANNING</b>							
Salaries	48,877	20	48,897	40,553	1,503	42,056	6,841
Expenses	10,373	5,047	15,420	4,796	8,636	13,432	1,988
Equipment	292	--	292	83	207	290	2
Subtotal	<b>59,542</b>	<b>5,067</b>	<b>64,609</b>	<b>45,432</b>	<b>10,346</b>	<b>55,778</b>	<b>8,831</b>
<b>YOUTH DEVELOPMENT</b>							
Salaries	681	180	861	304	24	328	533
Expenses	296	917	1,213	33	17	50	1,163
Equipment	90	25	115	10	85	95	20
Subtotal	<b>1,067</b>	<b>1,122</b>	<b>2,189</b>	<b>347</b>	<b>126</b>	<b>473</b>	<b>1,716</b>
<b>TOTAL COMMUNITY DEVELOPMENT</b>	<b>187,437</b>	<b>29,813</b>	<b>217,250</b>	<b>147,984</b>	<b>32,221</b>	<b>180,205</b>	<b>37,045</b>
<b>PENSION AND RETIREMENT CONTRIBUTIONS</b>							
Non-Departmental	<b>2,406</b>	<b>(245)</b>	<b>2,161</b>	<b>2,060</b>	<b>101</b>	<b>2,161</b>	<b>--</b>
<b>CAPITAL OUTLAY</b>							
Non-Departmental	<b>128,088</b>	<b>27,982</b>	<b>156,070</b>	<b>24,714</b>	<b>26,621</b>	<b>51,335</b>	<b>104,735</b>
<b>TRANSFERS TO OTHER FUNDS</b>							
Non-Departmental	<b>2,202,249</b>	<b>343,532</b>	<b>2,545,781</b>	<b>2,529,043</b>	<b>--</b>	<b>2,529,043</b>	<b>16,738</b>
<b>GRAND TOTAL</b>	<b>\$ 8,771,854</b>	<b>\$ 477,081</b>	<b>\$ 9,248,935</b>	<b>\$ 7,999,008</b>	<b>\$ 509,434</b>	<b>\$ 8,508,442</b>	<b>\$ 740,493</b>

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## **Special Revenue Funds**

Special Revenue Funds are used to account for revenues derived from specific taxes, governmental grants, or other revenue sources that are designated to finance particular functions and activities of the City.

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## SPECIAL REVENUE FUNDS

Special Revenue funds are used to account for revenues derived from specific taxes, governmental grants, or other revenue sources that are designated to finance particular functions and activities of the City. Only one fund is reported as a major fund and is presented in the basic financial statements. Nineteen funds are separately identified in the Nonmajor Special Revenue funds combining schedules and they account for 62.9% of the combined revenues of the Nonmajor Special Revenue funds. Three groupings of numerous smaller funds are reported for other grants, other special revenue, and allocations from other governmental agencies funds.

**Building and Safety Permit Fund** - Accounts for the fees collected for plan check, permitting, and inspection of new construction in the City; testing of construction materials and methods; and examining the licensing of welders, equipment operators, and registered deputy building inspector.

**Citywide Recycling Trust Fund** – Accounts for compliance fees collected from private solid waste haulers. Monies deposited in the fund are used to pay for industrial, commercial, and multi-family recycling programs that include program administration, public education, technical assistance to private businesses, research, market development, development of material recovery/diversion facilities, and other programs designed to increase solid waste diversion rates.

**Proposition C Anti-Gridlock Transit Improvement Fund** – Accounts for the City's 20.0% share of the additional one-half cent sales tax within the County of Los Angeles to improve transit service and operations, reduce traffic congestion, improve air quality and the condition of streets and freeways utilized by public transit, and reduce foreign fuel dependence.

**Special Parking Revenue Fund** – Accounts for all monies collected from parking meters in the City, except those monies from meters located in established vehicle parking districts. Monies in this fund may be used for the purchase, installation and maintenance of parking meters; the policing of parking meters and parking meter spaces; the collection of monies deposited in parking meters; the purchase, improvement, and operation of off-street parking facilities; the painting and marking of streets and curbs for the direction of traffic and parking of vehicles; and the installation of traffic signs, signals and other traffic control devices.

**Stormwater Pollution Abatement Fund** – Accounts for the charge on all properties in the City in order to treat and abate stormwater. The charge is based on stormwater runoff and pollutant loading associated with property size and land use.

**Street Lighting Maintenance Assessment Fund** – Accounts for revenues received for maintenance and operation of the majority of the streetlights in the City. Revenues are derived from benefit assessments to properties that comprise the Los Angeles City Lighting District. Expenditures include payments of electricity bills, replacement and modernization of older lighting systems, all repairs, engineering and administrative costs, purchase of supplies and equipment, and other items associated with the operation and maintenance of the street lighting system.

**Proposition A Local Transit Assistance Fund** - Accounts for the utilization of the one-half cent sales tax revenues for the planning, administration, and operation of Citywide public transportation programs. Funds are used to (a) improve and expand existing public transit Countywide, including reduction of transit fares, (b) construct and operate a rail rapid transit system, and (c) more effectively use State and Federal funds, benefit assessments, and fares. The City receives an allocation from a 25 percent share of the revenue collected, based on the City's percentage share of the population of Los Angeles County. Thirty-five percent of the proceeds are allocated to the Los Angeles County Transportation Commission for construction and operation of a rail system and 40 percent is allocated to the Commission for public transit purposes.

**Low and Moderate Income Housing Fund** – Accounts for housing assets and functions transferred from the former Community Redevelopment Agency when the City elected to be the successor agency for the low and moderate income housing functions.

**Proposition HHH - Loans Program Fund** - Accounts for funds received from the sale of General Obligation Bonds Series 2017-A, 2018-A, and 2021-A as authorized by over two-thirds of all qualified voters for the purpose of providing safe, clean affordable housing for homeless and for those in danger of becoming homeless, such as battered women and their children, veterans, seniors, foster youth, and the disabled; and provide facilities to increase access to mental health care, drug and alcohol treatment and other services.

**Measure R Local Return Funds** – Accounts for an additional one-half cent sales tax for a period of 30 years. Monies in this fund shall be used to: expand the Metro rail system; make street improvements; enhance safety and improve the flow of traffic; and, make public transportation more convenient and affordable.

**Special Revenue Funds**

**Recreation and Parks Fund** – Accounts for activities of parks, playgrounds, swimming pools, public golf courses, recreation centers, recreation camps and educational facilities, structures of historic significance, and all recreation activities at such facilities.

**Solid Waste Resources Fund**- Accounts for the solid waste collection, transfer, recycling, recovery of waste resources, and disposal fee imposed on all single dwellings in the City and on multiple (up to four) unit dwellings for which the City provides refuse collection services. The fees collected are to cover costs associated with the City's solid waste collection, recycling and disposal activities.

**Special Gas Tax Street Improvement Fund** – Accounts for the revenues received from the State for the City's share of the gasoline tax and Traffic Congestion Relief Fund to be used for preservation, maintenance, and rehabilitation of local streets and road system. The fund also accounts for federal grants from the Surface Transportation Program to finance the upgrade of the most heavily traveled highways.

**Covid-19 Federal Relief Fund** - Accounts for receipts, retention and disbursement of the Federal Coronavirus Relief Funds. The monies received shall be spent at the direction of the Ad Hoc Committee on Covid-19 Recovery and Neighborhood Investment that is established to oversee the economic recovery from the Covid-19 public health crisis.

**Community Development Trust Fund** – Accounts for the Block Grant funds allocated by the United States Department of Housing and Urban Development (HUD) for the development of viable urban communities, including: decent housing and suitable living environment; expanding economic opportunities, principally for persons of low and moderate income; and physical improvements to communities accompanied by supportive social services.

**Section 108 Loan Guarantee Program Fund** – Accounts for loan guarantee funds from United States Department of Housing and Urban Development (HUD) for housing, commercial and industrial development projects.

**Home Investment Partnership Program Fund** – Accounts for the grants received from HUD to expand the supply of decent, safe, sanitary and affordable housing with the primary focus on rental housing, and to strengthen the abilities of state and local governments to provide housing to persons principally of low and very low income.

**Transportation Grants Fund** – Accounts for grant funds from the Metropolitan Transit Authority to implement the Transportation Improvement Program Call for Projects (TIP).

**Workforce Innovation Opportunity Act Fund** – Accounts for the grants received from the United States Department of Labor for the purpose of providing employment and training opportunities for the disadvantaged residents and dislocated workers of the City.

**Other Nonmajor Grant Funds** – Account for various grants received from the Federal and State governments used for a specific purpose, activity or facility. This group represents 13.8% of the combined revenues of the Nonmajor Special Revenue funds. Included in this group are eight annually budgeted funds: Disaster Assistance, Community Services Block Grant, Forfeited Assets Trust of Police Department, Household Hazardous Waste, Housing Opportunities for Persons with AIDS, Mobile Source Air Pollution Reduction, Older Americans Act, and Supplemental Law Enforcement Services.

**Other Nonmajor Special Revenue Funds** – Account for the activities of non-grant Special Revenue funds that represent 18.9% of the combined revenues of the Nonmajor Special Revenue funds. Included in this group are 20 annually budgeted funds: Arts and Cultural Facilities and Services, Arts Development Fee, City Employees Ridesharing, City of Los Angeles Affordable Housing, El Pueblo de Los Angeles Historical Monument, Local Public Safety, Los Angeles Convention and Visitors Bureau, Multi-Family Bulky Item Fee, Municipal Housing Finance, Planning Case Processing Special Fund, Rent Stabilization, Street Damage Restoration Fee, Code Enforcement Trust Fund, Telecommunications Liquidated Damages and Lost Franchise Fees, Traffic Safety, Zoo, Sidewalk Repair Fund, Code Compliance and Cannabis Regulation and Measure W.

**Special Revenue Funds**

**Allocations From Other Governmental Agencies** - Account for funds received by the City from various sources used for engineering design, fire protection, acquiring rights if any, construction and for various other programs. This group represents 4.5% of the combined revenues of the Nonmajor Special Revenue funds. Included in this group are 36 partially budgeted funds: Animal Sterilization Fund, ATSAC Trust Fund, Business Improvement Trust Fund, City Attorney Consumer Protection Fund, City Planning System Development Fund, Coastal Transportation Corridor Trust Fund, CRA Non-Housing Bond Proceeds Fund, Deferred Compensation Plan Trust Fund, DOT Expedited Fee Trust Fund, Economic Development Trust Fund, Federal Emergency Shelter Grant Fund, Foreclosure Registry Program Fund, Housing Impact Trust Fund, Housing Production Revolving Fund, Innovation Fund, Lead Grant, LA Regional Agency Trust Fund, Low and Moderate Income Housing Fund, Medical Intergovernmental Transfer Program Fund, Off-Site Sign Periodic Inspection Fee Fund, Permit Parking Program Revenue Fund, Pershing Square Special Trust Fund, Planning Long-Range Planning Fund, Repair and Demolition Fund, Short-term Enforcement Trust Fund, Sidewalk and Park Vending Trust Fund, Street Banners Revenue Trust Fund, LA County Youth Job Program Fund, Traffic Safety Education Program Fund, Transportation Regulation and Enforcement Fund, Trust of Floor Area Ratio Public Benefits, Used Oil Collection Trust Fund, Ventura/Cahuenga Corridor Plan Fund, Warner Center Mobility Trust Fund, Warner Center Transportation Trust Fund, and West LA Transportation Improvement and Mitigation Fund.

**CITY OF LOS ANGELES**

**Combining Balance Sheet  
Nonmajor Special Revenue Funds  
June 30, 2022  
(amounts expressed in thousands)**

	<b>Building and Safety Permit</b>	<b>Citywide Recycling Trust</b>	<b>Proposition C Anti-Gridlock Transit Improvement</b>	<b>Special Parking Revenue</b>
<b>ASSETS</b>				
Cash and Pooled Investments	\$ 329,266	\$ 25,260	\$ 61,955	\$ 66,149
Taxes Receivable	--	--	--	--
Accounts Receivable				
(Net of Allowance for Uncollectibles of \$8,376)	2,001	5,737	972	216
Special Assessments Receivable	669	--	--	--
Investment Income Receivable	892	61	144	236
Intergovernmental Receivable	--	--	16,624	--
Leases Receivable	--	--	--	865
Loans Receivable				
(Net of Allowance for Uncollectibles of \$1,312,253)	--	--	--	--
Due from Other Funds	3,778	1,166	7,225	1
Inventories	--	--	--	--
Prepaid Items and Other Assets	--	--	--	--
Advances to Other Funds	50,000	--	--	250
Restricted Assets	--	--	--	--
Properties Held for Housing Development	--	--	--	--
<b>TOTAL ASSETS</b>	<b>\$ 386,606</b>	<b>\$ 32,224</b>	<b>\$ 86,920</b>	<b>\$ 67,717</b>
<b>LIABILITIES</b>				
Accounts, Contracts and Retainage Payable	\$ 4,462	\$ --	\$ 239	\$ 5,500
Obligations Under Securities Lending Transactions	4,756	364	895	956
Accrued Salaries and Overtime Payable	3,375	--	--	--
Intergovernmental Payable	--	--	--	7
Due to Other Funds	9	--	216	139
Unearned Revenue	2,939	--	--	--
Deposits and Advances	167	--	6	258
Advances from Other Funds	--	--	--	14,499
Other Liabilities	2,504	192	471	503
Liability for Excess CRA Bond Proceeds	--	--	--	--
<b>TOTAL LIABILITIES</b>	<b>18,212</b>	<b>556</b>	<b>1,827</b>	<b>21,862</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property Taxes	--	--	--	--
Receivables from Other Government Agencies	--	--	4,488	--
Interest Receivable on Loans and Others	2,142	15	1,695	71
Leases	--	--	--	849
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>2,142</b>	<b>15</b>	<b>6,183</b>	<b>920</b>
<b>FUND BALANCES</b>				
Nonspendable	--	--	--	--
Restricted	--	31,653	78,910	--
Committed	366,252	--	--	44,935
Assigned	--	--	--	--
Unassigned	--	--	--	--
<b>TOTAL FUND BALANCES</b>	<b>366,252</b>	<b>31,653</b>	<b>78,910</b>	<b>44,935</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 386,606</b>	<b>\$ 32,224</b>	<b>\$ 86,920</b>	<b>\$ 67,717</b>

Continued...

**CITY OF LOS ANGELES**

**Combining Balance Sheet - (Continued)**  
**Nonmajor Special Revenue Funds**  
**June 30, 2022**  
**(amounts expressed in thousands)**

	Stormwater Pollution Abatement	Street Lighting Maintenance Assessment	Proposition A Local Transit Assistance	Low and Moderate Income Housing	Proposition HHH - Loans Program
<b>ASSETS</b>					
Cash and Pooled Investments	\$ 20,748	\$ 17,793	\$ 325,217	\$ 53,733	\$ 158,276
Taxes Receivable	--	--	--	--	--
Accounts Receivable					
(Net of Allowance for Uncollectibles of \$8,376)	978	3,762	1,814	--	--
Special Assessments Receivable	2,323	3,467	--	--	--
Investment Income Receivable	61	--	908	187	516
Intergovernmental Receivable	291	--	19,778	--	--
Leases Receivable	--	--	--	--	--
Loans Receivable					
(Net of Allowance for Uncollectibles of \$1,312,253)	--	--	--	628,306	268,112
Due from Other Funds	1,384	2,815	26	4	--
Inventories	--	1,750	--	--	--
Prepaid Items and Other Assets	--	--	--	--	--
Advances to Other Funds	--	--	--	--	--
Restricted Assets	--	--	--	9,967	--
Properties Held for Housing Development	--	--	--	106,301	--
<b>TOTAL ASSETS</b>	<b>\$ 25,785</b>	<b>\$ 29,587</b>	<b>\$ 347,743</b>	<b>\$ 798,498</b>	<b>\$ 426,904</b>
<b>LIABILITIES</b>					
Accounts, Contracts and Retainage Payable	\$ 644	\$ 764	\$ 32,970	\$ 2	--
Obligations Under Securities Lending Transactions	300	--	4,698	920	2,291
Accrued Salaries and Overtime Payable	--	--	18	80	--
Intergovernmental Payable	--	--	--	--	--
Due to Other Funds	--	2,136	96	259	--
Unearned Revenue	--	--	51,934	--	--
Deposits and Advances	--	32	--	873	--
Advances from Other Funds	2,686	9,101	--	--	--
Other Liabilities	158	--	2,473	5,753	1,205
Liability for Excess CRA Bond Proceeds	--	--	--	--	--
<b>TOTAL LIABILITIES</b>	<b>3,788</b>	<b>12,033</b>	<b>92,189</b>	<b>7,887</b>	<b>3,496</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Property Taxes	--	--	--	--	--
Receivables from Other Government Agencies	920	17	1,426	--	--
Interest Receivable on Loans and Others	947	4,941	227	208,378	7,989
Leases	--	--	--	--	--
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>1,867</b>	<b>4,958</b>	<b>1,653</b>	<b>208,378</b>	<b>7,989</b>
<b>FUND BALANCES</b>					
Nonspendable	--	1,750	--	--	--
Restricted	20,130	10,846	253,901	582,233	415,419
Committed	--	--	--	--	--
Assigned	--	--	--	--	--
Unassigned	--	--	--	--	--
<b>TOTAL FUND BALANCES</b>	<b>20,130</b>	<b>12,596</b>	<b>253,901</b>	<b>582,233</b>	<b>415,419</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 25,785</b>	<b>\$ 29,587</b>	<b>\$ 347,743</b>	<b>\$ 798,498</b>	<b>\$ 426,904</b>

Continued...

**CITY OF LOS ANGELES**

**Combining Balance Sheet - (Continued)**  
**Nonmajor Special Revenue Funds**  
**June 30, 2022**  
**(amounts expressed in thousands)**

	<b>Measure R Local Return</b>	<b>Recreation and Parks</b>	<b>Solid Waste Resources</b>	<b>Special Gas Tax Street Improvement</b>	<b>Covid-19 Federal Relief</b>
<b>ASSETS</b>					
Cash and Pooled Investments	\$ 152,234	\$ 594,392	\$ 102,918	\$ 205,413	\$ 574
Taxes Receivable	--	--	--	--	--
Accounts Receivable					
(Net of Allowance for Uncollectibles of \$8,376)	861	6	941	8,327	--
Special Assessments Receivable	--	--	--	--	--
Investment Income Receivable	451	1,618	262	615	594
Intergovernmental Receivable	23,346	--	--	1,152	--
Leases Receivable	--	2,595	--	--	--
Loans Receivable					
(Net of Allowance for Uncollectibles of \$1,312,253)	--	--	--	--	--
Due from Other Funds	11,504	705	6,933	4,585	174
Inventories	--	--	--	--	--
Prepaid Items and Other Assets	--	--	--	--	--
Advances to Other Funds	--	--	--	--	--
Restricted Assets	--	--	--	--	--
Properties Held for Housing Development	--	--	--	--	--
<b>TOTAL ASSETS</b>	<b>\$ 188,396</b>	<b>\$ 599,316</b>	<b>\$ 111,054</b>	<b>\$ 220,092</b>	<b>\$ 1,342</b>
<b>LIABILITIES</b>					
Accounts, Contracts and Retainage Payable	\$ 3,238	\$ 20,620	\$ 18,287	\$ 5,433	\$ --
Obligations Under Securities Lending Transactions	2,199	8,586	1,487	2,967	8
Accrued Salaries and Overtime Payable	--	7,511	--	--	--
Intergovernmental Payable	--	44	--	--	--
Due to Other Funds	2,499	1,314	27	5,252	--
Unearned Revenue	--	201	--	--	--
Deposits and Advances	--	2,127	--	--	--
Advances from Other Funds	--	--	--	--	--
Other Liabilities	1,158	4,520	783	1,562	4
Liability for Excess CRA Bond Proceeds	--	--	--	--	--
<b>TOTAL LIABILITIES</b>	<b>9,094</b>	<b>44,923</b>	<b>20,584</b>	<b>15,214</b>	<b>12</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Property Taxes	--	--	--	--	--
Receivables from Other Government Agencies	282	--	34	2,284	--
Interest Receivable on Loans and Others	110	393	980	150	168
Leases	--	2,526	--	--	--
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>392</b>	<b>2,919</b>	<b>1,014</b>	<b>2,434</b>	<b>168</b>
<b>FUND BALANCES</b>					
Nonspendable	--	--	--	--	--
Restricted	178,910	551,474	13,314	12,124	1,162
Committed	--	--	76,142	190,320	--
Assigned	--	--	--	--	--
Unassigned	--	--	--	--	--
<b>TOTAL FUND BALANCES</b>	<b>178,910</b>	<b>551,474</b>	<b>89,456</b>	<b>202,444</b>	<b>1,162</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
	<b>\$ 188,396</b>	<b>\$ 599,316</b>	<b>\$ 111,054</b>	<b>\$ 220,092</b>	<b>\$ 1,342</b>

Continued...

**CITY OF LOS ANGELES**

**Combining Balance Sheet - (Continued)**  
**Nonmajor Special Revenue Funds**  
**June 30, 2022**  
**(amounts expressed in thousands)**

	Grant Funds				
	Community Development Trust	Section 108 Loan Guarantee Program	Home Investment Partnership Program	Transportation Grants	Workforce Innovation Opportunity Act
<b>ASSETS</b>					
Cash and Pooled Investments	\$ 459	\$ 21,310	\$ 60,342	\$ 53,575	\$ 3,046
Taxes Receivable	--	--	--	--	--
Accounts Receivable					
(Net of Allowance for Uncollectibles of \$8,376)	--	--	--	7,778	--
Special Assessments Receivable	--	--	--	--	--
Investment Income Receivable	8	--	170	190	11
Intergovernmental Receivable	8,791	--	--	17,533	8,906
Leases Receivable	--	--	--	--	--
Loans Receivable					
(Net of Allowance for Uncollectibles of \$1,312,253)	295,862	45,319	692,332	--	--
Due from Other Funds	334	--	32	140	--
Inventories	--	--	--	--	--
Prepaid Items and Other Assets	2,660	--	5,820	--	252
Advances to Other Funds	--	--	--	--	--
Restricted Assets	--	--	--	--	--
Properties Held for Housing Development	--	--	--	--	--
<b>TOTAL ASSETS</b>	<b>\$ 308,114</b>	<b>\$ 66,629</b>	<b>\$ 758,696</b>	<b>\$ 79,216</b>	<b>\$ 12,215</b>
<b>LIABILITIES</b>					
Accounts, Contracts and Retainage Payable	\$ 8,496	\$ --	\$ 33	\$ 9,356	\$ 8,469
Obligations Under Securities Lending Transactions	7	2	872	774	44
Accrued Salaries and Overtime Payable	313	--	16	--	--
Intergovernmental Payable	265	--	3	--	252
Due to Other Funds	8,165	6	251	15,597	1,650
Unearned Revenue	--	--	--	--	--
Deposits and Advances	39	377	45	302	--
Advances from Other Funds	7,603	--	--	--	--
Other Liabilities	13	1	459	407	23
Liability for Excess CRA Bond Proceeds	--	--	--	--	--
<b>TOTAL LIABILITIES</b>	<b>24,901</b>	<b>386</b>	<b>1,679</b>	<b>26,436</b>	<b>10,438</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Property Taxes	--	--	--	--	--
Receivables from Other Government Agencies	3,228	--	--	23,449	4,200
Interest Receivable on Loans and Others	103,167	--	200,583	254	3
Leases	--	--	--	--	--
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>106,395</b>	<b>--</b>	<b>200,583</b>	<b>23,703</b>	<b>4,203</b>
<b>FUND BALANCES</b>					
Nonspendable	2,660	--	5,820	--	252
Restricted	174,158	66,243	550,614	29,077	1,066
Committed	--	--	--	--	--
Assigned	--	--	--	--	--
Unassigned	--	--	--	(3,744)	
<b>TOTAL FUND BALANCES</b>	<b>176,818</b>	<b>66,243</b>	<b>556,434</b>	<b>29,077</b>	<b>(2,426)</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 308,114</b>	<b>\$ 66,629</b>	<b>\$ 758,696</b>	<b>\$ 79,216</b>	<b>\$ 12,215</b>

Continued...

**CITY OF LOS ANGELES**

**Combining Balance Sheet - (Continued)**  
**Nonmajor Special Revenue Funds**  
**June 30, 2022**  
**(amounts expressed in thousands)**

	<b>Grant Funds</b>		<b>Other Nonmajor Special Revenue Funds</b>	<b>Allocations from Other Governmental Agencies</b>	<b>Total</b>
<b>ASSETS</b>					
Cash and Pooled Investments	\$ 354,260	\$ 1,349,026	\$ 265,566	\$ 4,221,512	
Taxes Receivable	--	2,133	--	2,133	
Accounts Receivable (Net of Allowance for Uncollectibles of \$8,376)	1,183	77,517	7,540	119,633	
Special Assessments Receivable	--	3,635	--	10,094	
Investment Income Receivable	926	2,665	738	11,253	
Intergovernmental Receivable	163,820	10,315	8,453	279,009	
Leases Receivable	--	11,497	--	14,957	
Loans Receivable (Net of Allowance for Uncollectibles of \$1,312,253)	104,991	169,841	12,474	2,217,237	
Due from Other Funds	7,469	23,442	9,256	80,973	
Inventories	--	11,287	--	13,037	
Prepaid Items and Other Assets	62	70	--	8,864	
Advances to Other Funds	--	26,205	39	76,494	
Restricted Assets	--	605	--	10,572	
Properties Held for Housing Development	--	--	--	106,301	
<b>TOTAL ASSETS</b>	<b>\$ 632,711</b>	<b>\$ 1,688,238</b>	<b>\$ 304,066</b>	<b>\$ 7,172,069</b>	
<b>LIABILITIES</b>					
Accounts, Contracts and Retainage Payable	\$ 65,887	\$ 46,511	\$ 12,508	\$ 243,419	
Obligations Under Securities Lending Transactions	4,105	14,016	3,577	53,824	
Accrued Salaries and Overtime Payable	191	4,659	457	16,620	
Intergovernmental Payable	1,980	1,142	339	4,032	
Due to Other Funds	62,437	19,440	3,957	123,450	
Unearned Revenue	55,575	3,162	2	113,813	
Deposits and Advances	10,548	213,086	785	228,645	
Advances from Other Funds	90,801	28,373	589	153,652	
Other Liabilities	2,161	7,381	2,294	34,025	
Liability for Excess CRA Bond Proceeds	--	--	42,628	42,628	
<b>TOTAL LIABILITIES</b>	<b>293,685</b>	<b>337,770</b>	<b>67,136</b>	<b>1,014,108</b>	
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Property Taxes	--	34	--	34	
Receivables from Other Government Agencies	151,855	658	714	193,555	
Interest Receivable on Loans and Others	22,351	114,634	10,514	679,712	
Leases	--	11,018	--	14,393	
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>174,206</b>	<b>126,344</b>	<b>11,228</b>	<b>887,694</b>	
<b>FUND BALANCES</b>					
Nonspendable	62	11,357	--	21,901	
Restricted	234,620	236,806	85,110	3,527,770	
Committed	12,987	979,376	140,592	1,810,604	
Assigned	--	2,814	--	2,814	
Unassigned	(82,849)	(6,229)	--	(92,822)	
<b>TOTAL FUND BALANCES</b>	<b>164,820</b>	<b>1,224,124</b>	<b>225,702</b>	<b>5,270,267</b>	
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 632,711</b>	<b>\$ 1,688,238</b>	<b>\$ 304,066</b>	<b>\$ 7,172,069</b>	

**CITY OF LOS ANGELES**

**Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2022  
(amounts expressed in thousands)**

	<b>Building and Safety Permit</b>	<b>Citywide Recycling Trust</b>	<b>Proposition C Anti-Gridlock Transit Improvement</b>	<b>Special Parking Revenue</b>
<b>REVENUES</b>				
Property Taxes	\$ --	\$ --	\$ --	\$ --
Other Taxes	--	27,382	--	--
Licenses and Permits	47,275	--	--	--
Intergovernmental	--	--	84,724	--
Charges for Services	142,172	--	14,303	65,841
Services to Enterprise Funds	1,233	--	--	--
Fines	--	--	--	--
Special Assessments	66	--	--	--
Investment Earnings	3,375	292	862	827
Change in Fair Value of Investments	(17,603)	(1,400)	(3,056)	(3,496)
Program Income	--	--	--	--
Other	31	--	--	2,439
<b>TOTAL REVENUES</b>	<b>176,549</b>	<b>26,274</b>	<b>96,833</b>	<b>65,611</b>
<b>EXPENDITURES</b>				
Current				
General Government	--	--	--	--
Protection of Persons and Property	179,809	--	--	--
Public Works	--	--	--	--
Health and Sanitation	--	35,931	--	--
Transportation	--	--	69,257	38,339
Cultural and Recreational Services	--	--	--	--
Community Development	--	--	--	--
Capital Outlay	4,350	--	344	59
Debt Service				
Principal	--	--	--	38
Interest	--	--	--	23
Cost of Issuance	--	--	--	--
<b>TOTAL EXPENDITURES</b>	<b>184,159</b>	<b>35,931</b>	<b>69,601</b>	<b>38,459</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(7,610)</b>	<b>(9,657)</b>	<b>27,232</b>	<b>27,152</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	--	2,775	522	--
Transfers Out	(543)	(664)	(120)	(8,477)
Issuance of Long-Term Debt	--	--	--	--
Premium on Issuance of Long-Term Debt	--	--	--	--
Lease Liabilities Issued	--	--	--	--
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(543)</b>	<b>2,111</b>	<b>402</b>	<b>(8,477)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(8,153)</b>	<b>(7,546)</b>	<b>27,634</b>	<b>18,675</b>
<b>FUND BALANCES, JULY 1</b>	<b>374,405</b>	<b>39,199</b>	<b>51,276</b>	<b>26,260</b>
<b>FUND BALANCES, JUNE 30</b>	<b>\$ 366,252</b>	<b>\$ 31,653</b>	<b>\$ 78,910</b>	<b>\$ 44,935</b>

Continued...

**CITY OF LOS ANGELES**

**Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances - (Continued)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2022  
(amounts expressed in thousands)**

	Stormwater Pollution Abatement	Street Lighting Maintenance Assessment	Proposition A Local Transit Assistance	Low and Moderate Income Housing	Proposition HHH - Loans Program
<b>REVENUES</b>					
Property Taxes	\$ --	\$ --	\$ --	\$ --	\$ --
Other Taxes	--	--	--	--	--
Licenses and Permits	--	836	--	--	--
Intergovernmental	1,279	4,386	179,422	--	--
Charges for Services	31,706	19,126	2,139	186	--
Services to Enterprise Funds	--	--	--	--	--
Fines	23	--	--	--	--
Special Assessments	--	43,804	--	--	--
Investment Earnings	228	--	3,241	726	1,419
Change in Fair Value of Investments	(1,122)	--	(17,054)	(3,430)	(8,058)
Program Income	--	--	--	7,975	1,480
Other	384	579	6	4	--
<b>TOTAL REVENUES</b>	<b>32,498</b>	<b>68,731</b>	<b>167,754</b>	<b>5,461</b>	<b>(5,159)</b>
<b>EXPENDITURES</b>					
Current					
General Government	--	--	--	--	--
Protection of Persons and Property	--	--	--	--	--
Public Works	--	62,144	--	--	--
Health and Sanitation	23,690	--	--	--	--
Transportation	--	--	153,641	--	--
Cultural and Recreational Services	--	--	--	--	--
Community Development	--	--	--	7,492	58,486
Capital Outlay	2,660	1,305	8,621	--	--
Debt Service					
Principal	158	--	115	--	--
Interest	19	--	107	--	--
Cost of Issuance	--	--	--	--	1,476
<b>TOTAL EXPENDITURES</b>	<b>26,527</b>	<b>63,449</b>	<b>162,484</b>	<b>7,492</b>	<b>59,962</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>5,971</b>	<b>5,282</b>	<b>5,270</b>	<b>(2,031)</b>	<b>(65,121)</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	--	385	--	1,200	8,837
Transfers Out	--	(45)	(3,287)	(66)	(2,167)
Issuance of Long-Term Debt	--	--	--	--	211,940
Premium on Issuance of Long-Term Debt	--	--	--	--	2,859
Lease Liabilities Issued	--	--	6,135	--	--
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>--</b>	<b>340</b>	<b>2,848</b>	<b>1,134</b>	<b>221,469</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>5,971</b>	<b>5,622</b>	<b>8,118</b>	<b>(897)</b>	<b>156,348</b>
<b>FUND BALANCES, JULY 1</b>	<b>14,159</b>	<b>6,974</b>	<b>245,783</b>	<b>583,130</b>	<b>259,071</b>
<b>FUND BALANCES, JUNE 30</b>	<b>\$ 20,130</b>	<b>\$ 12,596</b>	<b>\$ 253,901</b>	<b>\$ 582,233</b>	<b>\$ 415,419</b>

Continued...

\* The negative expenditures reported in the Low and Moderate Income Housing Fund are due to the reduction in allowance for uncollectible loans receivable.

**CITY OF LOS ANGELES**

**Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances - (Continued)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2022  
(amounts expressed in thousands)**

	<b>Measure R Local Return</b>	<b>Recreation and Parks</b>	<b>Solid Waste Resources</b>	<b>Special Gas Tax Street Improvement</b>	<b>Covid-19 Federal Relief</b>
<b>REVENUES</b>					
Property Taxes	\$ --	\$ --	\$ --	\$ --	\$ --
Other Taxes	--	--	--	--	--
Licenses and Permits	--	1,990	--	3	--
Intergovernmental	135,633	251	895	181,315	675,500
Charges for Services	201	161,677	285,831	49	--
Services to Enterprise Funds	--	--	3,717	--	--
Fines	--	--	--	--	--
Special Assessments	--	--	--	--	--
Investment Earnings	1,547	5,706	1,078	2,191	659
Change in Fair Value of Investments	(7,780)	(30,540)	(5,523)	(10,716)	(294)
Program Income	--	--	--	--	--
Other	--	277	5,872	--	269
<b>TOTAL REVENUES</b>	<b>129,601</b>	<b>139,361</b>	<b>291,870</b>	<b>172,842</b>	<b>676,134</b>
<b>EXPENDITURES</b>					
Current					
General Government	--	--	--	--	--
Protection of Persons and Property	--	--	--	--	1,032
Public Works	--	--	--	125,461	--
Health and Sanitation	--	--	279,858	--	--
Transportation	73,943	--	--	--	--
Cultural and Recreational Services	--	326,895	--	--	15,042
Community Development	--	--	--	--	928
Capital Outlay	7,429	26,514	410	16,516	5,039
Debt Service					
Principal	--	455	117	--	--
Interest	--	2	54	--	--
Cost of Issuance	--	--	--	--	--
<b>TOTAL EXPENDITURES</b>	<b>81,372</b>	<b>353,866</b>	<b>280,439</b>	<b>141,977</b>	<b>22,041</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>48,229</b>	<b>(214,505)</b>	<b>11,431</b>	<b>30,865</b>	<b>654,093</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	--	364,663	12,262	41	53
Transfers Out	(46)	(471)	(22,024)	(365)	(659,114)
Issuance of Long-Term Debt	--	--	--	--	--
Premium on Issuance of Long-Term Debt	--	--	--	--	--
Lease Liabilities Issued	--	--	--	--	--
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(46)</b>	<b>364,192</b>	<b>(9,762)</b>	<b>(324)</b>	<b>(659,061)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>48,183</b>	<b>149,687</b>	<b>1,669</b>	<b>30,541</b>	<b>(4,968)</b>
<b>FUND BALANCES, JULY 1</b>	<b>130,727</b>	<b>401,787</b>	<b>87,787</b>	<b>171,903</b>	<b>6,130</b>
<b>FUND BALANCES, JUNE 30</b>	<b>\$ 178,910</b>	<b>\$ 551,474</b>	<b>\$ 89,456</b>	<b>\$ 202,444</b>	<b>\$ 1,162</b>

Continued...

**CITY OF LOS ANGELES**

**Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances - (Continued)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2022  
(amounts expressed in thousands)**

	Grant Funds				
	Community Development Trust	Section 108 Loan Guarantee Program	Home Investment Partnership Program	Transportation Grants	Workforce Innovation Opportunity Act
<b>REVENUES</b>					
Property Taxes	\$ --	\$ --	\$ --	\$ --	\$ --
Other Taxes	--	--	--	--	--
Licenses and Permits	--	--	--	--	--
Intergovernmental	56,113	--	12,530	25,353	40,106
Charges for Services	9	--	--	4,234	--
Services to Enterprise Funds	--	--	--	--	--
Fines	--	--	--	--	--
Special Assessments	--	--	--	--	--
Investment Earnings	64	19	670	365	38
Change in Fair Value of Investments	(112)	(9)	(3,152)	(3,035)	(152)
Program Income	4,746	891	12,974	--	--
Other	375	--	3	21	83
<b>TOTAL REVENUES</b>	<b>61,195</b>	<b>901</b>	<b>23,025</b>	<b>26,938</b>	<b>40,075</b>
<b>EXPENDITURES</b>					
Current					
General Government	--	--	--	--	--
Protection of Persons and Property	--	--	--	--	--
Public Works	--	--	--	--	--
Health and Sanitation	--	--	--	--	--
Transportation	--	--	--	10,797	--
Cultural and Recreational Services	--	--	--	--	--
Community Development	88,213	429	499	--	37,282
Capital Outlay	--	--	--	29,264	--
Debt Service					
Principal	--	7,659	--	--	--
Interest	--	765	--	--	--
Cost of Issuance	--	--	--	--	--
<b>TOTAL EXPENDITURES</b>	<b>88,213</b>	<b>8,853</b>	<b>499</b>	<b>40,061</b>	<b>37,282</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(27,018)</b>	<b>(7,952)</b>	<b>22,526</b>	<b>(13,123)</b>	<b>2,793</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	490	1,273	14	--	--
Transfers Out	(1,206)	--	(13)	(522)	--
Issuance of Long-Term Debt	--	--	--	--	--
Premium on Issuance of Long-Term Debt	--	--	--	--	--
Lease Liabilities Issued	--	--	--	--	--
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(716)</b>	<b>1,273</b>	<b>1</b>	<b>(522)</b>	<b>--</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(27,734)</b>	<b>(6,679)</b>	<b>22,527</b>	<b>(13,645)</b>	<b>2,793</b>
<b>FUND BALANCES, JULY 1</b>	<b>204,552</b>	<b>72,922</b>	<b>533,907</b>	<b>42,722</b>	<b>(5,219)</b>
<b>FUND BALANCES, JUNE 30</b>	<b>\$ 176,818</b>	<b>\$ 66,243</b>	<b>\$ 556,434</b>	<b>\$ 29,077</b>	<b>\$ (2,426)</b>

Continued...

**CITY OF LOS ANGELES**

**Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances - (Continued)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2022  
(amounts expressed in thousands)**

	<u>Grant Funds</u>		<u>Other Nonmajor Special Revenue Funds</u>	<u>Allocations from Other Governmental Agencies</u>	<u>Total</u>
	<u>Other Nonmajor Grant Funds</u>	<u>Other Nonmajor Special Revenue Funds</u>			
<b>REVENUES</b>					
Property Taxes	\$ --	\$ 27,210	\$ 4	\$ 27,214	
Other Taxes	--	28,751	--	56,133	
Licenses and Permits	--	10,059	5,635	65,798	
Intergovernmental	479,955	225,306	88,821	2,191,589	
Charges for Services	1,415	293,027	60,923	1,082,839	
Services to Enterprise Funds	--	105	--	5,055	
Fines	--	8,947	4,088	13,058	
Special Assessments	--	76,012	4,365	124,247	
Investment Earnings	4,267	9,728	2,796	40,098	
Change in Fair Value of Investments	(16,990)	(50,647)	(13,305)	(197,474)	
Program Income	1,018	1,584	201	30,869	
Other	10,953	29,295	2,449	53,040	
<b>TOTAL REVENUES</b>	<b>480,618</b>	<b>659,377</b>	<b>155,977</b>	<b>3,492,466</b>	
<b>EXPENDITURES</b>					
Current					
General Government	10,833	48,462	625	59,920	
Protection of Persons and Property	90,285	142,685	16,884	430,695	
Public Works	3,135	88,041	89	278,870	
Health and Sanitation	9,787	21,870	988	372,124	
Transportation	3,608	13,498	9,566	372,649	
Cultural and Recreational Services	522	259,903	--	602,362	
Community Development	402,641	170,012	116,497	882,479	
Capital Outlay	73,110	41,834	2,616	220,071	
Debt Service					
Principal	--	37	--	8,579	
Interest	--	5	--	975	
Cost of Issuance	--	--	--	1,476	
<b>TOTAL EXPENDITURES</b>	<b>593,921</b>	<b>786,347</b>	<b>147,265</b>	<b>3,230,200</b>	
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(113,303)</b>	<b>(126,970)</b>	<b>8,712</b>	<b>262,266</b>	
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	71,846	401,893	7,162	873,416	
Transfers Out	(19,318)	(26,173)	(4,141)	(748,762)	
Issuance of Long-Term Debt	--	--	--	211,940	
Premium on Issuance of Long-Term Debt	--	--	--	2,859	
Lease Liabilities Issued	--	792	--	6,927	
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>52,528</b>	<b>376,512</b>	<b>3,021</b>	<b>346,380</b>	
<b>NET CHANGE IN FUND BALANCES</b>	<b>(60,775)</b>	<b>249,542</b>	<b>11,733</b>	<b>608,646</b>	
<b>FUND BALANCES, JULY 1</b>	<b>225,595</b>	<b>974,582</b>	<b>213,969</b>	<b>4,661,621</b>	
<b>FUND BALANCES, JUNE 30</b>	<b>\$ 164,820</b>	<b>\$ 1,224,124</b>	<b>\$ 225,702</b>	<b>\$ 5,270,267</b>	

**CITY OF LOS ANGELES**

**Combining Budgetary Comparison Schedule**  
**(Non-GAAP Budgetary Basis)**  
**Annually Budgeted Nonmajor Special Revenue Funds**  
**For the Fiscal Year Ended June 30, 2022**  
**(amounts expressed in thousands)**

	Building and Safety Permit			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses, Permits and Fines	58,027	58,027	47,346	(10,681)
Intergovernmental	--	--	--	--
Charges for Services	171,932	171,932	142,119	(29,813)
Services to Enterprise Funds	1,486	1,486	1,791	305
Special Assessments	--	--	--	--
Interest	5,356	5,356	3,200	(2,156)
Program Income	--	--	--	--
Other	--	--	--	--
Total Revenues	236,801	236,801	194,456	(42,345)
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	<b>236,801</b>	<b>236,801</b>	<b>194,456</b>	<b>(42,345)</b>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	557,749	557,831	58,071	499,760
Public Works	--	--	--	--
Health and Sanitation	--	--	--	--
Transportation	--	--	--	--
Cultural and Recreational Services	--	--	--	--
Community Development	--	--	--	--
Capital Outlay	31,379	32,745	12,844	19,901
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	589,128	590,576	70,915	519,661
Other Financing Uses				
Transfers to Other Funds	151,206	151,634	110,548	41,086
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	<b>740,334</b>	<b>742,210</b>	<b>181,463</b>	<b>560,747</b>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>				
FUND BALANCES (DEFICIT), JULY 1	(503,533)	(505,409)	12,993	518,402
Appropriation of Fund Balances and Carryforward Appropriations	259,606	259,606	351,972	92,366
Encumbrances Lapsed	243,927	243,927	--	(243,927)
<b>FUND BALANCES (DEFICIT), JUNE 30</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ 366,841</b>	<b>\$ 366,841</b>

Continued...

**CITY OF LOS ANGELES**

**Combining Budgetary Comparison Schedule**  
**(Non-GAAP Budgetary Basis)**  
**Annually Budgeted Nonmajor Special Revenue Funds - (Continued)**  
**For the Fiscal Year Ended June 30, 2022**  
**(amounts expressed in thousands)**

	<b>Citywide Recycling Trust</b>				
	<b>Budgeted Amounts</b>		<b>Actual Amounts (Budgetary Basis)</b>	<b>Variance with Final Budget Positive (Negative)</b>	
	<b>Original</b>	<b>Final</b>			
<b>REVENUES AND OTHER FINANCING SOURCES</b>					
Revenues					
Taxes	\$ 29,650	\$ 29,650	\$ 26,012	\$ (3,638)	
Licenses, Permits and Fines	--	--	--	--	
Intergovernmental	--	--	--	--	
Charges for Services	--	--	--	--	
Services to Enterprise Funds	--	--	--	--	
Special Assessments	--	--	--	--	
Interest	280	280	291	11	
Program Income	--	--	--	--	
Other	--	--	--	--	
Total Revenues	29,930	29,930	26,303	(3,627)	
Other Financing Sources					
Transfers from Other Funds	775	775	2,775	2,000	
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	<b>30,705</b>	<b>30,705</b>	<b>29,078</b>	<b>(1,627)</b>	
<b>EXPENDITURES AND OTHER FINANCING USES</b>					
Expenditures					
Current					
General Government	--	--	--	--	
Protection of Persons and Property	--	--	--	--	
Public Works	--	--	--	--	
Health and Sanitation	66,512	54,354	15,075	39,279	
Transportation	--	--	--	--	
Cultural and Recreational Services	--	--	--	--	
Community Development	--	--	--	--	
Capital Outlay	--	--	--	--	
Debt Service					
Principal	--	--	--	--	
Interest	--	--	--	--	
Total Expenditures	66,512	54,354	15,075	39,279	
Other Financing Uses					
Transfers to Other Funds	26,836	24,841	15,752	9,089	
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	<b>93,348</b>	<b>79,195</b>	<b>30,827</b>	<b>48,368</b>	
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>					
FUND BALANCES (DEFICIT), JULY 1	(62,643)	(48,490)	(1,749)	46,741	
Appropriation of Fund Balances and Carryforward Appropriations	19,608	19,608	26,357	6,749	
<b>FUND BALANCES (DEFICIT), JUNE 30</b>	<b>43,035</b>	<b>28,882</b>	<b>--</b>	<b>(28,882)</b>	
	\$ --	\$ --	\$ 24,608	\$ 24,608	

Continued...

**CITY OF LOS ANGELES**

**Combining Budgetary Comparison Schedule**  
**(Non-GAAP Budgetary Basis)**  
**Annually Budgeted Nonmajor Special Revenue Funds - (Continued)**  
**For the Fiscal Year Ended June 30, 2022**  
**(amounts expressed in thousands)**

				<b>Proposition C Anti-Gridlock Transit Improvement</b>
				Variance with Final Budget
				Actual Amounts (Budgetary Basis)
	Budgeted Amounts	Original	Final	Final Budget Positive (Negative)
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues		\$	-- \$	-- \$ --
Taxes				
Licensing, Permits and Fines		--	--	--
Intergovernmental	67,182	67,182	84,275	17,093
Charges for Services	15,986	15,986	17,072	1,086
Services to Enterprise Funds	--	--	--	--
Special Assessments	--	--	--	--
Interest	839	839	785	(54)
Program Income	--	--	--	--
Other	--	--	--	--
Total Revenues	84,007	84,007	102,132	18,125
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>		84,007	84,007	102,132 18,125
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	--	--	--	--
Public Works	--	--	--	--
Health and Sanitation	--	--	--	--
Transportation	45,791	46,578	16,322	30,256
Cultural and Recreational Services	--	--	--	--
Community Development	--	--	--	--
Capital Outlay	7	137	--	137
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	45,798	46,715	16,322	30,393
Other Financing Uses				
Transfers to Other Funds	73,641	71,314	54,196	17,118
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>		119,439	118,029	70,518 47,511
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>				
FUND BALANCES (DEFICIT), JULY 1	(35,432)	(34,022)	31,614	65,636
Appropriation of Fund Balances and Carryforward Appropriations	9,021	9,021	30,335	30,335
Encumbrances Lapsed	26,411	24,655	--	(24,655)
<b>FUND BALANCES (DEFICIT), JUNE 30</b>		-- 346	346	--
	\$ -- \$	-- \$	62,295	\$ 62,295

Continued...

**CITY OF LOS ANGELES**

**Combining Budgetary Comparison Schedule**  
**(Non-GAAP Budgetary Basis)**  
**Annually Budgeted Nonmajor Special Revenue Funds - (Continued)**  
**For the Fiscal Year Ended June 30, 2022**  
**(amounts expressed in thousands)**

	Special Parking Revenue				Variance with Final Budget Positive (Negative)	
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Final Budget Positive (Negative)		
	Original	Final				
<b>REVENUES AND OTHER FINANCING SOURCES</b>						
Revenues						
Taxes	\$ --	\$ --	\$ --	\$ --	--	
Licenses, Permits and Fines	--	--	--	--	--	
Intergovernmental	--	--	--	--	--	
Charges for Services	61,748	61,748	58,746	(3,002)	--	
Services to Enterprise Funds	--	--	--	--	--	
Special Assessments	--	--	--	--	--	
Interest	1,632	1,632	740	(892)	--	
Program Income	--	--	--	--	--	
Other	245	245	652	407	--	
Total Revenues	<u>63,625</u>	<u>63,625</u>	<u>60,138</u>	<u>(3,487)</u>	--	
Other Financing Sources						
Transfers from Other Funds	--	--	--	--	--	
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	<b><u>63,625</u></b>	<b><u>63,625</u></b>	<b><u>60,138</u></b>	<b><u>(3,487)</u></b>	--	
<b>EXPENDITURES AND OTHER FINANCING USES</b>						
Expenditures						
Current						
General Government	--	--	--	--	--	
Protection of Persons and Property	--	--	--	--	--	
Public Works	--	--	--	--	--	
Health and Sanitation	--	--	--	--	--	
Transportation	103,826	101,547	47,160	54,387	--	
Cultural and Recreational Services	--	--	--	--	--	
Community Development	--	--	--	--	--	
Capital Outlay	5,572	5,675	59	5,616	--	
Debt Service						
Principal	--	--	--	--	--	
Interest	--	--	--	--	--	
Total Expenditures	<u>109,398</u>	<u>107,222</u>	<u>47,219</u>	<u>60,003</u>	--	
Other Financing Uses						
Transfers to Other Funds	11,354	10,859	6,595	4,264	--	
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	<b><u>120,752</u></b>	<b><u>118,081</u></b>	<b><u>53,814</u></b>	<b><u>64,267</u></b>	--	
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>						
FUND BALANCES (DEFICIT), JULY 1	(57,127)	(54,456)	6,324	60,780	--	
Appropriation of Fund Balances and Carryforward Appropriations	1,853	1,853	40,913	39,060	--	
Encumbrances Lapsed	55,274	50,741	--	(50,741)	--	
<b>FUND BALANCES (DEFICIT), JUNE 30</b>	<b><u>--</u></b>	<b><u>1,862</u></b>	<b><u>1,862</u></b>	<b><u>--</u></b>	--	
	<b>\$ --</b>	<b>\$ --</b>	<b>\$ 49,099</b>	<b>\$ 49,099</b>	--	

Continued...

**CITY OF LOS ANGELES**

**Combining Budgetary Comparison Schedule**  
**(Non-GAAP Budgetary Basis)**  
**Annually Budgeted Nonmajor Special Revenue Funds - (Continued)**  
**For the Fiscal Year Ended June 30, 2022**  
**(amounts expressed in thousands)**

	<b>Stormwater Pollution Abatement</b>				<b>Variance with Final Budget</b>	
	<b>Budgeted Amounts</b>		<b>Actual Amounts (Budgetary Basis)</b>	<b>Final Budget Positive (Negative)</b>		
	<b>Original</b>	<b>Final</b>				
<b>REVENUES AND OTHER FINANCING SOURCES</b>						
Revenues						
Taxes	\$ --	\$ --	\$ --	\$ --	--	
Licenses, Permits and Fines	--	--	--	--	--	
Intergovernmental	1,030	1,030	1,342	312	312	
Charges for Services	30,330	30,330	30,948	618	618	
Services to Enterprise Funds	--	--	--	--	--	
Special Assessments	--	--	--	--	--	
Interest	250	250	219	(31)	(31)	
Program Income	--	--	--	--	--	
Other	--	--	--	--	--	
Total Revenues	31,610	31,610	32,509	899	899	
Other Financing Sources						
Transfers from Other Funds	--	--	--	--	--	
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	<b>31,610</b>	<b>31,610</b>	<b>32,509</b>	<b>899</b>	<b>899</b>	
<b>EXPENDITURES AND OTHER FINANCING USES</b>						
Expenditures						
Current						
General Government	--	--	--	--	--	
Protection of Persons and Property	--	--	--	--	--	
Public Works	--	--	--	--	--	
Health and Sanitation	41,388	45,703	28,591	17,112	17,112	
Transportation	--	--	--	--	--	
Cultural and Recreational Services	--	--	--	--	--	
Community Development	--	--	--	--	--	
Capital Outlay	3,594	3,595	3,158	437	437	
Debt Service						
Principal	--	--	--	--	--	
Interest	--	--	--	--	--	
Total Expenditures	44,982	49,298	31,749	17,549	17,549	
Other Financing Uses						
Transfers to Other Funds	--	--	--	--	--	
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	<b>44,982</b>	<b>49,298</b>	<b>31,749</b>	<b>17,549</b>	<b>17,549</b>	
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>						
FUND BALANCES (DEFICIT), JULY 1	(13,372)	(17,688)	760	18,448		
Appropriation of Fund Balances and Carryforward Appropriations	2,889	2,889	12,382	9,493		
Encumbrances Lapsed	10,483	13,872	--	(13,872)		
	--	927	927	--		
<b>FUND BALANCES (DEFICIT), JUNE 30</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ 14,069</b>	<b>\$ 14,069</b>		

Continued...

**CITY OF LOS ANGELES**

**Combining Budgetary Comparison Schedule  
(Non-GAAP Budgetary Basis)**  
**Annually Budgeted Nonmajor Special Revenue Funds - (Continued)**  
**For the Fiscal Year Ended June 30, 2022**  
**(amounts expressed in thousands)**

<b>Street Lighting Maintenance Assessment</b>					
	<b>Budgeted Amounts</b>		<b>Actual Amounts (Budgetary Basis)</b>		<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>	<b>(Budgetary Basis)</b>	<b>Positive (Negative)</b>	
<b>REVENUES AND OTHER FINANCING SOURCES</b>					
Revenues					
Taxes	\$ --	\$ --	\$ --	\$ --	\$ --
Licenses, Permits and Fines	--	--	836	836	
Intergovernmental	231	231	5,314	5,083	
Charges for Services	26,549	26,549	19,078	(7,471)	
Services to Enterprise Funds	--	--	--	--	
Special Assessments	45,787	45,787	44,568	(1,219)	
Interest	--	--	--	--	
Program Income	--	--	--	--	
Other	615	615	540	(75)	
Total Revenues	<u>73,182</u>	<u>73,182</u>	<u>70,336</u>	<u>(2,846)</u>	
Other Financing Sources					
Transfers from Other Funds	760	760	385	(375)	
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	<u>73,942</u>	<u>73,942</u>	<u>70,721</u>	<u>(3,221)</u>	
<b>EXPENDITURES AND OTHER FINANCING USES</b>					
Expenditures					
Current					
General Government	--	--	--	--	--
Protection of Persons and Property	--	--	--	--	--
Public Works	80,302	50,569	12,085	38,484	
Health and Sanitation	--	--	--	--	
Transportation	--	--	--	--	
Cultural and Recreational Services	--	--	--	--	
Community Development	--	--	--	--	
Capital Outlay	940	1,949	916	1,033	
Debt Service					
Principal	--	--	--	--	--
Interest	--	--	--	--	--
Total Expenditures	<u>81,242</u>	<u>52,518</u>	<u>13,001</u>	<u>39,517</u>	
Other Financing Uses					
Transfers to Other Funds	45,997	44,865	41,126	3,739	
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	<u>127,239</u>	<u>97,383</u>	<u>54,127</u>	<u>43,256</u>	
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>					
FUND BALANCES (DEFICIT), JULY 1	(53,297)	(23,441)	16,594	40,035	
Appropriation of Fund Balances and Carryforward Appropriations	1,522	1,522	(10,518)	(12,040)	
Encumbrances Lapsed	51,775	19,446	--	(19,446)	
<b>FUND BALANCES (DEFICIT), JUNE 30</b>	<u>--</u>	<u>2,473</u>	<u>2,473</u>	<u>--</u>	
	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 8,549</u>	<u>\$ 8,549</u>	

Continued...

**CITY OF LOS ANGELES**

**Combining Budgetary Comparison Schedule**  
**(Non-GAAP Budgetary Basis)**  
**Annually Budgeted Nonmajor Special Revenue Funds - (Continued)**  
**For the Fiscal Year Ended June 30, 2022**  
**(amounts expressed in thousands)**

<b>Proposition A Local Transit Assistance</b>					
	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>		<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>	<b>(Budgetary Basis)</b>	<b>Positive (Negative)</b>	
<b>REVENUES AND OTHER FINANCING SOURCES</b>					
Revenues					
Taxes	\$ --	\$ --	\$ --	\$ --	--
Licenses, Permits and Fines	--	--	--	--	--
Intergovernmental	227,077	227,077	225,978	(1,099)	
Charges for Services	13,062	13,062	1,507	(11,555)	
Services to Enterprise Funds	--	--	--	--	
Special Assessments	--	--	--	--	
Interest	3,000	3,000	3,000	--	
Program Income	--	--	--	--	
Other	--	--	55	55	
Total Revenues	<u>243,139</u>	<u>243,139</u>	<u>230,540</u>	<u>(12,599)</u>	
Other Financing Sources					
Transfers from Other Funds	--	--	--	--	
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	<u>243,139</u>	<u>243,139</u>	<u>230,540</u>	<u>(12,599)</u>	
<b>EXPENDITURES AND OTHER FINANCING USES</b>					
Expenditures					
Current					
General Government	--	--	--	--	--
Protection of Persons and Property	--	--	--	--	--
Public Works	--	--	--	--	--
Health and Sanitation	--	--	--	--	--
Transportation	721,358	721,934	204,024	517,910	
Cultural and Recreational Services	--	--	--	--	
Community Development	--	--	--	--	
Capital Outlay	3,560	3,430	2,681	749	
Debt Service					
Principal	--	--	--	--	--
Interest	--	--	--	--	--
Total Expenditures	<u>724,918</u>	<u>725,364</u>	<u>206,705</u>	<u>518,659</u>	
Other Financing Uses					
Transfers to Other Funds	10,663	11,051	10,637	414	
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	<u>735,581</u>	<u>736,415</u>	<u>217,342</u>	<u>519,073</u>	
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>					
FUND BALANCES (DEFICIT), JULY 1	(492,442)	(493,276)	13,198	506,474	
Appropriation of Fund Balances and Carryforward Appropriations	53,047	53,047	162,731	109,684	
Encumbrances Lapsed	439,395	439,395	--	(439,395)	
<b>FUND BALANCES (DEFICIT), JUNE 30</b>	<u>--</u>	<u>834</u>	<u>834</u>	<u>--</u>	
	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 176,763</u>	<u>\$ 176,763</u>	

Continued...

**CITY OF LOS ANGELES**

**Combining Budgetary Comparison Schedule**  
**(Non-GAAP Budgetary Basis)**  
**Annually Budgeted Nonmajor Special Revenue Funds - (Continued)**  
**For the Fiscal Year Ended June 30, 2022**  
**(amounts expressed in thousands)**

	<b>Measure R Local Return</b>			
	<b>Budgeted Amounts</b>		<b>Actual Amounts (Budgetary Basis)</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues				
Taxes	\$ --	\$ --	\$ --	--
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	107,564	107,564	134,420	26,856
Charges for Services	77	77	201	124
Services to Enterprise Funds	--	--	--	--
Special Assessments	--	--	--	--
Interest	1,150	1,150	1,404	254
Program Income	--	--	--	--
Other	--	--	--	--
Total Revenues	<u>108,791</u>	<u>108,791</u>	<u>136,025</u>	<u>27,234</u>
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	<u>108,791</u>	<u>108,791</u>	<u>136,025</u>	<u>27,234</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	--	--	--	--
Public Works	--	--	--	--
Health and Sanitation	--	--	--	--
Transportation	122,983	130,688	30,949	99,739
Cultural and Recreational Services	--	--	--	--
Community Development	--	--	--	--
Capital Outlay	16,794	18,675	6,418	12,257
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	<u>139,777</u>	<u>149,363</u>	<u>37,367</u>	<u>111,996</u>
Other Financing Uses				
Transfers to Other Funds	61,672	64,883	43,944	20,939
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	<u>201,449</u>	<u>214,246</u>	<u>81,311</u>	<u>132,935</u>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>				
FUND BALANCES (DEFICIT), JULY 1	(92,658)	(105,455)	54,714	160,169
Appropriation of Fund Balances and Carryforward Appropriations	20,668	20,668	86,671	66,003
Encumbrances Lapsed	71,990	83,676	--	(83,676)
	--	1,111	1,111	--
<b>FUND BALANCES (DEFICIT), JUNE 30</b>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 142,496</u>	<u>\$ 142,496</u>

Continued...

**CITY OF LOS ANGELES**

**Combining Budgetary Comparison Schedule**  
**(Non-GAAP Budgetary Basis)**  
**Annually Budgeted Nonmajor Special Revenue Funds - (Continued)**  
**For the Fiscal Year Ended June 30, 2022**  
**(amounts expressed in thousands)**

	<b>Solid Waste Resources</b>				<b>Variance with Final Budget Positive (Negative)</b>	
	<b>Budgeted Amounts</b>		<b>Actual Amounts (Budgetary Basis)</b>	<b>Final</b>		
	<b>Original</b>	<b>Final</b>				
<b>REVENUES AND OTHER FINANCING SOURCES</b>						
Revenues						
Taxes	\$ --	\$ --	\$ --	\$ --	--	
Licenses, Permits and Fines	--	--	--	--	--	
Intergovernmental	13,420	13,420	13,300	(120)		
Charges for Services	301,396	301,396	290,895	(10,501)		
Services to Enterprise Funds	4,000	4,000	3,717	(283)		
Special Assessments	--	--	--	--		
Interest	660	660	3,384	2,724		
Program Income	--	--	--	--		
Other	1,356	1,356	5,806	4,450		
Total Revenues	320,832	320,832	317,102	(3,730)		
Other Financing Sources	--	--	--	--		
Transfers from Other Funds	--	--	--	--		
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	<b>320,832</b>	<b>320,832</b>	<b>317,102</b>	<b>(3,730)</b>		
<b>EXPENDITURES AND OTHER FINANCING USES</b>						
Expenditures						
Current						
General Government	--	--	--	--		
Protection of Persons and Property	--	--	--	--		
Public Works	--	--	--	--		
Health and Sanitation	185,558	188,662	124,080	64,582		
Transportation	--	--	--	--		
Cultural and Recreational Services	--	--	--	--		
Community Development	--	--	--	--		
Capital Outlay	3,027	3,028	933	2,095		
Debt Service						
Principal	17,480	17,480	17,480	--		
Interest	6,473	6,473	6,473	--		
Total Expenditures	212,538	215,643	148,966	66,677		
Other Financing Uses						
Transfers to Other Funds	174,479	182,670	162,741	19,929		
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	<b>387,017</b>	<b>398,313</b>	<b>311,707</b>	<b>86,606</b>		
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>						
FUND BALANCES (DEFICIT), JULY 1	(66,185)	(77,481)	5,395	82,876		
Appropriation of Fund Balances and Carryforward Appropriations	7,663	7,663	26,319	18,656		
Encumbrances Lapsed	58,522	67,522	--	(67,522)		
<b>FUND BALANCES (DEFICIT), JUNE 30</b>	<b>--</b>	<b>2,296</b>	<b>2,296</b>	<b>--</b>		
	<b>\$ --</b>	<b>\$ --</b>	<b>\$ 34,010</b>	<b>\$ 34,010</b>		

Continued...

**CITY OF LOS ANGELES**

**Combining Budgetary Comparison Schedule**  
**(Non-GAAP Budgetary Basis)**  
**Annually Budgeted Nonmajor Special Revenue Funds - (Continued)**  
**For the Fiscal Year Ended June 30, 2022**  
**(amounts expressed in thousands)**

		<b>Special Gas Tax Street Improvement</b>		Variance with Final Budget Positive (Negative)
		<b>Budgeted Amounts</b>	<b>Actual Amounts (Budgetary Basis)</b>	
		<b>Original</b>	<b>Final</b>	
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues		\$ --	\$ --	--
Taxes		--	--	--
Licenses, Permits and Fines		--	--	--
Intergovernmental		196,501	196,501	174,410 (22,091)
Charges for Services		--	--	48 48
Services to Enterprise Funds		--	--	--
Special Assessments		--	--	--
Interest		2,200	2,200	2,004 (196)
Program Income		--	--	--
Other		38	38	44 6
Total Revenues		<u>198,739</u>	<u>198,739</u>	<u>176,506 (22,233)</u>
Other Financing Sources		--	--	--
Transfers from Other Funds		--	--	--
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>		<u>198,739</u>	<u>198,739</u>	<u>176,506 (22,233)</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures				
Current				
General Government		--	--	--
Protection of Persons and Property		--	--	--
Public Works		172,259	199,757	41,994 157,763
Health and Sanitation		--	--	--
Transportation		--	--	--
Cultural and Recreational Services		--	--	--
Community Development		--	--	--
Capital Outlay		25,370	34,179	8,969 25,210
Debt Service		--	--	--
Principal		--	--	--
Interest		--	--	--
Total Expenditures		<u>197,629</u>	<u>233,936</u>	<u>50,963 182,973</u>
Other Financing Uses				
Transfers to Other Funds		84,020	84,248	76,890 7,358
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>		<u>281,649</u>	<u>318,184</u>	<u>127,853 190,331</u>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>				
FUND BALANCE (DEFICIT), JULY 1		(82,910)	(119,445)	48,653 168,098
Appropriation of Fund Balances and Carryforward Appropriations		6,042	6,042	138,482 132,440
Encumbrances Lapsed		76,868	112,466	-- (112,466)
		--	937	937 --
<b>FUND BALANCES (DEFICIT), JUNE 30</b>		<u>\$ --</u>	<u>\$ --</u>	<u>\$ 188,072 188,072</u>

Continued...

**CITY OF LOS ANGELES**

**Combining Budgetary Comparison Schedule**  
**(Non-GAAP Budgetary Basis)**  
**Annually Budgeted Nonmajor Special Revenue Funds - (Continued)**  
**For the Fiscal Year Ended June 30, 2022**  
**(amounts expressed in thousands)**

	Community Development Trust			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues				
Taxes	\$ --	\$ --	\$ --	--
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	20,555	50,084	52,415	2,331
Charges for Services	--	--	9	9
Services to Enterprise Funds	--	--	--	--
Special Assessments	--	--	--	--
Interest	--	--	70	70
Program Income	--	--	14,158	14,158
Other	--	--	373	373
Total Revenues	<b>20,555</b>	<b>50,084</b>	<b>67,025</b>	<b>16,941</b>
Other Financing Sources				
Transfers from Other Funds	--	--	258	258
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	<b>20,555</b>	<b>50,084</b>	<b>67,283</b>	<b>17,199</b>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	--	--	--	--
Public Works	--	--	--	--
Health and Sanitation	--	--	--	--
Transportation	--	--	--	--
Cultural and Recreational Services	--	--	--	--
Community Development	127,704	184,797	64,832	119,965
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	<b>127,704</b>	<b>184,797</b>	<b>64,832</b>	<b>119,965</b>
Other Financing Uses				
Transfers to Other Funds	32,793	36,831	18,612	18,219
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	<b>160,497</b>	<b>221,628</b>	<b>83,444</b>	<b>138,184</b>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>				
FUND BALANCES (DEFICIT), JULY 1	(139,942)	(171,544)	(16,161)	155,383
Appropriation of Fund Balances and Carryforward Appropriations	--	--	(26,519)	(26,519)
Encumbrances Lapsed	139,942	168,490	--	(168,490)
<b>FUND BALANCES (DEFICIT), JUNE 30</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ (39,626)</b>	<b>\$ (39,626)</b>

Continued...

**CITY OF LOS ANGELES**

**Combining Budgetary Comparison Schedule**  
**(Non-GAAP Budgetary Basis)**  
**Annually Budgeted Nonmajor Special Revenue Funds - (Continued)**  
**For the Fiscal Year Ended June 30, 2022**  
**(amounts expressed in thousands)**

				<b>Home Investment Partnership Program</b>	Variance with Final Budget Positive (Negative)
				<b>Budgeted Amounts</b>	Actual Amounts (Budgetary Basis)
	<b>Original</b>	<b>Final</b>			
<b>REVENUES AND OTHER FINANCING SOURCES</b>					
Revenues					
Taxes	\$ --	\$ --	\$ --	\$ --	--
Licenses, Permits and Fines	--	--	--	--	--
Intergovernmental	6,790	6,790	12,530	5,740	
Charges for Services	--	--	--	--	
Services to Enterprise Funds	--	--	--	--	
Special Assessments	--	--	--	--	
Interest	--	--	614	614	
Program Income	--	--	24,674	24,674	
Other	--	--	3	3	
Total Revenues	6,790	6,790	37,821	31,031	
Other Financing Sources					
Transfers from Other Funds	--	--	--	--	
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	<b>6,790</b>	<b>6,790</b>	<b>37,821</b>	<b>31,031</b>	
<b>EXPENDITURES AND OTHER FINANCING USES</b>					
Expenditures					
Current					
General Government	--	--	--	--	
Protection of Persons and Property	--	--	--	--	
Public Works	--	--	--	--	
Health and Sanitation	--	--	--	--	
Transportation	--	--	--	--	
Cultural and Recreational Services	--	--	--	--	
Community Development	--	--	--	--	
Capital Outlay	81,585	127,181	22,921	104,260	
Debt Service	--	--	--	--	
Principal	--	--	--	--	
Interest	--	--	--	--	
Total Expenditures	81,585	127,181	22,921	104,260	
Other Financing Uses					
Transfers to Other Funds	8,862	7,333	2,725	4,608	
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	<b>90,447</b>	<b>134,514</b>	<b>25,646</b>	<b>108,868</b>	
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>					
FUND BALANCES (DEFICIT), JULY 1	(83,657)	(127,724)	12,175	139,899	
Appropriation of Fund Balances and Carryforward Appropriations	--	--	33,440	33,440	
Encumbrances Lapsed	83,657	127,483	--	(127,483)	
<b>FUND BALANCES (DEFICIT), JUNE 30</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ 45,856</b>	<b>\$ 45,856</b>	

Continued...

**CITY OF LOS ANGELES**

**Combining Budgetary Comparison Schedule**  
**(Non-GAAP Budgetary Basis)**  
**Annually Budgeted Nonmajor Special Revenue Funds - (Continued)**  
**For the Fiscal Year Ended June 30, 2022**  
**(amounts expressed in thousands)**

<b>Workforce Innovation Opportunity Act</b>					
	<b>Budgeted Amounts</b>		<b>Actual Amounts (Budgetary Basis)</b>		<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>	<b>(Budgetary Basis)</b>	<b>Positive (Negative)</b>	
<b>REVENUES AND OTHER FINANCING SOURCES</b>					
Revenues					
Taxes	\$ --	\$ --	\$ --	\$ --	--
Licenses, Permits and Fines	--	--	--	--	--
Intergovernmental	16,909	16,909	--	(16,909)	--
Charges for Services	--	--	--	--	--
Services to Enterprise Funds	--	--	--	--	--
Special Assessments	--	--	--	--	--
Interest	--	--	15	15	15
Program Income	--	--	--	--	--
Other	--	--	--	--	--
Total Revenues	16,909	16,909	15	(16,894)	--
Other Financing Sources					
Transfers from Other Funds	--	--	--	--	--
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	<b>16,909</b>	<b>16,909</b>	<b>15</b>	<b>(16,894)</b>	<b>--</b>
<b>EXPENDITURES AND OTHER FINANCING USES</b>					
Expenditures					
Current					
General Government	--	--	--	--	--
Protection of Persons and Property	--	--	--	--	--
Public Works	--	--	--	--	--
Health and Sanitation	--	--	--	--	--
Transportation	--	--	--	--	--
Cultural and Recreational Services	--	--	--	--	--
Community Development	--	--	--	--	86,990
Capital Outlay	86,990	86,990	--	86,990	--
Debt Service					
Principal	--	--	--	--	--
Interest	--	--	--	--	--
Total Expenditures	86,990	86,990	--	86,990	--
Other Financing Uses					
Transfers to Other Funds	23,696	23,696	--	23,696	--
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	<b>110,686</b>	<b>110,686</b>	<b>--</b>	<b>110,686</b>	<b>--</b>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>					
FUND BALANCES (DEFICIT), JULY 1	(93,777)	(93,777)	15	93,792	
Appropriation of Fund Balances and Carryforward Appropriations	--	--	(7,138)	(7,138)	
<b>FUND BALANCES (DEFICIT), JUNE 30</b>	<b>93,777</b>	<b>93,777</b>	<b>--</b>	<b>(93,777)</b>	<b>\$ (7,123)</b>

Continued...

**CITY OF LOS ANGELES**

**Combining Budgetary Comparison Schedule**  
**(Non-GAAP Budgetary Basis)**  
**Annually Budgeted Nonmajor Special Revenue Funds - (Continued)**  
**For the Fiscal Year Ended June 30, 2022**  
**(amounts expressed in thousands)**

		<b>Other Nonmajor Grant Fund - Disaster Assistance</b>			Variance with Final Budget Positive (Negative)			
		<b>Actual Amounts</b>		Budgeted Amounts				
		<b>Original</b>	<b>Final</b>					
<b>REVENUES AND OTHER FINANCING SOURCES</b>								
Revenues								
Taxes	\$ --	\$ --	\$ --	\$ --	--			
Licenses, Permits and Fines	--	--	--	--	--			
Intergovernmental	79,147	79,147	34,993	(44,154)				
Charges for Services	--	--	--	--	--			
Services to Enterprise Funds	--	--	--	--	--			
Special Assessments	--	--	--	--	--			
Interest	575	575	336	(239)				
Program Income	--	--	--	--	--			
Other	--	--	--	--	--			
Total Revenues	79,722	79,722	35,329	(44,393)				
Other Financing Sources								
Transfers from Other Funds	--	--	--	--	--			
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	<b>79,722</b>	<b>79,722</b>	<b>35,329</b>	<b>(44,393)</b>				
<b>EXPENDITURES AND OTHER FINANCING USES</b>								
Expenditures								
Current								
General Government	--	--	--	--	--			
Protection of Persons and Property	120,128	120,128	29,398	90,730				
Public Works	--	--	--	--	--			
Health and Sanitation	--	--	--	--	--			
Transportation	--	--	--	--	--			
Cultural and Recreational Services	--	--	--	--	--			
Community Development	--	--	--	--	--			
Capital Outlay	--	--	--	--	--			
Debt Service								
Principal	--	--	--	--	--			
Interest	--	--	--	--	--			
Total Expenditures	120,128	120,128	29,398	90,730				
Other Financing Uses								
Transfers to Other Funds	304	304	263	41				
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	<b>120,432</b>	<b>120,432</b>	<b>29,661</b>	<b>90,771</b>				
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>								
FUND BALANCES (DEFICIT), JULY 1	(40,710)	(40,710)	5,668	46,378				
Appropriation of Fund Balances and Carryforward Appropriations	28,035	28,035	21,820	(6,215)				
<b>FUND BALANCES (DEFICIT), JUNE 30</b>	<b>12,675</b>	<b>12,675</b>	<b>--</b>	<b>(12,675)</b>				
	<b>\$ --</b>	<b>\$ --</b>	<b>\$ 27,488</b>	<b>\$ 27,488</b>				

Continued...

**CITY OF LOS ANGELES**

**Combining Budgetary Comparison Schedule**  
**(Non-GAAP Budgetary Basis)**  
**Annually Budgeted Nonmajor Special Revenue Funds - (Continued)**  
**For the Fiscal Year Ended June 30, 2022**  
**(amounts expressed in thousands)**

	Other Nonmajor Grant Fund - Community Services Block Grant			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues				
Taxes	\$ --	\$ --	\$ --	--
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	2,406	2,406	10,842	8,436
Charges for Services	--	--	--	--
Services to Enterprise Funds	--	--	--	--
Special Assessments	--	--	--	--
Interest	--	--	25	25
Program Income	--	--	--	--
Other	--	--	2	2
Total Revenues	2,406	2,406	10,869	8,463
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	<b>2,406</b>	<b>2,406</b>	<b>10,869</b>	<b>8,463</b>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	--	--	--	--
Public Works	--	--	--	--
Health and Sanitation	--	--	--	--
Transportation	--	--	--	--
Cultural and Recreational Services	--	--	--	--
Community Development	--	--	--	--
Capital Outlay	2,112	6,840	6,368	472
Debt Service	--	--	--	--
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	2,112	6,840	6,368	472
Other Financing Uses				
Transfers to Other Funds	2,114	2,700	1,879	821
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	<b>4,226</b>	<b>9,540</b>	<b>8,247</b>	<b>1,293</b>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>				
FUND BALANCES (DEFICIT), JULY 1	(1,820)	(7,134)	2,622	9,756
Appropriation of Fund Balances and Carryforward Appropriations	--	--	(4,266)	(4,266)
Encumbrances Lapsed	1,820	6,810	--	(6,810)
	--	324	324	--
<b>FUND BALANCES (DEFICIT), JUNE 30</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ (1,320)</b>	<b>\$ (1,320)</b>

Continued...

**CITY OF LOS ANGELES**

**Combining Budgetary Comparison Schedule**  
**(Non-GAAP Budgetary Basis)**  
**Annually Budgeted Nonmajor Special Revenue Funds - (Continued)**  
**For the Fiscal Year Ended June 30, 2022**  
**(amounts expressed in thousands)**

<b>Other Nonmajor Grant Fund - Forfeited Assets Trust of Police Department</b>				
	<b>Budgeted Amounts</b>	<b>Actual Amounts (Budgetary Basis)</b>	<b>Variance with Final Budget Positive (Negative)</b>	
	<b>Original</b>	<b>Final</b>		
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues				
Taxes	\$ --	\$ --	\$ --	--
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	--	--	3,468	3,468
Charges for Services	--	--	--	--
Services to Enterprise Funds	--	--	--	--
Special Assessments	--	--	--	--
Interest	--	--	143	143
Program Income	--	--	--	--
Other	--	--	--	--
Total Revenues	--	--	3,611	3,611
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	<b>--</b>	<b>--</b>	<b>3,611</b>	<b>3,611</b>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	10,308	10,169	2,040	8,129
Public Works	--	--	--	--
Health and Sanitation	--	--	--	--
Transportation	--	--	--	--
Cultural and Recreational Services	--	--	--	--
Community Development	--	--	--	--
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	10,308	10,169	2,040	8,129
Other Financing Uses				
Transfers to Other Funds	116	116	25	91
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	<b>10,424</b>	<b>10,285</b>	<b>2,065</b>	<b>8,220</b>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	<b>(10,424)</b>	<b>(10,285)</b>	<b>1,546</b>	<b>11,831</b>
FUND BALANCES (DEFICIT), JULY 1	2,770	2,770	10,828	8,058
Appropriation of Fund Balances and Carryforward Appropriations	7,654	7,507	--	(7,507)
Encumbrances Lapsed	--	8	8	--
<b>FUND BALANCES (DEFICIT), JUNE 30</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ 12,382</b>	<b>\$ 12,382</b>

Continued...

**CITY OF LOS ANGELES**

**Combining Budgetary Comparison Schedule**  
**(Non-GAAP Budgetary Basis)**  
**Annually Budgeted Nonmajor Special Revenue Funds - (Continued)**  
**For the Fiscal Year Ended June 30, 2022**  
**(amounts expressed in thousands)**

		Other Nonmajor Grant Fund - Household Hazardous Waste		Variance with Final Budget Positive (Negative)			
		Actual Amounts (Budgetary)	Original				
		Final					
<b>REVENUES AND OTHER FINANCING SOURCES</b>							
Revenues							
Taxes	\$ --	\$ --					
Licenses, Permits and Fines	--	--					
Intergovernmental	3,287	3,287	7,099	3,812			
Charges for Services	--	--	--	--			
Services to Enterprise Funds	--	--	--	--			
Special Assessments	--	--	--	--			
Interest	100	100	56	(44)			
Program Income	--	--	--	--			
Other	--	--	--	--			
Total Revenues	3,387	3,387	7,155	3,768			
Other Financing Sources							
Transfers from Other Funds	35	35	35	--			
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	<b>3,422</b>	<b>3,422</b>	<b>7,190</b>	<b>3,768</b>			
<b>EXPENDITURES AND OTHER FINANCING USES</b>							
Expenditures							
Current							
General Government	--	--	--	--			
Protection of Persons and Property	--	--	--	--			
Public Works	--	--	--	--			
Health and Sanitation	25,518	24,147	5,838	18,309			
Transportation	--	--	--	--			
Cultural and Recreational Services	--	--	--	--			
Community Development	--	--	--	--			
Capital Outlay	--	--	--	--			
Debt Service							
Principal	--	--	--	--			
Interest	--	--	--	--			
Total Expenditures	25,518	24,147	5,838	18,309			
Other Financing Uses							
Transfers to Other Funds	--	--	--	--			
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	<b>25,518</b>	<b>24,147</b>	<b>5,838</b>	<b>18,309</b>			
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>							
FUND BALANCES (DEFICIT), JULY 1	(22,096)	(20,725)	1,352	22,077			
Appropriation of Fund Balances and Carryforward Appropriations	6,110	6,110	2,922	(3,188)			
<b>FUND BALANCES (DEFICIT), JUNE 30</b>	<b>15,986</b>	<b>14,615</b>	<b>--</b>	<b>(14,615)</b>			
	<b>\$ --</b>	<b>\$ --</b>	<b>\$ 4,274</b>	<b>\$ 4,274</b>			

Continued...

**CITY OF LOS ANGELES**

**Combining Budgetary Comparison Schedule**  
**(Non-GAAP Budgetary Basis)**  
**Annually Budgeted Nonmajor Special Revenue Funds - (Continued)**  
**For the Fiscal Year Ended June 30, 2022**  
**(amounts expressed in thousands)**

				<b>Other Nonmajor Grant Fund - Housing Opportunities for Persons with AIDS</b>	Variance with Final Budget Positive (Negative)
				Actual Amounts (Budgetary Basis)	
				Budgeted Amounts	
	Original	Final			
<b>REVENUES AND OTHER FINANCING SOURCES</b>					
Revenues					
Taxes	\$ --	\$ --	\$ --	\$ --	--
Licenses, Permits and Fines	--	--	--	--	--
Intergovernmental	583	583	17,479	16,896	--
Charges for Services	--	--	--	--	--
Services to Enterprise Funds	--	--	--	--	--
Special Assessments	--	--	--	--	--
Interest	--	--	--	--	--
Program Income	--	--	55	55	55
Other	--	--	--	--	--
Total Revenues	<u>583</u>	<u>583</u>	<u>17,534</u>	<u>16,951</u>	--
Other Financing Sources					
Transfers from Other Funds	--	--	--	--	--
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	<u>583</u>	<u>583</u>	<u>17,534</u>	<u>16,951</u>	--
<b>EXPENDITURES AND OTHER FINANCING USES</b>					
Expenditures					
Current					
General Government	--	--	--	--	--
Protection of Persons and Property	--	--	--	--	--
Public Works	--	--	--	--	--
Health and Sanitation	--	--	--	--	--
Transportation	--	--	--	--	--
Cultural and Recreational Services	--	--	--	--	--
Community Development	--	--	--	--	--
Capital Outlay	11,792	34,503	22,678	11,825	--
Debt Service	--	--	--	--	--
Principal	--	--	--	--	--
Interest	--	--	--	--	--
Total Expenditures	<u>11,792</u>	<u>34,503</u>	<u>22,678</u>	<u>11,825</u>	--
Other Financing Uses					
Transfers to Other Funds	556	498	353	145	--
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	<u>12,348</u>	<u>35,001</u>	<u>23,031</u>	<u>11,970</u>	--
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>					
FUND BALANCES (DEFICIT), JULY 1	(11,765)	(34,418)	(5,497)	28,921	--
Appropriation of Fund Balances and Carryforward Appropriations	--	--	(10,373)	(10,373)	--
Encumbrances Lapsed	11,765	32,135	--	(32,135)	--
<b>FUND BALANCES (DEFICIT), JUNE 30</b>	<u>--</u>	<u>2,283</u>	<u>2,283</u>	<u>--</u>	--
	<u>\$ --</u>	<u>\$ --</u>	<u>\$ (13,587)</u>	<u>\$ (13,587)</u>	--

Continued...

**CITY OF LOS ANGELES**

**Combining Budgetary Comparison Schedule**  
**(Non-GAAP Budgetary Basis)**  
**Annually Budgeted Nonmajor Special Revenue Funds - (Continued)**  
**For the Fiscal Year Ended June 30, 2022**  
**(amounts expressed in thousands)**

				<b>Other Nonmajor Grant Fund - Mobile Source Air Pollution Reduction</b>	Variance with Final Budget Positive (Negative)
				Actual Amounts (Budgetary Basis)	Original
				Budgeted Amounts	
<b>REVENUES AND OTHER FINANCING SOURCES</b>					
Revenues					
Taxes	\$ --	\$ --	\$ --	\$ --	--
Licenses, Permits and Fines	--	--	--	--	--
Intergovernmental	5,200	5,200	5,156	(44)	
Charges for Services	--	--	--	--	
Services to Enterprise Funds	--	--	--	--	
Special Assessments	--	--	--	--	
Interest	36	36	64	28	
Program Income	--	--	--	--	
Other	--	--	--	--	
Total Revenues	5,236	5,236	5,220	(16)	
Other Financing Sources					
Transfers from Other Funds	--	--	--	--	
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	<b>5,236</b>	<b>5,236</b>	<b>5,220</b>	<b>(16)</b>	
<b>EXPENDITURES AND OTHER FINANCING USES</b>					
Expenditures					
Current					
General Government	--	--	--	--	
Protection of Persons and Property	--	--	--	--	
Public Works	--	--	--	--	
Health and Sanitation	7,196	5,738	2,089	3,649	
Transportation	--	--	--	--	
Community Development	--	--	--	--	
Capital Outlay	--	--	--	--	
Debt Service					
Principal	--	--	--	--	
Interest	--	--	--	--	
Total Expenditures	7,196	5,738	2,089	3,649	
Other Financing Uses					
Transfers to Other Funds	3,003	3,243	2,527	716	
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	<b>10,199</b>	<b>8,981</b>	<b>4,616</b>	<b>4,365</b>	
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>					
FUND BALANCES (DEFICIT), JULY 1	(4,963)	(3,745)	604	4,349	
Appropriation of Fund Balances and Carryforward Appropriations	1,271	1,271	3,814	2,543	
Encumbrances Lapsed	3,692	2,466	--	(2,466)	
	--	8	8	--	
<b>FUND BALANCES (DEFICIT), JUNE 30</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ 4,426</b>	<b>\$ 4,426</b>	

Continued...

**CITY OF LOS ANGELES**

**Combining Budgetary Comparison Schedule**  
**(Non-GAAP Budgetary Basis)**  
**Annually Budgeted Nonmajor Special Revenue Funds - (Continued)**  
**For the Fiscal Year Ended June 30, 2022**  
**(amounts expressed in thousands)**

		<b>Other Nonmajor Grant Fund - Older Americans Act</b>			Variance with Final Budget Positive (Negative)	
		<b>Budgeted Amounts</b>		Actual Amounts (Budgetary Basis)		
		<b>Original</b>	<b>Final</b>			
<b>REVENUES AND OTHER FINANCING SOURCES</b>						
Revenues		\$ --	\$ --	\$ --	\$ --	
Taxes		--	--	--	--	
Licenses, Permits and Fines		--	--	--	--	
Intergovernmental		2,368	26,648	23,364	(3,284)	
Charges for Services		--	--	--	--	
Services to Enterprise Funds		--	--	--	--	
Special Assessments		--	--	--	--	
Interest		--	--	--	--	
Program Income		--	--	--	--	
Other		--	--	15	15	
Total Revenues		2,368	26,648	23,379	(3,269)	
Other Financing Sources		--	--	8,138	8,138	
Transfers from Other Funds		--	--	8,138	8,138	
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>		<b>2,368</b>	<b>26,648</b>	<b>31,517</b>	<b>4,869</b>	
<b>EXPENDITURES AND OTHER FINANCING USES</b>						
Expenditures						
Current						
General Government		--	--	--	--	
Protection of Persons and Property		--	--	--	--	
Public Works		--	--	--	--	
Health and Sanitation		--	--	--	--	
Transportation		--	--	--	--	
Cultural and Recreational Services		--	--	--	--	
Community Development		--	--	--	--	
Capital Outlay		15,863	61,252	33,232	28,020	
Debt Service		--	--	--	--	
Principal		--	--	--	--	
Interest		--	--	--	--	
Total Expenditures		15,863	61,252	33,232	28,020	
Other Financing Uses						
Transfers to Other Funds		10,016	11,488	2,216	9,272	
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>		<b>25,879</b>	<b>72,740</b>	<b>35,448</b>	<b>37,292</b>	
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>						
FUND BALANCES (DEFICIT), JULY 1		(23,511)	(46,092)	(3,931)	42,161	
Appropriation of Fund Balances and Carryforward Appropriations		--	--	427	427	
Encumbrances Lapsed		23,511	42,273	--	(42,273)	
<b>FUND BALANCES (DEFICIT), JUNE 30</b>		<b>--</b>	<b>3,819</b>	<b>3,819</b>	<b>--</b>	
		<b>\$ --</b>	<b>\$ --</b>	<b>\$ 315</b>	<b>\$ 315</b>	

Continued...

**CITY OF LOS ANGELES**

**Combining Budgetary Comparison Schedule**  
**(Non-GAAP Budgetary Basis)**  
**Annually Budgeted Nonmajor Special Revenue Funds - (Continued)**  
**For the Fiscal Year Ended June 30, 2022**  
**(amounts expressed in thousands)**

				<b>Other Nonmajor Grant Fund - Supplemental Law Enforcement Services</b>	Variance with Final Budget Positive (Negative)	
				Actual Amounts (Budgetary Basis)	Original	Final
				Budgeted Amounts		
<b>REVENUES AND OTHER FINANCING SOURCES</b>						
Revenues					\$	-- \$
Taxes					--	--
Licenses, Permits and Fines					--	--
Intergovernmental					8,159	8,159
Charges for Services					--	--
Services to Enterprise Funds					--	--
Special Assessments					--	--
Interest					265	265
Program Income					--	--
Other					--	--
Total Revenues					<u>8,424</u>	<u>8,424</u>
Other Financing Sources						
Transfers from Other Funds					--	--
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>					<u>8,424</u>	<u>8,424</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>						
Expenditures					\$	-- \$
Current					--	--
General Government					--	--
Protection of Persons and Property					3,254	3,254
Public Works					--	--
Health and Sanitation					--	--
Transportation					--	--
Cultural and Recreational Services					--	--
Community Development					--	--
Capital Outlay					--	--
Debt Service					--	--
Principal					--	--
Interest					--	--
Total Expenditures					<u>3,254</u>	<u>3,254</u>
Other Financing Uses						
Transfers to Other Funds					23,131	23,131
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>					<u>26,385</u>	<u>26,385</u>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>						
FUND BALANCES (DEFICIT), JULY 1					(17,961)	(17,961)
Appropriation of Fund Balances and Carryforward Appropriations					--	1,317
<b>FUND BALANCES (DEFICIT), JUNE 30</b>					<u>17,961</u>	<u>17,961</u>
					\$	-- \$
					204	\$ 204

Continued...

**CITY OF LOS ANGELES**

**Combining Budgetary Comparison Schedule**  
**(Non-GAAP Budgetary Basis)**  
**Annually Budgeted Nonmajor Special Revenue Funds - (Continued)**  
**For the Fiscal Year Ended June 30, 2022**  
**(amounts expressed in thousands)**

		<b>Other Nonmajor Special Revenue Fund - Arts and Cultural Facilities and Services</b>			Variance with Final Budget Positive (Negative)	
		<b>Budgeted Amounts</b>		Actual Amounts (Budgetary Basis)		
		<b>Original</b>	<b>Final</b>			
<b>REVENUES AND OTHER FINANCING SOURCES</b>						
Revenues						
Taxes	\$ --	\$ --	\$ --	\$ --	--	
Licenses, Permits and Fines	--	--	--	--	--	
Intergovernmental	--	--	--	--	--	
Charges for Services	1,208	1,208	1,538	330		
Services to Enterprise Funds	--	--	--	--		
Special Assessments	--	--	--	--		
Interest	180	180	80	(100)		
Program Income	--	--	--	--		
Other	--	--	--	--		
Total Revenues	<b>1,388</b>	<b>1,388</b>	<b>1,618</b>	<b>230</b>		
Other Financing Sources						
Transfers from Other Funds	20,126	20,126	20,376	250		
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	<b>21,514</b>	<b>21,514</b>	<b>21,994</b>	<b>480</b>		
<b>EXPENDITURES AND OTHER FINANCING USES</b>						
Expenditures						
Current						
General Government	--	--	--	--	--	
Protection of Persons and Property	--	--	--	--	--	
Public Works	--	--	--	--	--	
Health and Sanitation	--	--	--	--	--	
Transportation	--	--	--	--	--	
Cultural and Recreational Services	10,227	10,641	1,392	9,249		
Community Development	--	--	--	--		
Capital Outlay	--	--	--	--		
Debt Service						
Principal	--	--	--	--	--	
Interest	--	--	--	--	--	
Total Expenditures	<b>10,227</b>	<b>10,641</b>	<b>1,392</b>	<b>9,249</b>		
Other Financing Uses						
Transfers to Other Funds	37,901	39,297	15,069	24,228		
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	<b>48,128</b>	<b>49,938</b>	<b>16,461</b>	<b>33,477</b>		
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>						
FUND BALANCES (DEFICIT), JULY 1	(26,614)	(28,424)	5,533	33,957		
Appropriation of Fund Balances and Carryforward Appropriations	3,079	3,079	9,331	6,252		
<b>FUND BALANCES (DEFICIT), JUNE 30</b>	<b>23,535</b>	<b>25,345</b>	<b>--</b>	<b>(25,345)</b>		
	<b>\$ --</b>	<b>\$ --</b>	<b>\$ 14,864</b>	<b>\$ 14,864</b>		

Continued...

**CITY OF LOS ANGELES**

**Combining Budgetary Comparison Schedule**  
**(Non-GAAP Budgetary Basis)**  
**Annually Budgeted Nonmajor Special Revenue Funds - (Continued)**  
**For the Fiscal Year Ended June 30, 2022**  
**(amounts expressed in thousands)**

<b>Other Nonmajor Special Revenue Fund - Arts Development Fee</b>				
	<b>Budgeted Amounts</b>		<b>Actual Amounts (Budgetary Basis)</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues				
Taxes	\$ --	\$ --	\$ --	--
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	--	--	--	--
Charges for Services	3,000	3,000	2,178	(822)
Services to Enterprise Funds	--	--	--	--
Special Assessments	--	--	--	--
Interest	300	300	240	(60)
Program Income	--	--	--	--
Other	--	--	--	--
Total Revenues	<u>3,300</u>	<u>3,300</u>	<u>2,418</u>	<u>(882)</u>
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	<u>3,300</u>	<u>3,300</u>	<u>2,418</u>	<u>(882)</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	--	--	--	--
Public Works	--	--	--	--
Health and Sanitation	--	--	--	--
Transportation	--	--	--	--
Cultural and Recreational Services	43,055	45,154	894	44,260
Community Development	--	--	--	--
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	<u>43,055</u>	<u>45,154</u>	<u>894</u>	<u>44,260</u>
Other Financing Uses				
Transfers to Other Funds	1	1	--	1
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	<u>43,056</u>	<u>45,155</u>	<u>894</u>	<u>44,261</u>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>				
FUND BALANCES (DEFICIT), JULY 1	(39,756)	(41,855)	1,524	43,379
Appropriation of Fund Balances and Carryforward Appropriations	261	261	20,706	20,445
Encumbrances Lapsed	39,495	41,566	--	(41,566)
<b>FUND BALANCES (DEFICIT), JUNE 30</b>	<u>--</u>	<u>28</u>	<u>28</u>	<u>--</u>
	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 22,258</u>	<u>\$ 22,258</u>

Continued...

**CITY OF LOS ANGELES**

**Combining Budgetary Comparison Schedule**  
**(Non-GAAP Budgetary Basis)**  
**Annually Budgeted Nonmajor Special Revenue Funds - (Continued)**  
**For the Fiscal Year Ended June 30, 2022**  
**(amounts expressed in thousands)**

<b>Other Nonmajor Special Revenue Fund - City Employees Ridesharing</b>				
	<b>Budgeted Amounts</b>	<b>Actual Amounts (Budgetary Basis)</b>	<b>Variance with Final Budget Positive (Negative)</b>	
	<b>Original</b>	<b>Final</b>		
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues				
Taxes	\$ --	\$ --	\$ --	--
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	--	--	--	--
Charges for Services	--	--	--	--
Services to Enterprise Funds	--	--	--	--
Special Assessments	--	--	--	--
Interest	75	75	48	(27)
Program Income	--	--	--	--
Other	2,568	2,568	1,577	(991)
Total Revenues	<u>2,643</u>	<u>2,643</u>	<u>1,625</u>	<u>(1,018)</u>
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	<b><u>2,643</u></b>	<b><u>2,643</u></b>	<b><u>1,625</u></b>	<b><u>(1,018)</u></b>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	--	--	--	--
Public Works	--	--	--	--
Health and Sanitation	--	--	--	--
Transportation	--	--	--	--
Cultural and Recreational Services	--	--	--	--
Community Development	--	--	--	--
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Other Financing Uses				
Transfers to Other Funds	8,570	5,404	1,210	4,194
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	<b><u>8,570</u></b>	<b><u>5,404</u></b>	<b><u>1,210</u></b>	<b><u>4,194</u></b>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>				
FUND BALANCES (DEFICIT), JULY 1	(5,927)	(2,761)	415	3,176
Appropriation of Fund Balances and Carryforward Appropriations	2,761	2,761	4,285	1,524
<b>FUND BALANCES (DEFICIT), JUNE 30</b>	<b><u>3,166</u></b>	<b><u>--</u></b>	<b><u>--</u></b>	<b><u>--</u></b>
	<b>\$ --</b>	<b>\$ --</b>	<b>\$ 4,700</b>	<b>\$ 4,700</b>

Continued...

**CITY OF LOS ANGELES**

**Combining Budgetary Comparison Schedule  
(Non-GAAP Budgetary Basis)**  
**Annually Budgeted Nonmajor Special Revenue Funds - (Continued)**  
**For the Fiscal Year Ended June 30, 2022**  
**(amounts expressed in thousands)**

<b>Other Nonmajor Special Revenue Fund - City of Los Angeles Affordable Housing</b>				
	<b>Budgeted Amounts</b>	<b>Actual Amounts (Budgetary Basis)</b>	<b>Variance with Final Budget Positive (Negative)</b>	
	<b>Original</b>	<b>Final</b>		
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues				
Taxes	\$ --	\$ --	\$ --	--
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	--	--	--	--
Charges for Services	80	80	63	(17)
Services to Enterprise Funds	--	--	--	--
Special Assessments	--	--	--	--
Interest	925	925	464	(461)
Program Income	1,432	1,432	1,997	565
Other	--	--	--	--
Total Revenues	<u>2,437</u>	<u>2,437</u>	<u>2,524</u>	<u>87</u>
Other Financing Sources				
Transfers from Other Funds	--	2,000	4,672	2,672
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	<u>2,437</u>	<u>4,437</u>	<u>7,196</u>	<u>2,759</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	--	--	--	--
Public Works	--	--	--	--
Health and Sanitation	--	--	--	--
Transportation	--	--	--	--
Cultural and Recreational Services	--	--	--	--
Community Development	170,152	52,384	2,802	49,582
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	<u>170,152</u>	<u>52,384</u>	<u>2,802</u>	<u>49,582</u>
Other Financing Uses				
Transfers to Other Funds	1,353	969	661	308
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	<u>171,505</u>	<u>53,353</u>	<u>3,463</u>	<u>49,890</u>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	<b>(169,068)</b>	<b>(48,916)</b>	<b>3,733</b>	<b>52,649</b>
<b>FUND BALANCES (DEFICIT), JULY 1</b>	<b>10,906</b>	<b>10,906</b>	<b>32,965</b>	<b>22,059</b>
Appropriation of Fund Balances and Carryforward Appropriations	158,162	38,010	--	(38,010)
<b>FUND BALANCES (DEFICIT), JUNE 30</b>	<b>\$ --</b>	<b>\$ 36,698</b>	<b>\$ 36,698</b>	<b>\$ 36,698</b>

Continued...

**CITY OF LOS ANGELES**

**Combining Budgetary Comparison Schedule**  
**(Non-GAAP Budgetary Basis)**  
**Annually Budgeted Nonmajor Special Revenue Funds - (Continued)**  
**For the Fiscal Year Ended June 30, 2022**  
**(amounts expressed in thousands)**

		<b>Other Nonmajor Special Revenue Fund - El Pueblo de Los Angeles Historical Monument</b>			Variance with Final Budget Positive (Negative)	
		<b>Budgeted Amounts</b>		Actual Amounts (Budgetary Basis)		
		<b>Original</b>	<b>Final</b>			
<b>REVENUES AND OTHER FINANCING SOURCES</b>						
Revenues						
Taxes	\$ --	\$ --	\$ --	\$ --	--	
Licenses, Permits and Fines	--	--	--	--	--	
Intergovernmental	--	--	--	--	--	
Charges for Services	4,017	4,017	3,799	(218)		
Services to Enterprise Funds	--	--	--	--		
Special Assessments	--	--	--	--		
Interest	14	14	29	15		
Program Income	--	--	--	--		
Other	329	329	193	(136)		
Total Revenues	4,360	4,360	4,021	(339)		
Other Financing Sources						
Transfers from Other Funds	--	--	903	903		
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	<b>4,360</b>	<b>4,360</b>	<b>4,924</b>	<b>564</b>		
<b>EXPENDITURES AND OTHER FINANCING USES</b>						
Expenditures						
Current						
General Government	--	--	--	--	--	
Protection of Persons and Property	--	--	--	--	--	
Public Works	--	--	--	--	--	
Health and Sanitation	--	--	--	--	--	
Transportation	--	--	--	--	--	
Cultural and Recreational Services	926	850	589	261		
Community Development	--	--	--	--		
Capital Outlay	--	--	--	--		
Debt Service						
Principal	--	--	--	--	--	
Interest	--	--	--	--	--	
Total Expenditures	926	850	589	261		
Other Financing Uses						
Transfers to Other Funds	4,489	3,913	3,346	567		
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	<b>5,415</b>	<b>4,763</b>	<b>3,935</b>	<b>828</b>		
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>						
FUND BALANCES (DEFICIT), JULY 1	(1,055)	(403)	989	1,392		
Appropriation of Fund Balances and Carryforward Appropriations	78	78	1,596	1,518		
<b>FUND BALANCES (DEFICIT), JUNE 30</b>	<b>977</b>	<b>325</b>	<b>--</b>	<b>(325)</b>		
	<b>\$ --</b>	<b>\$ --</b>	<b>\$ 2,585</b>	<b>\$ 2,585</b>		

Continued...

**CITY OF LOS ANGELES**

**Combining Budgetary Comparison Schedule**  
**(Non-GAAP Budgetary Basis)**  
**Annually Budgeted Nonmajor Special Revenue Funds - (Continued)**  
**For the Fiscal Year Ended June 30, 202278**  
**(amounts expressed in thousands)**

<b>Other Nonmajor Special Revenue Fund - Local Public Safety</b>				
	<b>Budgeted Amounts</b>		<b>Actual Amounts (Budgetary Basis)</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues				
Taxes	\$ --	\$ --	\$ --	--
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	48,500	48,500	54,377	5,877
Charges for Services	--	--	--	--
Services to Enterprise Funds	--	--	--	--
Special Assessments	--	--	--	--
Interest	--	--	--	--
Program Income	--	--	--	--
Other	--	--	--	--
Total Revenues	<u>48,500</u>	<u>48,500</u>	<u>54,377</u>	<u>5,877</u>
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	<u>48,500</u>	<u>48,500</u>	<u>54,377</u>	<u>5,877</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	--	--	--	--
Public Works	--	--	--	--
Health and Sanitation	--	--	--	--
Transportation	--	--	--	--
Cultural and Recreational Services	--	--	--	--
Community Development	--	--	--	--
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Other Financing Uses				
Transfers to Other Funds	73,619	73,619	51,118	22,501
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	<u>73,619</u>	<u>73,619</u>	<u>51,118</u>	<u>22,501</u>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	<b>(25,119)</b>	<b>(25,119)</b>	<b>3,259</b>	<b>28,378</b>
FUND BALANCES (DEFICIT), JULY 1	2,618	2,618	3,411	793
Appropriation of Fund Balances and Carryforward Appropriations	22,501	22,501	--	(22,501)
<b>FUND BALANCES (DEFICIT), JUNE 30</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ 6,670</b>	<b>\$ 6,670</b>

Continued...

**CITY OF LOS ANGELES**

**Combining Budgetary Comparison Schedule  
(Non-GAAP Budgetary Basis)**  
**Annually Budgeted Nonmajor Special Revenue Funds - (Continued)**  
**For the Fiscal Year Ended June 30, 2022**  
**(amounts expressed in thousands)**

		<b>Other Nonmajor Special Revenue Fund - Los Angeles Convention and Visitors Bureau</b>			
		Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
		Original	Final		
<b>REVENUES AND OTHER FINANCING SOURCES</b>					
Revenues					
Taxes		\$ 14,100	\$ 14,100	\$ 18,396	\$ 4,296
Licenses, Permits and Fines		--	--	--	--
Intergovernmental		--	--	--	--
Charges for Services		--	--	--	--
Services to Enterprise Funds		--	--	--	--
Special Assessments		--	--	--	--
Interest		--	--	--	--
Program Income		--	--	--	--
Other		--	--	--	--
Total Revenues		<u>14,100</u>	<u>14,100</u>	<u>18,396</u>	<u>4,296</u>
Other Financing Sources					
Transfers from Other Funds		--	--	--	--
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>		<u>14,100</u>	<u>14,100</u>	<u>18,396</u>	<u>4,296</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>					
Expenditures					
Current					
General Government		--	--	--	--
Protection of Persons and Property		--	--	--	--
Public Works		--	--	--	--
Health and Sanitation		--	--	--	--
Transportation		--	--	--	--
Cultural and Recreational Services		57,287	57,287	13,710	43,577
Community Development		--	--	--	--
Capital Outlay		--	--	--	--
Debt Service					
Principal		--	--	--	--
Interest		--	--	--	--
Total Expenditures		<u>57,287</u>	<u>57,287</u>	<u>13,710</u>	<u>43,577</u>
Other Financing Uses					
Transfers to Other Funds		468	468	325	143
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>		<u>57,755</u>	<u>57,755</u>	<u>14,035</u>	<u>43,720</u>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>					
FUND BALANCES (DEFICIT), JULY 1		(43,655)	(43,655)	4,361	48,016
Appropriation of Fund Balances and Carryforward Appropriations		1,488	1,488	2,179	691
<b>FUND BALANCES (DEFICIT), JUNE 30</b>		<u>42,167</u>	<u>42,167</u>	<u>--</u>	<u>(42,167)</u>
		<u>\$ --</u>	<u>\$ --</u>	<u>\$ 6,540</u>	<u>\$ 6,540</u>

Continued...

**CITY OF LOS ANGELES**

**Combining Budgetary Comparison Schedule**  
**(Non-GAAP Budgetary Basis)**  
**Annually Budgeted Nonmajor Special Revenue Funds - (Continued)**  
**For the Fiscal Year Ended June 30, 2022**  
**(amounts expressed in thousands)**

<b>Other Nonmajor Special Revenue Fund - Multi-Family Bulky Item Fee</b>					
	<b>Budgeted Amounts</b>		<b>Actual Amounts (Budgetary Basis)</b>	<b>Variance with Final Budget Positive (Negative)</b>	
	<b>Original</b>	<b>Final</b>			
<b>REVENUES AND OTHER FINANCING SOURCES</b>					
Revenues					
Taxes	\$ --	\$ --	\$ --	\$ --	--
Licenses, Permits and Fines	--	--	--	--	--
Intergovernmental	--	--	--	--	--
Charges for Services	7,720	7,720	6,877	(843)	
Services to Enterprise Funds	--	--	--	--	--
Special Assessments	--	--	--	--	--
Interest	60	60	60	--	--
Program Income	--	--	--	--	--
Other	--	--	--	--	--
Total Revenues	<u>7,780</u>	<u>7,780</u>	<u>6,937</u>	<u>(843)</u>	
Other Financing Sources					
Transfers from Other Funds	868	868	869	1	
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	<u>8,648</u>	<u>8,648</u>	<u>7,806</u>	<u>(842)</u>	
<b>EXPENDITURES AND OTHER FINANCING USES</b>					
Expenditures					
Current					
General Government	--	--	--	--	--
Protection of Persons and Property	--	--	--	--	--
Public Works	20,663	20,663	4,748	15,915	
Health and Sanitation	--	--	--	--	--
Transportation	--	--	--	--	--
Cultural and Recreational Services	--	--	--	--	--
Community Development	--	--	--	--	--
Capital Outlay	--	--	--	--	--
Debt Service					
Principal	--	--	--	--	--
Interest	--	--	--	--	--
Total Expenditures	<u>20,663</u>	<u>20,663</u>	<u>4,748</u>	<u>15,915</u>	
Other Financing Uses					
Transfers to Other Funds	7,205	7,205	3,128	4,077	
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	<u>27,868</u>	<u>27,868</u>	<u>7,876</u>	<u>19,992</u>	
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	<b>(19,220)</b>	<b>(19,220)</b>	<b>(70)</b>	<b>19,150</b>	
FUND BALANCES (DEFICIT), JULY 1	6,011	6,011	6,580	569	
Appropriation of Fund Balances and Carryforward Appropriations	13,209	13,209	--	(13,209)	
<b>FUND BALANCES (DEFICIT), JUNE 30</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ 6,510</b>	<b>\$ 6,510</b>	

Continued...

**CITY OF LOS ANGELES**

**Combining Budgetary Comparison Schedule**  
**(Non-GAAP Budgetary Basis)**  
**Annually Budgeted Nonmajor Special Revenue Funds - (Continued)**  
**For the Fiscal Year Ended June 30, 2022**  
**(amounts expressed in thousands)**

		<b>Other Nonmajor Special Revenue Fund - Municipal Housing Finance</b>			Variance with Final Budget Positive (Negative)	
		<b>Budgeted Amounts</b>		Actual Amounts (Budgetary Basis)		
		<b>Original</b>	<b>Final</b>			
<b>REVENUES AND OTHER FINANCING SOURCES</b>						
Revenues						
Taxes	\$ --	\$ --	\$ --	\$ --	--	
Licenses, Permits and Fines	--	--	--	--	--	
Intergovernmental	--	--	--	--	--	
Charges for Services	8,020	8,020	9,875	1,855		
Services to Enterprise Funds	--	--	--	--		
Special Assessments	--	--	--	--		
Interest	298	298	249	(49)		
Program Income	1,244	1,244	1,396	152		
Other	--	--	--	--		
Total Revenues	<b>9,562</b>	<b>9,562</b>	<b>11,520</b>	<b>1,958</b>		
Other Financing Sources						
Transfers from Other Funds	--	--	--	--		
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	<b>9,562</b>	<b>9,562</b>	<b>11,520</b>	<b>1,958</b>		
<b>EXPENDITURES AND OTHER FINANCING USES</b>						
Expenditures						
Current						
General Government	--	--	--	--	--	
Protection of Persons and Property	--	--	--	--	--	
Public Works	--	--	--	--	--	
Health and Sanitation	--	--	--	--	--	
Transportation	--	--	--	--	--	
Cultural and Recreational Services	--	--	--	--	--	
Community Development	25,701	16,964	2,373	14,591		
Capital Outlay	--	--	--	--		
Debt Service						
Principal	--	--	--	--	--	
Interest	--	--	--	--	--	
Total Expenditures	<b>25,701</b>	<b>16,964</b>	<b>2,373</b>	<b>14,591</b>		
Other Financing Uses						
Transfers to Other Funds	8,086	4,573	4,206	367		
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	<b>33,787</b>	<b>21,537</b>	<b>6,579</b>	<b>14,958</b>		
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>						
FUND BALANCES (DEFICIT), JULY 1	(24,225)	(11,975)	4,941	16,916		
Appropriation of Fund Balances and Carryforward Appropriations	11,275	11,275	17,063	5,788		
Encumbrances Lapsed	12,950	682	--	(682)		
<b>FUND BALANCES (DEFICIT), JUNE 30</b>	<b>--</b>	<b>18</b>	<b>18</b>	<b>--</b>		
	<b>\$ --</b>	<b>\$ --</b>	<b>\$ 22,022</b>	<b>\$ 22,022</b>		

Continued...

**CITY OF LOS ANGELES**

**Combining Budgetary Comparison Schedule**  
**(Non-GAAP Budgetary Basis)**  
**Annually Budgeted Nonmajor Special Revenue Funds - (Continued)**  
**For the Fiscal Year Ended June 30, 2022**  
**(amounts expressed in thousands)**

		<b>Other Nonmajor Special Revenue Fund - Planning Case Processing Special</b>			Variance with Final Budget Positive (Negative)			
		<b>Budgeted Amounts</b>		Actual Amounts (Budgetary Basis)				
		<b>Original</b>	<b>Final</b>					
<b>REVENUES AND OTHER FINANCING SOURCES</b>								
Revenues								
Taxes	\$ --	\$ --	\$ --	\$ --	--			
Licenses, Permits and Fines	--	--	--	--	--			
Intergovernmental	--	--	--	--	--			
Charges for Services	35,548	35,548	24,999	(10,549)				
Services to Enterprise Funds	--	--	--	--				
Special Assessments	--	--	--	--				
Interest	250	250	163	(87)				
Program Income	--	--	--	--				
Other	--	--	--	--				
Total Revenues	<u>35,798</u>	<u>35,798</u>	<u>25,162</u>	<u>(10,636)</u>				
Other Financing Sources								
Transfers from Other Funds	--	--	--	--				
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	<b><u>35,798</u></b>	<b><u>35,798</u></b>	<b><u>25,162</u></b>	<b><u>(10,636)</u></b>				
<b>EXPENDITURES AND OTHER FINANCING USES</b>								
Expenditures								
Current								
General Government	--	--	--	--	--			
Protection of Persons and Property	--	--	--	--	--			
Public Works	--	--	--	--	--			
Health and Sanitation	--	--	--	--	--			
Transportation	--	--	--	--	--			
Cultural and Recreational Services	--	--	--	--	--			
Community Development	10,967	3,076	2,709	367				
Capital Outlay	--	--	--	--				
Debt Service								
Principal	--	--	--	--	--			
Interest	--	--	--	--	--			
Total Expenditures	<u>10,967</u>	<u>3,076</u>	<u>2,709</u>	<u>367</u>				
Other Financing Uses								
Transfers to Other Funds	<u>27,283</u>	<u>23,130</u>	<u>20,925</u>	<u>2,205</u>				
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	<b><u>38,250</u></b>	<b><u>26,206</u></b>	<b><u>23,634</u></b>	<b><u>2,572</u></b>				
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>								
FUND BALANCES (DEFICIT), JULY 1	(2,452)	9,592	1,528	(8,064)				
Appropriation of Fund Balances and Carryforward Appropriations	1,205	1,205	3,084	1,879				
<b>FUND BALANCES (DEFICIT), JUNE 30</b>	<b><u>1,247</u></b>	<b><u>(10,797)</u></b>	<b><u>--</u></b>	<b><u>10,797</u></b>				
	<b><u>\$ --</u></b>	<b><u>\$ --</u></b>	<b><u>\$ 4,612</u></b>	<b><u>\$ 4,612</u></b>				

Continued...

**CITY OF LOS ANGELES**

**Combining Budgetary Comparison Schedule**  
**(Non-GAAP Budgetary Basis)**  
**Annually Budgeted Nonmajor Special Revenue Funds - (Continued)**  
**For the Fiscal Year Ended June 30, 2022**  
**(amounts expressed in thousands)**

		<b>Other Nonmajor Special Revenue Fund - Rent Stabilization</b>			Variance with Final Budget Positive (Negative)			
		<b>Budgeted Amounts</b>		Actual Amounts (Budgetary Basis)				
		<b>Original</b>	<b>Final</b>					
<b>REVENUES AND OTHER FINANCING SOURCES</b>								
Revenues								
Taxes	\$ --	\$ --	\$ --	\$ --	--			
Licenses, Permits and Fines	--	--	--	--	--			
Intergovernmental	--	--	--	--	--			
Charges for Services	21,936	21,936	21,981	45				
Services to Enterprise Funds	--	--	--	--				
Special Assessments	--	--	--	--				
Interest	120	120	304	184				
Program Income	--	--	--	--				
Other	39	39	10	(29)				
Total Revenues	<b>22,095</b>	<b>22,095</b>	<b>22,295</b>	<b>200</b>				
Other Financing Sources	--	--	--	--				
Transfers from Other Funds	--	--	--	--				
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	<b>22,095</b>	<b>22,095</b>	<b>22,295</b>	<b>200</b>				
<b>EXPENDITURES AND OTHER FINANCING USES</b>								
Expenditures								
Current								
General Government	--	--	--	--	--			
Protection of Persons and Property	--	--	--	--	--			
Public Works	--	--	--	--	--			
Health and Sanitation	--	--	--	--	--			
Transportation	--	--	--	--	--			
Cultural and Recreational Services	--	--	--	--	--			
Community Development	47,915	34,593	7,719	26,874				
Capital Outlay	--	--	--	--				
Debt Service								
Principal	--	--	--	--	--			
Interest	--	--	--	--	--			
Total Expenditures	<b>47,915</b>	<b>34,593</b>	<b>7,719</b>	<b>26,874</b>				
Other Financing Uses								
Transfers to Other Funds	11,485	11,176	9,531	1,645				
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	<b>59,400</b>	<b>45,769</b>	<b>17,250</b>	<b>28,519</b>				
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>								
FUND BALANCES (DEFICIT), JULY 1	(37,305)	(23,674)	5,045	28,719				
Appropriation of Fund Balances and Carryforward Appropriations	17,275	17,275	24,942	7,667				
Encumbrances Lapsed	20,030	5,858	--	(5,858)				
	--	541	541	--				
<b>FUND BALANCES (DEFICIT), JUNE 30</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ 30,528</b>	<b>\$ 30,528</b>				

Continued...

**CITY OF LOS ANGELES**

**Combining Budgetary Comparison Schedule**  
**(Non-GAAP Budgetary Basis)**  
**Annually Budgeted Nonmajor Special Revenue Funds - (Continued)**  
**For the Fiscal Year Ended June 30, 2022**  
**(amounts expressed in thousands)**

		<b>Other Nonmajor Special Revenue Fund - Street Damage Restoration Fee</b>			Variance with Final Budget Positive (Negative)			
		<b>Budgeted Amounts</b>		Actual Amounts (Budgetary Basis)				
		<b>Original</b>	<b>Final</b>					
<b>REVENUES AND OTHER FINANCING SOURCES</b>								
Revenues								
Taxes		\$ --	\$ --	\$ --	--			
Licenses, Permits and Fines		--	--	--	--			
Intergovernmental		--	--	--	--			
Charges for Services		55,000	55,000	55,004	4			
Services to Enterprise Funds		--	--	--	--			
Special Assessments		--	--	--	--			
Interest		125	125	120	(5)			
Program Income		--	--	--	--			
Other		--	--	--	--			
Total Revenues		<b>55,125</b>	<b>55,125</b>	<b>55,124</b>	<b>(1)</b>			
Other Financing Sources								
Transfers from Other Funds		--	--	--	--			
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>		<b>55,125</b>	<b>55,125</b>	<b>55,124</b>	<b>(1)</b>			
<b>EXPENDITURES AND OTHER FINANCING USES</b>								
Expenditures								
Current								
General Government		--	--	--	--			
Protection of Persons and Property		--	--	--	--			
Public Works		7,616	8,064	4,928	3,136			
Health and Sanitation		--	--	--	--			
Transportation		--	--	--	--			
Cultural and Recreational Services		--	--	--	--			
Community Development		--	--	--	--			
Capital Outlay		--	--	--	--			
Debt Service								
Principal		--	--	--	--			
Interest		--	--	--	--			
Total Expenditures		<b>7,616</b>	<b>8,064</b>	<b>4,928</b>	<b>3,136</b>			
Other Financing Uses								
Transfers to Other Funds		<b>54,366</b>	<b>54,366</b>	<b>49,020</b>	<b>5,346</b>			
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>		<b>61,982</b>	<b>62,430</b>	<b>53,948</b>	<b>8,482</b>			
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>								
FUND BALANCES (DEFICIT), JULY 1		(6,857)	(7,305)	1,176	8,481			
Appropriation of Fund Balances and Carryforward Appropriations		966	966	4,777	3,811			
<b>FUND BALANCES (DEFICIT), JUNE 30</b>		<b>5,891</b>	<b>6,339</b>	<b>--</b>	<b>(6,339)</b>			
		<b>\$ --</b>	<b>\$ --</b>	<b>\$ 5,953</b>	<b>\$ 5,953</b>			

Continued...

**CITY OF LOS ANGELES**

**Combining Budgetary Comparison Schedule**  
**(Non-GAAP Budgetary Basis)**  
**Annually Budgeted Nonmajor Special Revenue Funds - (Continued)**  
**For the Fiscal Year Ended June 30, 2022**  
**(amounts expressed in thousands)**

		<b>Other Nonmajor Special Revenue Fund - Code Enforcement Trust</b>			Variance with Final Budget Positive (Negative)	
		<b>Actual Amounts (Budgetary Basis)</b>		Original	Final	
		<b>Budgeted Amounts</b>	<b>Actual Amounts (Budgetary Basis)</b>			
REVENUES AND OTHER FINANCING SOURCES		\$	\$	\$	\$	\$
Revenues						
Taxes		--	--	--	--	--
Licenses, Permits and Fines		--	--	37	37	37
Intergovernmental		--	--	--	--	--
Charges for Services		51,864	51,864	79,353	27,489	27,489
Services to Enterprise Funds		--	--	--	--	--
Special Assessments		--	--	--	--	--
Interest		665	665	320	(345)	(345)
Program Income		--	--	--	--	--
Other		532	532	36	(496)	(496)
Total Revenues		<u>53,061</u>	<u>53,061</u>	<u>79,746</u>	<u>26,685</u>	<u>26,685</u>
Other Financing Sources						
Transfers from Other Funds		--	--	--	--	--
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>		<b><u>53,061</u></b>	<b><u>53,061</u></b>	<b><u>79,746</u></b>	<b><u>26,685</u></b>	
EXPENDITURES AND OTHER FINANCING USES						
Expenditures						
Current						
General Government		--	--	--	--	--
Protection of Persons and Property		57,443	58,400	41,587	16,813	16,813
Public Works		--	--	--	--	--
Health and Sanitation		--	--	--	--	--
Transportation		--	--	--	--	--
Cultural and Recreational Services		--	--	--	--	--
Community Development		--	--	--	--	--
Capital Outlay		--	--	--	--	--
Debt Service		--	--	--	--	--
Principal		--	--	--	--	--
Interest		--	--	--	--	--
Total Expenditures		<u>57,443</u>	<u>58,400</u>	<u>41,587</u>	<u>16,813</u>	<u>16,813</u>
Other Financing Uses						
Transfers to Other Funds		33,400	33,315	28,229	5,086	5,086
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>		<b><u>90,843</u></b>	<b><u>91,715</u></b>	<b><u>69,816</u></b>	<b><u>21,899</u></b>	
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES						
FUND BALANCES (DEFICIT), JULY 1		(37,782)	(38,654)	9,930	48,584	48,584
Appropriation of Fund Balances and Carryforward Appropriations		13,092	13,092	17,312	4,220	4,220
Encumbrances Lapsed		24,690	23,107	--	(23,107)	(23,107)
<b>FUND BALANCES (DEFICIT), JUNE 30</b>		<b>\$ --</b>	<b>\$ --</b>	<b>\$ 29,697</b>	<b>\$ 29,697</b>	

Continued...

**CITY OF LOS ANGELES**

**Combining Budgetary Comparison Schedule**  
**(Non-GAAP Budgetary Basis)**  
**Annually Budgeted Nonmajor Special Revenue Funds - (Continued)**  
**For the Fiscal Year Ended June 30, 2022**  
**(amounts expressed in thousands)**

<b>Other Nonmajor Special Revenue Fund - Telecommunications Liquidated Damages and Lost Franchise Fees</b>					
	<b>Budgeted Amounts</b>		<b>Actual Amounts (Budgetary Basis)</b>	<b>Variance with Final Budget</b>	
	<b>Original</b>	<b>Final</b>			<b>Positive (Negative)</b>
<b>REVENUES AND OTHER FINANCING SOURCES</b>					
Revenues					
Taxes	\$ 6,073	\$ 6,073	\$ 6,094	\$ 21	
Licenses, Permits and Fines	--	--	--	--	
Intergovernmental	--	--	--	--	
Charges for Services	--	--	--	--	
Services to Enterprise Funds	--	--	--	--	
Special Assessments	--	--	--	--	
Interest	--	--	--	--	
Program Income	--	--	--	--	
Other	--	--	--	--	
Total Revenues	<b>6,073</b>	<b>6,073</b>	<b>6,094</b>	<b>21</b>	
Other Financing Sources					
Transfers from Other Funds	--	--	--	--	
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	<b>6,073</b>	<b>6,073</b>	<b>6,094</b>	<b>21</b>	
<b>EXPENDITURES AND OTHER FINANCING USES</b>					
Expenditures					
Current					
General Government	--	--	--	--	
Protection of Persons and Property	36,976	35,450	6,114	29,336	
Public Works	--	--	--	--	
Health and Sanitation	--	--	--	--	
Transportation	--	--	--	--	
Cultural and Recreational Services	--	--	--	--	
Community Development	--	--	--	--	
Capital Outlay	--	--	--	--	
Debt Service					
Principal	--	--	--	--	
Interest	--	--	--	--	
Total Expenditures	<b>36,976</b>	<b>35,450</b>	<b>6,114</b>	<b>29,336</b>	
Other Financing Uses					
Transfers to Other Funds	3,142	3,604	2,010	1,594	
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	<b>40,118</b>	<b>39,054</b>	<b>8,124</b>	<b>30,930</b>	
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>					
FUND BALANCES (DEFICIT), JULY 1	(34,045)	(32,981)	(2,030)	30,951	
Appropriation of Fund Balances and Carryforward Appropriations	1,591	1,591	32,538	30,947	
Encumbrances Lapsed	32,454	30,755	--	(30,755)	
<b>FUND BALANCES (DEFICIT), JUNE 30</b>	<b>--</b>	<b>635</b>	<b>635</b>	<b>--</b>	
	<b>\$ --</b>	<b>\$ --</b>	<b>\$ 31,143</b>	<b>\$ 31,143</b>	

Continued...

**CITY OF LOS ANGELES**

**Combining Budgetary Comparison Schedule**  
**(Non-GAAP Budgetary Basis)**  
**Annually Budgeted Nonmajor Special Revenue Funds - (Continued)**  
**For the Fiscal Year Ended June 30, 2022**  
**(amounts expressed in thousands)**

<b>Other Nonmajor Special Revenue Fund - Traffic Safety</b>					
	<b>Budgeted Amounts</b>		<b>Actual Amounts (Budgetary Basis)</b>	<b>Variance with Final Budget</b>	
	<b>Original</b>	<b>Final</b>	<b>(Budgetary Basis)</b>	<b>Positive (Negative)</b>	
<b>REVENUES AND OTHER FINANCING SOURCES</b>					
Revenues					
Taxes	\$ 950	--	\$ 950	--	\$ 1,310
Licenses, Permits and Fines					360
Intergovernmental	--	--	--	--	--
Charges for Services	--	--	--	--	--
Services to Enterprise Funds	--	--	--	--	--
Special Assessments	--	--	--	--	--
Interest	--	--	--	--	--
Program Income	--	--	--	--	--
Other	--	--	--	--	--
Total Revenues	<u>950</u>	<u>950</u>	<u>1,310</u>	<u>360</u>	
Other Financing Sources					
Transfers from Other Funds	--	--	--	--	--
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	<b><u>950</u></b>	<b><u>950</u></b>	<b><u>1,310</u></b>	<b><u>360</u></b>	
<b>EXPENDITURES AND OTHER FINANCING USES</b>					
Expenditures					
Current					
General Government	--	--	--	--	--
Protection of Persons and Property	--	--	--	--	--
Public Works	--	--	--	--	--
Health and Sanitation	--	--	--	--	--
Transportation	--	--	--	--	--
Cultural and Recreational Services	--	--	--	--	--
Community Development	--	--	--	--	--
Capital Outlay	--	--	--	--	--
Debt Service					
Principal	--	--	--	--	--
Interest	--	--	--	--	--
Total Expenditures	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	
Other Financing Uses					
Transfers to Other Funds	950	950	950	--	
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	<b><u>950</u></b>	<b><u>950</u></b>	<b><u>950</u></b>	<b><u>--</u></b>	
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	<b><u>--</u></b>	<b><u>--</u></b>	<b><u>360</u></b>	<b><u>360</u></b>	
<b>FUND BALANCES (DEFICIT), JUNE 30</b>	<b><u>\$ --</u></b>	<b><u>\$ --</u></b>	<b><u>\$ 360</u></b>	<b><u>\$ 360</u></b>	

Continued...

**CITY OF LOS ANGELES**

**Combining Budgetary Comparison Schedule**  
**(Non-GAAP Budgetary Basis)**  
**Annually Budgeted Nonmajor Special Revenue Funds - (Continued)**  
**For the Fiscal Year Ended June 30, 2022**  
**(amounts expressed in thousands)**

		<b>Other Nonmajor Special Revenue Fund - Zoo</b>			Variance with Final Budget Positive (Negative)	
		<b>Budgeted Amounts</b>		Actual Amounts (Budgetary Basis)		
		<b>Original</b>	<b>Final</b>			
<b>REVENUES AND OTHER FINANCING SOURCES</b>						
Revenues		\$	--	\$	--	
Taxes			--		--	
Licenses, Permits and Fines			--		--	
Intergovernmental			--	10,000	10,000	
Charges for Services			23,496	23,496	23,322 (174)	
Services to Enterprise Funds			--	--	--	
Special Assessments			--	--	--	
Interest			50	50	106 56	
Program Income			--	--	--	
Other			202	202	213 11	
Total Revenues			23,748	33,748	33,641 (107)	
Other Financing Sources						
Transfers from Other Funds			1,179	1,179	2,212 1,033	
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>			<b>24,927</b>	<b>34,927</b>	<b>35,853 926</b>	
<b>EXPENDITURES AND OTHER FINANCING USES</b>						
Expenditures						
Current						
General Government			--	--	--	
Protection of Persons and Property			--	--	--	
Public Works			--	--	--	
Health and Sanitation			--	--	--	
Transportation			--	--	--	
Cultural and Recreational Services			6,052	14,862	10,267 4,595	
Community Development			--	--	--	
Capital Outlay			--	--	--	
Debt Service			--	--	--	
Principal			--	--	--	
Interest			--	--	--	
Total Expenditures			6,052	14,862	10,267 4,595	
Other Financing Uses						
Transfers to Other Funds			27,182	28,608	25,315 3,293	
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>			<b>33,234</b>	<b>43,470</b>	<b>35,582 7,888</b>	
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>						
FUND BALANCES (DEFICIT), JULY 1			(8,307)	(8,543)	271 8,814	
Appropriation of Fund Balances and Carryforward Appropriations			100	100	6,571 6,471	
Encumbrances Lapsed			8,207	8,442	-- (8,442)	
<b>FUND BALANCES (DEFICIT), JUNE 30</b>			<b>--</b>	<b>1</b>	<b>1 --</b>	
		\$	--	\$	\$ 6,843 \$ 6,843	

Continued...

**CITY OF LOS ANGELES**

**Combining Budgetary Comparison Schedule**  
**(Non-GAAP Budgetary Basis)**  
**Annually Budgeted Nonmajor Special Revenue Funds - (Continued)**  
**For the Fiscal Year Ended June 30, 2022**  
**(amounts expressed in thousands)**

<b>Other Nonmajor Special Revenue Fund - Sidewalk Repair</b>				
	<b>Budgeted Amounts</b>	<b>Actual Amounts (Budgetary Basis)</b>	<b>Variance with Final Budget</b>	
	<b>Original</b>	<b>Final</b>		<b>Positive (Negative)</b>
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues				
Taxes	\$ --	\$ --	\$ --	--
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	--	--	--	--
Charges for Services	--	--	--	--
Services to Enterprise Funds	--	--	--	--
Special Assessments	--	--	--	--
Interest	104	104	37	(67)
Program Income	--	--	--	--
Other	--	--	--	--
Total Revenues	<u>104</u>	<u>104</u>	<u>37</u>	<u>(67)</u>
Other Financing Sources				
Transfers from Other Funds	22,934	22,934	22,934	--
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	<u>23,038</u>	<u>23,038</u>	<u>22,971</u>	<u>(67)</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	19,487	19,581	7,658	11,923
Public Works	--	--	--	--
Health and Sanitation	--	--	--	--
Transportation	--	--	--	--
Cultural and Recreational Services	--	--	--	--
Community Development	--	--	--	--
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	<u>19,487</u>	<u>19,581</u>	<u>7,658</u>	<u>11,923</u>
Other Financing Uses				
Transfers to Other Funds	15,336	15,336	10,910	4,426
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	<u>34,823</u>	<u>34,917</u>	<u>18,568</u>	<u>16,349</u>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	(11,785)	(11,879)	4,403	16,282
FUND BALANCES (DEFICIT), JULY 1	1,737	1,737	(1,256)	(2,993)
Appropriation of Fund Balances and Carryforward Appropriations	10,048	10,048	--	(10,048)
Encumbrances Lapsed	--	94	94	--
<b>FUND BALANCES (DEFICIT), JUNE 30</b>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 3,241</u>	<u>\$ 3,241</u>

Continued...

**CITY OF LOS ANGELES**

**Combining Budgetary Comparison Schedule**  
**(Non-GAAP Budgetary Basis)**  
**Annually Budgeted Nonmajor Special Revenue Funds - (Continued)**  
**For the Fiscal Year Ended June 30, 2022**  
**(amounts expressed in thousands)**

<b>Other Nonmajor Special Revenue Fund - Code Compliance</b>				
	<b>Budgeted Amount</b>	<b>Actual Amounts (Budgetary Basis)</b>	<b>Variance with Final Budget</b>	<b>Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses and Permits	1,104	1,104	1,191	87
Intergovernmental	--	--	--	--
Charges for Services	--	--	--	--
Services to Enterprise Funds	--	--	--	--
Special Assessments	--	--	--	--
Interest	--	--	--	--
Program Income	--	--	--	--
Other	--	--	--	--
Total Revenues	<u>1,104</u>	<u>1,104</u>	<u>1,191</u>	<u>87</u>
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	<u>1,104</u>	<u>1,104</u>	<u>1,191</u>	<u>87</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	3,202	3,202	615	2,587
Public Works	--	--	--	--
Health and Sanitation	--	--	--	--
Transportation	--	--	--	--
Cultural and Recreational Services	--	--	--	--
Community Development	--	--	--	--
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	<u>3,202</u>	<u>3,202</u>	<u>615</u>	<u>2,587</u>
Other Financing Uses				
Transfers to Other Funds	982	982	798	184
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	<u>4,184</u>	<u>4,184</u>	<u>1,413</u>	<u>2,771</u>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>				
FUND BALANCE, JULY 1	(3,080)	(3,080)	(222)	2,858
Appropriation of Fund Balances and Carryforward Appropriations	369	369	300	(69)
<b>FUND BALANCES (DEFICIT), JUNE 30</b>	<u>2,711</u>	<u>2,711</u>	<u>--</u>	<u>(2,711)</u>
	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 78</u>	<u>\$ 78</u>

Continued...

**CITY OF LOS ANGELES**

**Combining Budgetary Comparison Schedule**  
**(Non-GAAP Budgetary Basis)**  
**Annually Budgeted Nonmajor Special Revenue Funds - (Continued)**  
**For the Fiscal Year Ended June 30, 2022**  
**(amounts expressed in thousands)**

		<b>Other Nonmajor Special Revenue Fund - Cannabis Regulation</b>			Variance with Final Budget Positive (Negative)	
		Actual Amounts (Budgetary Basis)		Budgeted Amounts		
		Original	Final			
<b>REVENUES AND OTHER FINANCING SOURCES</b>						
Revenues						
Taxes		\$ --	\$ --	\$ --	\$ --	
Licenses and Permits		22,000	27,726	33,601	5,875	
Intergovernmental		--	--	--	--	
Charges for Services		--	--	--	--	
Services to Enterprise Funds		--	--	--	--	
Special Assessments		--	--	--	--	
Interest		358	358	134	(224)	
Program Income		--	--	--	--	
Other		--	--	--	--	
Total Revenues		22,358	28,084	33,735	5,651	
Other Financing Sources						
Transfers from Other Funds		3,000	3,000	3,000	--	
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>		<b>25,358</b>	<b>31,084</b>	<b>36,735</b>	<b>5,651</b>	
<b>EXPENDITURES AND OTHER FINANCING USES</b>						
Expenditures						
Current						
General Government		--	--	--	--	
Protection of Persons and Property		57,469	82,722	15,966	66,756	
Public Works		--	--	--	--	
Health and Sanitation		--	--	--	--	
Transportation		--	--	--	--	
Cultural and Recreational Services		--	--	--	--	
Community Development		--	--	--	--	
Capital Outlay		--	--	--	--	
Debt Service						
Principal		--	--	--	--	
Interest		--	--	--	--	
Total Expenditures		57,469	82,722	15,966	66,756	
Other Financing Uses						
Transfers to Other Funds		11,877	11,877	5,812	6,065	
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>		<b>69,346</b>	<b>94,599</b>	<b>21,778</b>	<b>72,821</b>	
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>						
FUND BALANCE, JULY 1		(43,988)	(63,515)	14,957	78,472	
Appropriation of Fund Balances and Carryforward Appropriations		16,514	16,514	10,381	(6,133)	
Encumbrances Lapsed		27,474	45,324	--	(45,324)	
<b>FUND BALANCES (DEFICIT), JUNE 30</b>		<b>--</b>	<b>1,677</b>	<b>1,677</b>	<b>--</b>	
		<b>\$ --</b>	<b>\$ --</b>	<b>\$ 27,015</b>	<b>\$ 27,015</b>	

Continued...

**CITY OF LOS ANGELES**

**Combining Budgetary Comparison Schedule**  
**(Non-GAAP Budgetary Basis)**  
**Annually Budgeted Nonmajor Special Revenue Funds - (Continued)**  
**For the Fiscal Year Ended June 30, 2022**  
**(amounts expressed in thousands)**

				<b>Other Nonmajor Special Revenue Fund - Measure W</b>	Variance with Final Budget Positive (Negative)	
				Actual Amounts (Budgetary Basis)	Original	Final
				Budgeted Amounts		
<b>REVENUES AND OTHER FINANCING SOURCES</b>						
Revenues						
Taxes	\$	-	\$	-	\$	-
Licenses and Permits	-	-	-	-	-	-
Intergovernmental	32,000		32,000		36,381	4,381
Charges for Services	-	-	-	-	-	-
Services to Enterprise Funds	-	-	-	-	-	-
Special Assessments	-	-	-	-	-	-
Interest	100		100		342	242
Program Income	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total Revenues	<b>32,100</b>		<b>32,100</b>		<b>36,723</b>	<b>4,623</b>
Other Financing Sources						
Transfers from Other Funds	-	-	-	-	-	-
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	<b>32,100</b>		<b>32,100</b>		<b>36,723</b>	<b>4,623</b>
<b>EXPENDITURES AND OTHER FINANCING USES</b>						
Expenditures						
Current						
General Government	-	-	-	-	-	-
Protection of Persons and Property	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Health and Sanitation	65,711		47,888		20,594	27,294
Transportation	-	-	-	-	-	-
Cultural and Recreational Services	-	-	-	-	-	-
Community Development	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Debt Service						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Other Financing Sources						
Transfers to Other Funds	6,403		7,327		4,595	2,732
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	<b>72,114</b>		<b>55,215</b>		<b>25,189</b>	<b>30,026</b>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>						
FUND BALANCE, JULY 1	(40,014)		(23,115)		11,534	34,649
Appropriation of Fund Balances and Carryforward Appropriations	571		571		22,643	22,072
<b>FUND BALANCES (DEFICIT), JUNE 30</b>	<b>39,443</b>		<b>22,544</b>		<b>-</b>	<b>(22,544)</b>
	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>\$</b>
	<b>34,177</b>				<b>34,177</b>	

**CITY OF LOS ANGELES**

**Combining Budgetary Comparison Schedule**  
**(Non-GAAP Budgetary Basis)**  
**Annually Budgeted Nonmajor Special Revenue Funds - (Continued)**  
**For the Fiscal Year Ended June 30, 2022**  
**(amounts expressed in thousands)**

**REVENUES AND OTHER FINANCING SOURCES**

	Allocations from Other Governmental Agencies			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 225	\$ 225	\$ 6	(219)
Licenses, Permits and Fines	17,224	17,224	9,444	(7,780)
Intergovernmental	5,672	7,286	7,017	(269)
Charges for Services	31,668	33,394	27,270	(6,124)
Services to Enterprise Funds	288	288	268	(20)
Special Assessments	1,959	1,959	1,946	(13)
Interest	4,186	4,089	2,092	(1,997)
Program Income	6,050	6,051	5,211	(840)
Other	2,003	127	134	7
Total Revenues	<u>69,275</u>	<u>70,643</u>	<u>53,388</u>	<u>(17,255)</u>
Other Financing Sources				
Transfers from Other Funds	1,573	1,573	1,184	(389)
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	<b><u>70,848</u></b>	<b><u>72,216</u></b>	<b><u>54,572</u></b>	<b><u>(17,644)</u></b>

**EXPENDITURES AND OTHER FINANCING USES**

	Allocations from Other Governmental Agencies			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures				
Current				
General Government	291	291	--	291
Protection of Persons and Property	9,948	9,654	8,717	937
Public Works	--	--	--	--
Health and Sanitation	--	--	--	--
Transportation	5,385	5,385	2,541	2,844
Cultural and Recreational Services	--	--	--	--
Community Development	10,655	11,679	10,000	1,679
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	<u>26,279</u>	<u>27,009</u>	<u>21,258</u>	<u>5,751</u>
Other Financing Uses				
Transfers to Other Funds	44,569	48,690	37,096	11,594
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	<b><u>70,848</u></b>	<b><u>75,699</u></b>	<b><u>58,354</u></b>	<b><u>17,345</u></b>

**EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES**

	Allocations from Other Governmental Agencies			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>				
FUND BALANCES (DEFICIT), JULY 1	--	(3,483)	(3,782)	(299)
Appropriation of Fund Balances and Carryforward Appropriations	--	--	19,655	19,655
<b>FUND BALANCES (DEFICIT), JUNE 30</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ 3,483</b>	<b>\$ --</b>

Continued...

**CITY OF LOS ANGELES**

**Combining Budgetary Comparison Schedule**  
**(Non-GAAP Budgetary Basis)**  
**Annually Budgeted Nonmajor Special Revenue Funds - (Continued)**  
**For the Fiscal Year Ended June 30, 2022**  
**(amounts expressed in thousands)**

		<b>Other Nonmajor General Fund - Department of Neighborhood Empowerment</b>			Variance with Final Budget Positive (Negative)
		<b>Budgeted Amounts</b>	<b>Actual Amounts (Budgetary Basis)</b>		
		<b>Original</b>	<b>Final</b>		
<b>REVENUES AND OTHER FINANCING SOURCES</b>					
Revenues					
Taxes	\$ --	\$ --	\$ --	\$ --	--
Licenses, Permits and Fines					--
Intergovernmental					--
Charges for Services					--
Services to Enterprise Funds					--
Special Assessments					--
Interest					--
Program Income					--
Other		15	15	25	10
Total Revenues		15	15	25	10
Other Financing Sources					
Transfers from Other Funds		2,873	2,873	2,873	--
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>		<b>2,888</b>	<b>2,888</b>	<b>2,898</b>	<b>10</b>
<b>EXPENDITURES AND OTHER FINANCING USES</b>					
Expenditures					
Current					
General Government		754	397	108	289
Protection of Persons and Property		--	--	--	--
Public Works		--	--	--	--
Health and Sanitation		--	--	--	--
Transportation		--	--	--	--
Cultural and Recreational Services		--	--	--	--
Community Development		--	--	--	--
Capital Outlay		--	--	--	--
Debt Service					
Principal		--	--	--	--
Interest		--	--	--	--
Total Expenditures		754	397	108	289
Other Financing Uses					
Transfers to Other Funds		3,353	3,058	2,697	361
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>		<b>4,107</b>	<b>3,455</b>	<b>2,805</b>	<b>650</b>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>					
FUND BALANCES (DEFICIT), JULY 1		(1,219)	(567)	93	660
Appropriation of Fund Balances and Carryforward Appropriations		325	325	450	125
Encumbrances Lapsed		894	238	--	(238)
<b>FUND BALANCES (DEFICIT), JUNE 30</b>		<b>--</b>	<b>4</b>	<b>4</b>	<b>--</b>
	\$ --	\$ --	\$ 547	\$ 547	

Continued...

**CITY OF LOS ANGELES**

**Combining Budgetary Comparison Schedule**  
**(Non-GAAP Budgetary Basis)**  
**Annually Budgeted Nonmajor Special Revenue Funds - (Continued)**  
**For the Fiscal Year Ended June 30, 2022**  
**(amounts expressed in thousands)**

<b>Other Nonmajor General Fund - City Ethics Commission</b>				
	<b>Budgeted Amounts</b>	<b>Actual Amounts (Budgetary Basis)</b>	<b>Variance with Final Budget Positive (Negative)</b>	
	<b>Original</b>	<b>Final</b>		
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues				
Taxes	\$ --	\$ --	\$ --	--
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	--	--	--	--
Charges for Services	--	--	--	--
Services to Enterprise Funds	--	--	--	--
Special Assessments	--	--	--	--
Interest	--	--	--	--
Program Income	--	--	--	--
Other	--	--	--	--
Total Revenues	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Other Financing Sources				
Transfers from Other Funds	4,080	4,080	4,080	--
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	<u>4,080</u>	<u>4,080</u>	<u>4,080</u>	<u>--</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures				
Current				
General Government	3,393	3,393	--	3,393
Protection of Persons and Property	--	--	--	--
Public Works	--	--	--	--
Health and Sanitation	--	--	--	--
Transportation	--	--	--	--
Cultural and Recreational Services	--	--	--	--
Community Development	--	--	--	--
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	<u>3,393</u>	<u>3,393</u>	<u>--</u>	<u>3,393</u>
Other Financing Uses				
Transfers to Other Funds	8,190	8,190	3,962	4,228
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	<u>11,583</u>	<u>11,583</u>	<u>3,962</u>	<u>7,621</u>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	<b>(7,503)</b>	<b>(7,503)</b>	<b>118</b>	<b>7,621</b>
FUND BALANCES (DEFICIT), JULY 1	246	246	268	22
Appropriation of Fund Balances and Carryforward Appropriations	7,257	7,257	--	(7,257)
<b>FUND BALANCES (DEFICIT), JUNE 30</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ 386</b>	<b>\$ 386</b>

Continued...

**CITY OF LOS ANGELES**

**Combining Budgetary Comparison Schedule**  
**(Non-GAAP Budgetary Basis)**  
**Annually Budgeted Nonmajor Special Revenue Funds - (Continued)**  
**For the Fiscal Year Ended June 30, 2022**  
**(amounts expressed in thousands)**

		<b>Other Nonmajor General Fund - Accessible Housing</b>		<b>Variance with Final Budget</b>
		<b>Budgeted Amounts</b>	<b>Actual Amounts (Budgetary Basis)</b>	
		<b>Original</b>	<b>Final</b>	
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues		\$	\$	\$
Taxes	--	--	--	--
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	--	--	--	--
Charges for Services	--	--	--	--
Services to Enterprise Funds	--	--	--	--
Special Assessments	--	--	--	--
Interest	--	--	--	--
Program Income	--	--	--	--
Other	--	--	7	7
Total Revenues	--	--	7	7
Other Financing Sources				
Transfers from Other Funds	30,291	30,291	30,291	--
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	<b>30,291</b>	<b>30,291</b>	<b>30,298</b>	<b>7</b>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	--	--	--	--
Public Works	--	--	--	--
Health and Sanitation	--	--	--	--
Transportation	--	--	--	--
Cultural and Recreational Services	--	--	--	--
Community Development	25,947	26,312	10,485	15,827
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	25,947	26,312	10,485	15,827
Other Financing Uses				
Transfers to Other Funds	14,731	11,698	6,785	4,913
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	<b>40,678</b>	<b>38,010</b>	<b>17,270</b>	<b>20,740</b>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>				
FUND BALANCES (DEFICIT), JULY 1	(10,387)	(7,719)	13,028	20,747
Appropriation of Fund Balances and Carryforward Appropriations	3,639	3,639	300	(3,339)
Encumbrances Lapsed	6,748	3,650	--	(3,650)
	--	430	430	--
<b>FUND BALANCES (DEFICIT), JUNE 30</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ 13,758</b>	<b>\$ 13,758</b>

Continued...

**CITY OF LOS ANGELES**

**Combining Budgetary Comparison Schedule**  
**(Non-GAAP Budgetary Basis)**  
**Annually Budgeted Nonmajor Special Revenue Funds - (Continued)**  
**For the Fiscal Year Ended June 30, 2022**  
**(amounts expressed in thousands)**

	Total Annually Budgeted Nonmajor Special Revenue Funds			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues				
Taxes	\$ 50,048	\$ 50,048	\$ 50,508	460
Licenses, Permits and Fines	99,305	105,031	93,765	(11,266)
Intergovernmental	844,581	910,004	923,904	13,900
Charges for Services	864,637	866,363	816,882	(49,481)
Services to Enterprise Funds	5,774	5,774	5,776	2
Special Assessments	47,746	47,746	46,514	(1,232)
Interest	24,153	24,056	21,341	(2,715)
Program Income	8,726	8,727	47,491	38,764
Other	7,942	6,066	9,685	3,619
Total Revenues	<u>1,952,912</u>	<u>2,023,815</u>	<u>2,015,866</u>	<u>(7,949)</u>
Other Financing Sources				
Transfers from Other Funds	88,494	90,494	104,985	14,491
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	<u><b>2,041,406</b></u>	<u><b>2,114,309</b></u>	<u><b>2,120,851</b></u>	<u><b>6,542</b></u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures				
Current				
General Government	61,907	86,803	16,074	70,729
Protection of Persons and Property	818,495	817,669	154,200	663,469
Public Works	280,840	279,053	63,755	215,298
Health and Sanitation	391,883	366,492	196,267	170,225
Transportation	999,343	1,006,132	300,996	705,136
Cultural and Recreational Services	117,547	128,794	26,852	101,942
Community Development	617,383	646,571	186,119	460,452
Capital Outlay	90,243	103,413	35,978	67,435
Debt Service				
Principal	17,480	17,480	17,480	--
Interest	6,473	6,473	6,473	--
Total Expenditures	<u>3,401,594</u>	<u>3,458,880</u>	<u>1,004,194</u>	<u>2,454,686</u>
Other Financing Uses				
Transfers to Other Funds	1,149,400	1,153,461	849,787	303,674
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	<u><b>4,550,994</b></u>	<u><b>4,612,341</b></u>	<u><b>1,853,981</b></u>	<u><b>2,758,360</b></u>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>				
FUND BALANCES (DEFICIT), JULY 1	(2,509,588)	(2,498,032)	266,870	2,764,902
Appropriation of Fund Balances and Carryforward Appropriations	516,212	516,212	1,131,996	615,784
Encumbrances Lapsed	1,993,376	1,953,538	--	(1,953,538)
<b>FUND BALANCES (DEFICIT), JUNE 30</b>	<u><b>\$ --</b></u>	<u><b>\$ --</b></u>	<u><b>\$ 1,427,148</b></u>	<u><b>\$ 1,427,148</b></u>

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CITY OF LOS ANGELES

Reconciliation of Operations on Budgetary Basis to the GAAP Basis  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2022  
(amounts expressed in thousands)

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<b>Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses - Budgetary</b>	\$	266,870
<b>Basis Difference</b>		
Adjustments for net changes to accrued assets and liabilities. The GAAP basis operating statement recognizes revenues as soon as they are both measurable and available, and expenditures generally are recorded when liability is incurred; whereas, the budget basis operating statement reflects revenues when received and expenditures when paid.		(120,611)
Grant funded loans are recorded as expenditures when disbursed and as program income when repaid (budget), as opposed to adjustments to the loans receivable account balance (GAAP).		(3,980)
Encumbrances, which represent commitments to acquire goods and services, are recorded as the equivalent of expenditures in the budget year incurred (budget), as opposed to a reservation of net position (GAAP).		
Encumbrances reported as budgetary expenditures		284,575
Prior year encumbrances expended in current year		(186,079)
<b>Perspective Difference</b>		
Certain Nonmajor Special Revenue Funds are not included in the legally adopted budget; while for some, the budget provides for only the portion of fund receipts that are expended for City department operations.		377,084
Certain Budgeted Funds reclassified as General category:		
Department of Neighborhood Empowerment		(91)
City Ethics Commission		(118)
Accessible Housing		(9,004)
<b>Net Change in Fund Balances - Nonmajor Special Revenue Funds</b>	\$	<b>608,646</b>

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**DETAILS OF RESTATEMENT OF JULY 1 FUND BALANCES**

Fund Balances, July 1, as previously reported	\$	1,132,361
Certain funds were budgeted in prior year and others were not included in this year's budget.		(365)
Fund Balances, July 1, as restated	\$	<b>1,131,996</b>

**CITY OF LOS ANGELES**

**Supplemental Schedule of Appropriations,  
Expenditures and Other Financing Uses  
Budget and Actual (Non-GAAP Budgetary Basis)  
All Budgeted Special Revenue Funds  
For the Fiscal Year Ended June 30, 2022  
(amounts expressed in thousands)**

	<u>Original Adopted Budget</u>	<u>Additional Appropriations, Carryforward and Transfers</u>	<u>Final Budget</u>	<u>Expenditures</u>	<u>Encumbrances June 30, 2022</u>	<u>Total Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b><u>NONMAJOR FUNDS</u></b>							
<b>BUILDING AND SAFETY PERMIT</b>							
Current - Special Purpose	\$ 557,749	\$ 82	\$ 557,831	\$ 56,419	\$ 1,652	\$ 58,071	\$ 499,760
Capital Outlay	31,379	1,366	32,745	6,712	6,132	12,844	19,901
Transfers to Other Funds	151,206	428	151,634	110,548	--	110,548	41,086
<b>TOTAL</b>	<b>740,334</b>	<b>1,876</b>	<b>742,210</b>	<b>173,679</b>	<b>7,784</b>	<b>181,463</b>	<b>560,747</b>
<b>CITYWIDE RECYCLING TRUST</b>							
Current - Special Purpose	66,512	(12,158)	54,354	14,550	525	15,075	39,279
Transfers to Other Funds	26,836	(1,995)	24,841	15,752	--	15,752	9,089
<b>TOTAL</b>	<b>93,348</b>	<b>(14,153)</b>	<b>79,195</b>	<b>30,302</b>	<b>525</b>	<b>30,827</b>	<b>48,368</b>
<b>PROPOSITION C ANTI-GRIDLOCK TRANSIT IMPROVEMENT</b>							
Current - Special Purpose	45,791	787	46,578	15,899	423	16,322	30,256
Capital Outlay	7	130	137	--	--	--	137
Transfers to Other Funds	73,641	(2,327)	71,314	54,196	--	54,196	17,118
<b>TOTAL</b>	<b>119,439</b>	<b>(1,410)</b>	<b>118,029</b>	<b>70,095</b>	<b>423</b>	<b>70,518</b>	<b>47,511</b>
<b>SPECIAL PARKING REVENUE</b>							
Current - Special Purpose	103,826	(2,279)	101,547	34,907	12,253	47,160	54,387
Capital Outlay	5,572	103	5,675	59	--	59	5,616
Transfers to Other Funds	11,354	(495)	10,859	6,595	--	6,595	4,264
<b>TOTAL</b>	<b>120,752</b>	<b>(2,671)</b>	<b>118,081</b>	<b>41,561</b>	<b>12,253</b>	<b>53,814</b>	<b>64,267</b>
<b>STORMWATER POLLUTION ABATEMENT</b>							
Current - Special Purpose	41,388	4,315	45,703	25,671	2,920	28,591	17,112
Capital Outlay	3,594	1	3,595	2,462	696	3,158	437
<b>TOTAL</b>	<b>44,982</b>	<b>4,316</b>	<b>49,298</b>	<b>28,133</b>	<b>3,616</b>	<b>31,749</b>	<b>17,549</b>
<b>STREET LIGHTING MAINTENANCE ASSESSMENT</b>							
Current - Special Purpose	80,302	(29,733)	50,569	10,978	1,107	12,085	38,484
Capital Outlay	940	1,009	1,949	830	86	916	1,033
Transfers to Other Funds	45,997	(1,132)	44,865	41,126	--	41,126	3,739
<b>TOTAL</b>	<b>127,239</b>	<b>(29,856)</b>	<b>97,383</b>	<b>52,934</b>	<b>1,193</b>	<b>54,127</b>	<b>43,256</b>
<b>PROPOSITION A LOCAL TRANSIT ASSISTANCE</b>							
Current - Special Purpose	721,358	576	721,934	85,051	118,973	204,024	517,910
Capital Outlay	3,560	(130)	3,430	610	2,071	2,681	749
Transfers to Other Funds	10,663	388	11,051	10,637	--	10,637	414
<b>TOTAL</b>	<b>735,581</b>	<b>834</b>	<b>736,415</b>	<b>96,298</b>	<b>121,044</b>	<b>217,342</b>	<b>519,073</b>
<b>MEASURE R LOCAL RETURN</b>							
Current - Special Purpose	122,983	7,705	130,688	27,223	3,726	30,949	99,739
Capital Outlay	16,794	1,881	18,675	4,214	2,204	6,418	12,257
Transfers to Other Funds	61,672	3,211	64,883	43,944	--	43,944	20,939
<b>TOTAL</b>	<b>201,449</b>	<b>12,797</b>	<b>214,246</b>	<b>75,381</b>	<b>5,930</b>	<b>81,311</b>	<b>132,935</b>

Continued...

**CITY OF LOS ANGELES**

**Supplemental Schedule of Appropriations,  
 Expenditures and Other Financing Uses  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 All Budgeted Special Revenue Funds - (Continued)  
 For the Fiscal Year Ended June 30, 2022  
 (amounts expressed in thousands)**

	<u>Original Adopted Budget</u>	<u>Additional Appropriations, Carryforward and Transfers</u>	<u>Final Budget</u>	<u>Expenditures</u>	<u>Encumbrances June 30, 2022</u>	<u>Total Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>SOLID WASTE RESOURCES</b>							
Current - Special Purpose	\$ 185,558	\$ 3,104	\$ 188,662	\$ 92,298	\$ 31,782	\$ 124,080	\$ 64,582
Capital Outlay	3,027	1	3,028	498	435	933	2,095
Debt Service							
Principal	17,480	--	17,480	17,480	--	17,480	--
Interest	6,473	--	6,473	6,473	--	6,473	--
Transfers to Other Funds	174,479	8,191	182,670	162,741	--	162,741	19,929
<b>TOTAL</b>	<b>387,017</b>	<b>11,296</b>	<b>398,313</b>	<b>279,490</b>	<b>32,217</b>	<b>311,707</b>	<b>86,606</b>
<b>SPECIAL GAS TAX STREET IMPROVEMENT</b>							
Current - Special Purpose	172,259	27,498	199,757	32,685	9,309	41,994	157,763
Capital Outlay	25,370	8,809	34,179	4,234	4,735	8,969	25,210
Transfers to Other Funds	84,020	228	84,248	76,890	--	76,890	7,358
<b>TOTAL</b>	<b>281,649</b>	<b>36,535</b>	<b>318,184</b>	<b>113,809</b>	<b>14,044</b>	<b>127,853</b>	<b>190,331</b>
<b>COMMUNITY DEVELOPMENT TRUST</b>							
Current - Special Purpose	127,704	57,093	184,797	48,000	16,832	64,832	119,965
Transfers to Other Funds	32,793	4,038	36,831	18,612	--	18,612	18,219
<b>TOTAL</b>	<b>160,497</b>	<b>61,131</b>	<b>221,628</b>	<b>66,612</b>	<b>16,832</b>	<b>83,444</b>	<b>138,184</b>
<b>HOME INVESTMENT PARTNERSHIP PROGRAM</b>							
Current - Special Purpose	81,585	45,596	127,181	9,759	13,162	22,921	104,260
Transfers to Other Funds	8,862	(1,529)	7,333	2,725	--	2,725	4,608
<b>TOTAL</b>	<b>90,447</b>	<b>44,067</b>	<b>134,514</b>	<b>12,484</b>	<b>13,162</b>	<b>25,646</b>	<b>108,868</b>
<b>WORKFORCE INNOVATION OPPORTUNITY ACT</b>							
Current - Special Purpose	86,990	--	86,990	--	--	--	86,990
Transfers to Other Funds	23,696	--	23,696	--	--	--	23,696
<b>TOTAL</b>	<b>110,686</b>	<b>--</b>	<b>110,686</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>110,686</b>
<b>DISASTER ASSISTANCE</b>							
Current - Special Purpose	120,128	--	120,128	29,398	--	29,398	90,730
Transfers to Other Funds	304	--	304	263	--	263	41
<b>TOTAL</b>	<b>120,432</b>	<b>--</b>	<b>120,432</b>	<b>29,661</b>	<b>--</b>	<b>29,661</b>	<b>90,771</b>
<b>COMMUNITY SERVICES BLOCK GRANT</b>							
Current - Special Purpose	2,112	4,728	6,840	4,982	1,386	6,368	472
Transfers to Other Funds	2,114	586	2,700	1,879	--	1,879	821
<b>TOTAL</b>	<b>4,226</b>	<b>5,314</b>	<b>9,540</b>	<b>6,861</b>	<b>1,386</b>	<b>8,247</b>	<b>1,293</b>
<b>FORFEITED ASSETS TRUST OF POLICE DEPARTMENT</b>							
Current - Special Purpose	10,308	(139)	10,169	590	1,450	2,040	8,129
Transfers to Other Funds	116	--	116	25	--	25	91
<b>TOTAL</b>	<b>10,424</b>	<b>(139)</b>	<b>10,285</b>	<b>615</b>	<b>1,450</b>	<b>2,065</b>	<b>8,220</b>
<b>HOUSEHOLD HAZARDOUS WASTE</b>							
Current - Special Purpose	25,518	(1,371)	24,147	3,435	2,403	5,838	18,309

Continued...

**CITY OF LOS ANGELES**

**Supplemental Schedule of Appropriations,  
 Expenditures and Other Financing Uses  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 All Budgeted Special Revenue Funds - (Continued)  
 For the Fiscal Year Ended June 30, 2022  
 (amounts expressed in thousands)**

	<u>Original Adopted Budget</u>	<u>Additional Appropriations, Carryforward and Transfers</u>	<u>Final Budget</u>	<u>Expenditures</u>	<u>Encumbrances June 30, 2022</u>	<u>Total Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS</b>							
Current - Special Purpose Transfers to Other Funds	\$ 11,792	\$ 22,711	\$ 34,503	\$ 8,953	\$ 13,725	\$ 22,678	\$ 11,825
	556	(58)	498	353	--	353	145
<b>TOTAL</b>	<b>12,348</b>	<b>22,653</b>	<b>35,001</b>	<b>9,306</b>	<b>13,725</b>	<b>23,031</b>	<b>11,970</b>
<b>MOBILE SOURCE AIR POLLUTION REDUCTION</b>							
Current - Special Purpose Transfers to Other Funds	7,196	(1,458)	5,738	2,087	2	2,089	3,649
	3,003	240	3,243	2,527	--	2,527	716
<b>TOTAL</b>	<b>10,199</b>	<b>(1,218)</b>	<b>8,981</b>	<b>4,614</b>	<b>2</b>	<b>4,616</b>	<b>4,365</b>
<b>OLDER AMERICANS ACT</b>							
Current - Special Purpose Transfers to Other Funds	15,863	45,389	61,252	16,385	16,847	33,232	28,020
	10,016	1,472	11,488	2,216	--	2,216	9,272
<b>TOTAL</b>	<b>25,879</b>	<b>46,861</b>	<b>72,740</b>	<b>18,601</b>	<b>16,847</b>	<b>35,448</b>	<b>37,292</b>
<b>SUPPLEMENTAL LAW ENFORCEMENT SERVICES</b>							
Current - Special Purpose Transfers to Other Funds	3,254	--	3,254	--	--	--	3,254
	23,131	--	23,131	11,060	--	11,060	12,071
<b>TOTAL</b>	<b>26,385</b>	<b>--</b>	<b>26,385</b>	<b>11,060</b>	<b>--</b>	<b>11,060</b>	<b>15,325</b>
<b>ARTS AND CULTURAL FACILITIES AND SERVICES</b>							
Current - Special Purpose Transfers to Other Funds	10,227	414	10,641	1,331	61	1,392	9,249
	37,901	1,396	39,297	15,069	--	15,069	24,228
<b>TOTAL</b>	<b>48,128</b>	<b>1,810</b>	<b>49,938</b>	<b>16,400</b>	<b>61</b>	<b>16,461</b>	<b>33,477</b>
<b>ARTS DEVELOPMENT FEE</b>							
Current - Special Purpose Transfers to Other Funds	43,055	2,099	45,154	531	363	894	44,260
	1	--	1	--	--	--	1
<b>TOTAL</b>	<b>43,056</b>	<b>2,099</b>	<b>45,155</b>	<b>531</b>	<b>363</b>	<b>894</b>	<b>44,261</b>
<b>CITY EMPLOYEES RIDESHARING</b>							
Transfers to Other Funds	8,570	(3,166)	5,404	1,210	--	1,210	4,194
<b>CITY OF LOS ANGELES AFFORDABLE HOUSING</b>							
Current - Special Purpose Transfers to Other Funds	170,152	(117,768)	52,384	939	1,863	2,802	49,582
	1,353	(384)	969	661	--	661	308
<b>TOTAL</b>	<b>171,505</b>	<b>(118,152)</b>	<b>53,353</b>	<b>1,600</b>	<b>1,863</b>	<b>3,463</b>	<b>49,890</b>
<b>EL PUEBLO DE LOS ANGELES HISTORICAL MONUMENT</b>							
Current - Special Purpose Transfers to Other Funds	926	(76)	850	589	--	589	261
	4,489	(576)	3,913	3,346	--	3,346	567
<b>TOTAL</b>	<b>5,415</b>	<b>(652)</b>	<b>4,763</b>	<b>3,935</b>	<b>--</b>	<b>3,935</b>	<b>828</b>
<b>LOCAL PUBLIC SAFETY</b>							
Transfers to Other Funds	73,619	--	73,619	51,118	--	51,118	22,501

Continued...

**CITY OF LOS ANGELES**

**Supplemental Schedule of Appropriations,  
 Expenditures and Other Financing Uses  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 All Budgeted Special Revenue Funds - (Continued)  
 For the Fiscal Year Ended June 30, 2022  
 (amounts expressed in thousands)**

	<u>Original Adopted Budget</u>	<u>Additional Appropriations, Carryforward and Transfers</u>	<u>Final Budget</u>	<u>Expenditures</u>	<u>Encumbrances June 30, 2022</u>	<u>Total Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>LOS ANGELES CONVENTION AND VISITORS BUREAU</b>							
Current - Special Purpose Transfers to Other Funds	\$ 57,287 468	-- --	\$ 57,287 468	\$ 13,710 325	-- --	\$ 13,710 325	\$ 43,577 143
<b>TOTAL</b>	<b>57,755</b>	<b>--</b>	<b>57,755</b>	<b>14,035</b>	<b>--</b>	<b>14,035</b>	<b>43,720</b>
<b>MULTI-FAMILY BULK ITEM FEE</b>							
Current - Special Purpose Transfers to Other Funds	20,663 7,205	-- --	20,663 7,205	4,748 3,128	-- --	4,748 3,128	15,915 4,077
<b>TOTAL</b>	<b>27,868</b>	<b>--</b>	<b>27,868</b>	<b>7,876</b>	<b>--</b>	<b>7,876</b>	<b>19,992</b>
<b>MUNICIPAL HOUSING FINANCE</b>							
Current - Special Purpose Transfers to Other Funds	25,701 8,086	(8,737) (3,513)	16,964 4,573	2,277 4,206	96 --	2,373 4,206	14,591 367
<b>TOTAL</b>	<b>33,787</b>	<b>(12,250)</b>	<b>21,537</b>	<b>6,483</b>	<b>96</b>	<b>6,579</b>	<b>14,958</b>
<b>PLANNING CASE PROCESSING SPECIAL</b>							
Current - Special Purpose Transfers to Other Funds	10,967 27,283	(7,891) (4,153)	3,076 23,130	2,709 20,925	-- --	2,709 20,925	367 2,205
<b>TOTAL</b>	<b>38,250</b>	<b>(12,044)</b>	<b>26,206</b>	<b>23,634</b>	<b>--</b>	<b>23,634</b>	<b>2,572</b>
<b>RENT STABILIZATION</b>							
Current - Special Purpose Transfers to Other Funds	47,915 11,485	(13,322) (309)	34,593 11,176	6,204 9,531	1,515 --	7,719 9,531	26,874 1,645
<b>TOTAL</b>	<b>59,400</b>	<b>(13,631)</b>	<b>45,769</b>	<b>15,735</b>	<b>1,515</b>	<b>17,250</b>	<b>28,519</b>
<b>STREET DAMAGE RESTORATION FEE</b>							
Current - Special Purpose Transfers to Other Funds	7,616 54,366	448 --	8,064 54,366	4,880 49,020	48 --	4,928 49,020	3,136 5,346
<b>TOTAL</b>	<b>61,982</b>	<b>448</b>	<b>62,430</b>	<b>53,900</b>	<b>48</b>	<b>53,948</b>	<b>8,482</b>
<b>CODE ENFORCEMENT TRUST</b>							
Current - Special Purpose Transfers to Other Funds	57,443 33,400	957 (85)	58,400 33,315	37,751 28,229	3,836 --	41,587 28,229	16,813 5,086
<b>TOTAL</b>	<b>90,843</b>	<b>872</b>	<b>91,715</b>	<b>65,980</b>	<b>3,836</b>	<b>69,816</b>	<b>21,899</b>
<b>TELECOMMUNICATIONS LIQUIDATED DAMAGES AND LOST FRANCHISE FEES</b>							
Current - Special Purpose Transfers to Other Funds	36,976 3,142	(1,526) 462	35,450 3,604	5,233 2,010	881 --	6,114 2,010	29,336 1,594
<b>TOTAL</b>	<b>40,118</b>	<b>(1,064)</b>	<b>39,054</b>	<b>7,243</b>	<b>881</b>	<b>8,124</b>	<b>30,930</b>
<b>TRAFFIC SAFETY</b>							
Transfers to Other Funds	950	--	950	950	--	950	--

Continued...

**CITY OF LOS ANGELES**

**Supplemental Schedule of Appropriations,  
Expenditures and Other Financing Uses  
Budget and Actual (Non-GAAP Budgetary Basis)  
All Budgeted Special Revenue Funds - (Continued)**  
**For the Fiscal Year Ended June 30, 2022**  
 (amounts expressed in thousands)

	<u>Original Adopted Budget</u>	<u>Additional Appropriations, Carryforward and Transfers</u>	<u>Final Budget</u>	<u>Expenditures</u>	<u>Encumbrances June 30, 2022</u>	<u>Total Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>ZOO</b>							
Current - Special Purpose Transfers to Other Funds	\$ 6,052	\$ 8,810	\$ 14,862	\$ 10,199	\$ 68	\$ 10,267	\$ 4,595
	<u>27,182</u>	<u>1,426</u>	<u>28,608</u>	<u>25,315</u>	<u>--</u>	<u>25,315</u>	<u>3,293</u>
<b>TOTAL</b>	<b>33,234</b>	<b>10,236</b>	<b>43,470</b>	<b>35,514</b>	<b>68</b>	<b>35,582</b>	<b>7,888</b>
<b>SIDEWALK REPAIR</b>							
Current - Special Purpose Transfers to Other Funds	19,487	94	19,581	5,652	2,006	7,658	11,923
	<u>15,336</u>	<u>--</u>	<u>15,336</u>	<u>10,910</u>	<u>--</u>	<u>10,910</u>	<u>4,426</u>
<b>TOTAL</b>	<b>34,823</b>	<b>94</b>	<b>34,917</b>	<b>16,562</b>	<b>2,006</b>	<b>18,568</b>	<b>16,349</b>
<b>CODE COMPLIANCE</b>							
Current - Special Purpose Transfers to Other Funds	3,202	--	3,202	581	34	615	2,587
	<u>982</u>	<u>--</u>	<u>982</u>	<u>798</u>	<u>--</u>	<u>798</u>	<u>184</u>
<b>TOTAL</b>	<b>4,184</b>	<b>--</b>	<b>4,184</b>	<b>1,379</b>	<b>34</b>	<b>1,413</b>	<b>2,771</b>
<b>CANNABIS REGULATION</b>							
Current - Special Purpose Transfers to Other Funds	57,469	25,253	82,722	15,603	363	15,966	66,756
	<u>11,877</u>	<u>--</u>	<u>11,877</u>	<u>5,812</u>	<u>--</u>	<u>5,812</u>	<u>6,065</u>
<b>TOTAL</b>	<b>69,346</b>	<b>25,253</b>	<b>94,599</b>	<b>21,415</b>	<b>363</b>	<b>21,778</b>	<b>72,821</b>
<b>MEASURE W</b>							
Current - Special Purpose Transfers to Other Funds	65,711	(17,823)	47,888	13,644	6,950	20,594	27,294
	<u>6,403</u>	<u>924</u>	<u>7,327</u>	<u>4,595</u>	<u>--</u>	<u>4,595</u>	<u>2,732</u>
<b>TOTAL</b>	<b>72,114</b>	<b>(16,899)</b>	<b>55,215</b>	<b>18,239</b>	<b>6,950</b>	<b>25,189</b>	<b>30,026</b>
<b>ALLOCATIONS FROM OTHER GOVERNMENTAL AGENCIES</b>							
Current - Special Purpose Transfers to Other Funds	26,279	730	27,009	21,258	--	21,258	5,751
	<u>44,569</u>	<u>4,121</u>	<u>48,690</u>	<u>37,096</u>	<u>--</u>	<u>37,096</u>	<u>11,594</u>
<b>TOTAL</b>	<b>70,848</b>	<b>4,851</b>	<b>75,699</b>	<b>58,354</b>	<b>--</b>	<b>58,354</b>	<b>17,345</b>
<b>TOTAL BUDGETED SPECIAL REVENUE FUNDS</b>							
	<b>\$ 4,494,626</b>	<b>\$ 64,667</b>	<b>\$ 4,559,293</b>	<b>\$ 1,547,024</b>	<b>\$ 282,920</b>	<b>\$ 1,829,944</b>	<b>\$ 2,729,349</b>
<b>ALL ANNUALLY BUDGETED SPECIAL REVENUE FUNDS</b>							
Current - Special Purpose Capital Outlay	\$ 3,257,304	\$ 44,108	\$ 3,301,412	\$ 667,109	\$ 266,561	\$ 933,670	\$ 2,367,742
	<u>90,243</u>	<u>13,170</u>	<u>103,413</u>	<u>19,619</u>	<u>16,359</u>	<u>35,978</u>	<u>67,435</u>
Debt Service							
Principal	17,480	--	17,480	17,480	--	17,480	--
Interest	6,473	--	6,473	6,473	--	6,473	--
Transfers to Other Funds	1,123,126	7,389	1,130,515	836,343	--	836,343	294,172
<b>TOTAL</b>	<b>\$ 4,494,626</b>	<b>\$ 64,667</b>	<b>\$ 4,559,293</b>	<b>\$ 1,547,024</b>	<b>\$ 282,920</b>	<b>\$ 1,829,944</b>	<b>\$ 2,729,349</b>
<b>NONMAJOR GENERAL FUNDS</b>							
<b>DEPARTMENT OF NEIGHBORHOOD EMPOWERMENT</b>							
Current - Special Purpose Transfers to Other Funds	\$ 754	(\$ 357)	\$ 397	\$ 105	\$ 3	\$ 108	\$ 289
	<u>3,353</u>	<u>(295)</u>	<u>3,058</u>	<u>2,697</u>	<u>--</u>	<u>2,697</u>	<u>361</u>
<b>TOTAL</b>	<b>4,107</b>	<b>(652)</b>	<b>3,455</b>	<b>2,802</b>	<b>3</b>	<b>2,805</b>	<b>650</b>
<b>CITY ETHICS COMMISSION</b>							
Current - Special Purpose Transfers to Other Funds	3,393	--	3,393	--	--	--	3,393
	<u>8,190</u>	<u>--</u>	<u>8,190</u>	<u>3,962</u>	<u>--</u>	<u>3,962</u>	<u>4,228</u>
<b>TOTAL</b>	<b>11,583</b>	<b>--</b>	<b>11,583</b>	<b>3,962</b>	<b>--</b>	<b>3,962</b>	<b>7,621</b>

Continued...

**CITY OF LOS ANGELES**

**Supplemental Schedule of Appropriations,  
 Expenditures and Other Financing Uses  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 All Budgeted Special Revenue Funds - (Continued)**  
**For the Fiscal Year Ended June 30, 2022**  
 (amounts expressed in thousands)

	Original Adopted Budget	Additional Appropriations, Carryforward and Transfers	Final Budget	Expenditures	Encumbrances June 30, 2022	Total Actual	Variance with Final Budget Positive (Negative)
<b>ACCESSIBLE HOUSING</b>							
Current - Special Purpose Transfers to Other Funds	\$ 25,947	\$ 365	\$ 26,312	\$ 8,833	\$ 1,652	\$ 10,485	\$ 15,827
	<u>14,731</u>	<u>(3,033)</u>	<u>11,698</u>	<u>6,785</u>	<u>--</u>	<u>6,785</u>	<u>4,913</u>
<b>TOTAL</b>	<b><u>40,678</u></b>	<b><u>(2,668)</u></b>	<b><u>38,010</u></b>	<b><u>15,618</u></b>	<b><u>1,652</u></b>	<b><u>17,270</u></b>	<b><u>20,740</u></b>
<b>TOTAL BUDGETED GENERAL FUND</b>	<b><u>\$ 56,368</u></b>	<b><u>\$ (3,320)</u></b>	<b><u>\$ 53,048</u></b>	<b><u>\$ 22,382</u></b>	<b><u>\$ 1,655</u></b>	<b><u>\$ 24,037</u></b>	<b><u>\$ 29,011</u></b>
<b>ALL ANNUALLY BUDGETED GENERAL FUNDS</b>							
Current - Special Purpose Transfers to Other Funds	\$ 30,094	\$ 8	\$ 30,102	\$ 8,938	\$ 1,655	\$ 10,593	\$ 19,509
	<u>26,274</u>	<u>(3,328)</u>	<u>22,946</u>	<u>13,444</u>	<u>--</u>	<u>13,444</u>	<u>9,502</u>
<b>TOTAL</b>	<b><u>56,368</u></b>	<b><u>(3,320)</u></b>	<b><u>53,048</u></b>	<b><u>22,382</u></b>	<b><u>1,655</u></b>	<b><u>24,037</u></b>	<b><u>29,011</u></b>
<b>GRAND TOTAL</b>	<b><u>\$ 4,550,994</u></b>	<b><u>\$ 61,347</u></b>	<b><u>\$ 4,612,341</u></b>	<b><u>\$ 1,569,406</u></b>	<b><u>\$ 284,575</u></b>	<b><u>\$ 1,853,981</u></b>	<b><u>\$ 2,758,360</u></b>

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## **Debt Service Funds**

Debt Service Funds are used to account for the payment of maturing principal and interest on the City's general obligation and revenue bonds, and certificates of participation.

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**CITY OF LOS ANGELES**

**Combining Balance Sheet  
Nonmajor Debt Service Funds  
June 30, 2022  
(amounts expressed in thousands)**

<b>General Obligation Bonds</b>				
	Refunding Series 2011-B	Refunding Series 2012-A	Refunding Series 2016-A	Proposition HHH - Debt Service
<b>ASSETS</b>				
Cash and Pooled Investments	\$ --	\$ --	\$ 21,837	\$ 44,978
Taxes Receivable (Net of Allowance for Uncollectibles of \$601)	--	--	3,324	8,480
Investment Income Receivable	--	--	54	107
<b>TOTAL ASSETS</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ 25,215</b>	<b>\$ 53,565</b>
<b>LIABILITIES</b>				
Obligations Under Securities Lending Transactions	\$ --	\$ --	\$ 315	\$ 650
Interest Payable	--	--	--	--
Advances from Other Funds	--	--	--	--
Other Liabilities	--	--	167	340
<b>TOTAL LIABILITIES</b>	<b>--</b>	<b>--</b>	<b>482</b>	<b>990</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property Taxes	--	--	2,110	5,383
Interest Receivable on Loans and Others	--	--	13	27
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>--</b>	<b>--</b>	<b>2,123</b>	<b>5,410</b>
<b>FUND BALANCES</b>				
Restricted	--	--	22,610	47,165
<b>TOTAL FUND BALANCES</b>	<b>--</b>	<b>--</b>	<b>22,610</b>	<b>47,165</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ 25,215</b>	<b>\$ 53,565</b>

Continued...

**CITY OF LOS ANGELES**  
**Combining Balance Sheet - (Continued)**  
**Nonmajor Debt Service Funds**  
**June 30, 2022**  
**(amounts expressed in thousands)**

<b>General Obligation Bonds</b>					
	Refunding Series 2017-B	Refunding Series 2018-B	Refunding Series 2018-C	Refunding Series 2021-B	
<b>ASSETS</b>					
Cash and Pooled Investments	\$ 8,855	\$ 1,132	\$ 247	\$ 44,065	
Taxes Receivable (Net of Allowance for Uncollectibles of \$601)	943	340	74	4,107	
Investment Income Receivable	22	3	1	111	
<b>TOTAL ASSETS</b>	<b>\$ 9,820</b>	<b>\$ 1,475</b>	<b>\$ 322</b>	<b>\$ 48,283</b>	
<b>LIABILITIES</b>					
Obligations Under Securities Lending Transactions	\$ 128	\$ 16	\$ 4	\$ 637	
Interest Payable	--	--	--	--	
Advances from Other Funds	--	--	--	--	
Other Liabilities	69	8	2	337	
<b>TOTAL LIABILITIES</b>	<b>197</b>	<b>24</b>	<b>6</b>	<b>974</b>	
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Property Taxes	598	216	47	2,606	
Interest Receivable on Loans and Others	5	1	--	27	
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>603</b>	<b>217</b>	<b>47</b>	<b>2,633</b>	
<b>FUND BALANCES</b>					
Restricted	9,020	1,234	269	44,676	
<b>TOTAL FUND BALANCES</b>	<b>9,020</b>	<b>1,234</b>	<b>269</b>	<b>44,676</b>	
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 9,820</b>	<b>\$ 1,475</b>	<b>\$ 322</b>	<b>\$ 48,283</b>	

Continued...

**CITY OF LOS ANGELES**  
**Combining Balance Sheet - (Continued)**  
**Nonmajor Debt Service Funds**  
**June 30, 2022**  
**(amounts expressed in thousands)**

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	Solid Waste Resources	Other Nonmajor Debt Service Funds	Total
<b>ASSETS</b>			
Cash and Pooled Investments	\$ 18,882	\$ 6,875	\$ 146,871
Taxes Receivable (Net of Allowance for Uncollectibles of \$601)	--	--	17,268
Investment Income Receivable	--	13	311
<b>TOTAL ASSETS</b>	<b>\$ 18,882</b>	<b>\$ 6,888</b>	<b>\$ 164,450</b>
<b>LIABILITIES</b>			
Obligations Under Securities Lending Transactions	\$ --	\$ 95	\$ 1,845
Interest Payable	--	268	268
Advances from Other Funds	--	3,245	3,245
Other Liabilities	--	51	974
<b>TOTAL LIABILITIES</b>	<b>--</b>	<b>3,659</b>	<b>6,332</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Property Taxes	--	--	10,960
Interest Receivable on Loans and Others	--	3	76
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>--</b>	<b>3</b>	<b>11,036</b>
<b>FUND BALANCES</b>			
Restricted	18,882	3,226	147,082
<b>TOTAL FUND BALANCES</b>	<b>18,882</b>	<b>3,226</b>	<b>147,082</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 18,882</b>	<b>\$ 6,888</b>	<b>\$ 164,450</b>

**CITY OF LOS ANGELES**

**Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances  
Nonmajor Debt Service Funds  
For the Fiscal Year Ended June 30, 2022  
(amounts expressed in thousands)**

	<b>General Obligation Bonds</b>			
	Refunding Series 2011-B	Refunding Series 2012-A	Refunding Series 2016-A	Proposition HHH - Debt Service
<b>REVENUES</b>				
Property Taxes	\$ --	\$ --	\$ 19,738	\$ 47,140
Charges for Services	--	--	--	--
Investment Earnings	--	--	170	279
Change in Fair Value of Investments	--	--	(1,187)	(2,275)
<b>TOTAL REVENUES</b>	<b>--</b>	<b>--</b>	<b>18,721</b>	<b>45,144</b>
<b>EXPENDITURES</b>				
General Government	--	--	--	--
Debt Service	--	--	--	--
Principal	32,480	22,735	16,775	18,135
Interest	1,194	1,891	2,852	10,984
Cost of Issuance	--	--	--	--
<b>TOTAL EXPENDITURES</b>	<b>33,674</b>	<b>24,626</b>	<b>19,627</b>	<b>29,119</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(33,674)</b>	<b>(24,626)</b>	<b>(906)</b>	<b>16,025</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	--	--	1,207	1,388
Transfers Out	(6,375)	(5,379)	--	--
Issuance of Refunding Bonds	--	--	--	--
Premium on Issuance of Refunding Bonds	--	--	--	--
Payment to Refunding Bond Escrow Agent	--	--	--	--
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(6,375)</b>	<b>(5,379)</b>	<b>1,207</b>	<b>1,388</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(40,049)</b>	<b>(30,005)</b>	<b>301</b>	<b>17,413</b>
<b>FUND BALANCES, JULY 1</b>	<b>40,049</b>	<b>30,005</b>	<b>22,309</b>	<b>29,752</b>
<b>FUND BALANCES, JUNE 30</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ 22,610</b>	<b>\$ 47,165</b>

Continued...

**CITY OF LOS ANGELES**

**Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances - (Continued)  
Nonmajor Debt Service Funds  
For the Fiscal Year Ended June 30, 2022  
(amounts expressed in thousands)**

General Obligation Bonds				
	Refunding Series 2017-B	Refunding Series 2018-B	Refunding Series 2018-C	Refunding Series 2021-B
<b>REVENUES</b>				
Property Taxes	\$ 8,385	\$ 1,810	\$ 394	\$ 35,144
Charges for Services	--	--	--	--
Investment Earnings	66	9	2	397
Change in Fair Value of Investments	<u>(486)</u>	<u>(62)</u>	<u>(13)</u>	<u>(2,665)</u>
<b>TOTAL REVENUES</b>	<b>7,965</b>	<b>1,757</b>	<b>383</b>	<b>32,876</b>
<b>EXPENDITURES</b>				
General Government	--	--	--	--
Debt Service	--	--	--	--
Principal	7,035	--	--	--
Interest	1,426	1,733	378	--
Cost of Issuance	<u>--</u>	<u>--</u>	<u>--</u>	<u>163</u>
<b>TOTAL EXPENDITURES</b>	<b>8,461</b>	<b>1,733</b>	<b>378</b>	<b>163</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(496)</b>	<b>24</b>	<b>5</b>	<b>32,713</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	--	--	--	11,800
Transfers Out	--	--	--	--
Issuance of Refunding Bonds	--	--	--	65,490
Premium on Issuance of Refunding Bonds	--	--	--	4,042
Payment to Refunding Bond Escrow Agent	<u>--</u>	<u>--</u>	<u>--</u>	<u>(69,369)</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>11,963</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(496)</b>	<b>24</b>	<b>5</b>	<b>44,676</b>
<b>FUND BALANCES, JULY 1</b>	<b>9,516</b>	<b>1,210</b>	<b>264</b>	<b>--</b>
<b>FUND BALANCES, JUNE 30</b>	<b>\$ 9,020</b>	<b>\$ 1,234</b>	<b>\$ 269</b>	<b>\$ 44,676</b>

Continued...

**CITY OF LOS ANGELES**

**Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances - (Continued)**  
**Nonmajor Debt Service Funds**  
**For the Fiscal Year Ended June 30, 2022**  
**(amounts expressed in thousands)**

	<b>Solid Waste Resources</b>	<b>Other Nonmajor Debt Service Funds</b>	<b>Total</b>
<b>REVENUES</b>			
Property Taxes	\$ --	\$ --	\$ 112,611
Charges for Services	--	8,015	8,015
Investment Earnings	161	26	1,110
Change in Fair Value of Investments	--	(327)	(7,015)
<b>TOTAL REVENUES</b>	<b>161</b>	<b>7,714</b>	<b>114,721</b>
<b>EXPENDITURES</b>			
General Government	--	178	178
Debt Service			
Principal	17,480	12,250	126,890
Interest	6,473	551	27,482
Cost of Issuance	--	--	163
<b>TOTAL EXPENDITURES</b>	<b>23,953</b>	<b>12,979</b>	<b>154,713</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(23,792)</b>	<b>(5,265)</b>	<b>(39,992)</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	21,474	12,802	48,671
Transfers Out	--	(1,215)	(12,969)
Issuance of Refunding Bonds	--	--	65,490
Premium on Issuance of Refunding Bonds	--	--	4,042
Payment to Refunding Bond Escrow Agent	--	--	(69,369)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>21,474</b>	<b>11,587</b>	<b>35,865</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(2,318)</b>	<b>6,322</b>	<b>(4,127)</b>
FUND BALANCES, JULY 1	<b>21,200</b>	<b>(3,096)</b>	<b>151,209</b>
<b>FUND BALANCES, JUNE 30</b>	<b>\$ 18,882</b>	<b>\$ 3,226</b>	<b>\$ 147,082</b>

**CITY OF LOS ANGELES**

**Combining Budgetary Comparison Schedule**  
**(Non-GAAP Budgetary Basis)**  
**Annually Budgeted Nonmajor Debt Service Funds**  
**For the Fiscal Year Ended June 30, 2022**  
**(amounts expressed in thousands)**

	<b>General Obligation Bonds Refunding Series 2011-B</b>			
	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	Variance with Final Budget
	<b>Original</b>	<b>Final</b>	<b>(Budgetary Basis)</b>	<b>Positive (Negative)</b>
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues				
Taxes	\$ 34,056	\$ 34,056	--	\$ (34,056)
Charges for Services	--	--	--	--
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	<b>34,056</b>	<b>34,056</b>	<b>--</b>	<b>(34,056)</b>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures				
Current				
General Government	--	--	--	--
Debt Service				
Principal	32,480	32,480	32,480	--
Interest	1,576	1,576	1,194	382
Total Expenditures	34,056	34,056	33,674	382
Other Financing Uses				
Transfers to Other Funds	--	--	5,461	(5,461)
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	<b>34,056</b>	<b>34,056</b>	<b>39,135</b>	<b>(5,079)</b>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>				
FUND BALANCES, JULY 1	--	--	(39,135)	(39,135)
<b>FUND BALANCES, JUNE 30</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ --</b>

Continued....

**CITY OF LOS ANGELES**

**Combining Budgetary Comparison Schedule**  
**(Non-GAAP Budgetary Basis)**  
**Annually Budgeted Nonmajor Debt Service Funds - (Continued)**  
**For the Fiscal Year Ended June 30, 2022**  
**(amounts expressed in thousands)**

	General Obligation Bonds Refunding Series 2012-A			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues				
Taxes	\$ 25,949	\$ 25,949	--	\$ (25,949)
Charges for Services	--	--	--	--
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	<b>25,949</b>	<b>25,949</b>	<b>--</b>	<b>(25,949)</b>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures				
Current				
General Government	--	--	--	--
Debt Service				
Principal	22,735	22,735	22,735	--
Interest	3,214	3,214	1,891	1,323
Total Expenditures	25,949	25,949	24,626	1,323
Other Financing Uses				
Transfers to Other Funds	--	--	4,155	(4,155)
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	<b>25,949</b>	<b>25,949</b>	<b>28,781</b>	<b>(2,832)</b>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>				
FUND BALANCES, JULY 1	--	--	(28,781)	(28,781)
<b>FUND BALANCES, JUNE 30</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ --</b>

Continued....

**CITY OF LOS ANGELES**

**Combining Budgetary Comparison Schedule**  
**(Non-GAAP Budgetary Basis)**  
**Annually Budgeted Nonmajor Debt Service Funds - (Continued)**  
**For the Fiscal Year Ended June 30, 2022**  
**(amounts expressed in thousands)**

<b>General Obligation Bonds Refunding Series 2016-A</b>					
	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget</b>	
	<b>Original</b>	<b>Final</b>	<b>(Budgetary Basis)</b>	<b>Positive</b>	<b>(Negative)</b>
<b>REVENUES AND OTHER FINANCING SOURCES</b>					
Revenues					
Taxes	\$ 19,627	\$ 19,627	\$ 19,192	\$ (435)	
Charges for Services	--	--	--	--	
Interest	--	--	157	157	
Total Revenues	19,627	19,627	19,349	(278)	
Other Financing Sources					
Transfers from Other Funds	--	--	1,206	1,206	
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	<b>19,627</b>	<b>19,627</b>	<b>20,555</b>	<b>928</b>	
<b>EXPENDITURES AND OTHER FINANCING USES</b>					
Expenditures					
Current					
General Government	--	--	--	--	
Debt Service					
Principal	16,775	16,775	16,775	--	
Interest	2,852	2,852	2,852	--	
Total Expenditures	19,627	19,627	19,627	--	
Other Financing Uses					
Transfers to Other Funds	--	--	--	--	
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	<b>19,627</b>	<b>19,627</b>	<b>19,627</b>	<b>--</b>	
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES</b>					
<b>OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>					
FUND BALANCES, JULY 1	--	--	928	928	
<b>FUND BALANCES, JUNE 30</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ 22,312</b>	<b>\$ 22,312</b>	

Continued....

**CITY OF LOS ANGELES**

**Combining Budgetary Comparison Schedule**  
**(Non-GAAP Budgetary Basis)**  
**Annually Budgeted Nonmajor Debt Service Funds - (Continued)**  
**For the Fiscal Year Ended June 30, 2022**  
**(amounts expressed in thousands)**

	<b>Proposition HHH - Debt Service</b>			
	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	Variance with Final Budget
	<b>Original</b>	<b>Final</b>	<b>(Budgetary Basis)</b>	<b>Positive (Negative)</b>
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues				
Taxes	\$ 29,119	\$ 29,119	\$ 28,801	\$ (318)
Charges for Services	--	--	--	--
Interest	--	--	195	195
Total Revenues	29,119	29,119	28,996	(123)
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	<b>29,119</b>	<b>29,119</b>	<b>28,996</b>	<b>(123)</b>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures				
Current				
General Government	--	--	--	--
Debt Service				
Principal	18,135	18,135	18,135	--
Interest	10,984	10,984	10,984	--
Total Expenditures	29,119	29,119	29,119	--
Other Financing Uses				
Transfers to Other Funds	--	--	--	--
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	<b>29,119</b>	<b>29,119</b>	<b>29,119</b>	<b>--</b>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>				
FUND BALANCES, JULY 1	--	--	(123)	(123)
<b>FUND BALANCES, JUNE 30</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ 28,283</b>	<b>\$ 28,283</b>

Continued....

**CITY OF LOS ANGELES**

**Combining Budgetary Comparison Schedule**

(Non-GAAP Budgetary Basis)

**Annually Budgeted Nonmajor Debt Service Funds - (Continued)**

For the Fiscal Year Ended June 30, 2022

(amounts expressed in thousands)

	<b>General Obligation Bonds Refunding Series 2017-B</b>			
	<b>Budgeted Amounts</b>		Actual Amounts (Budgetary)	Variance with Final Budget Positive (Negative)
	Original	Final	Basis)	
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues				
Taxes	\$ 8,461	\$ 8,461	\$ 8,332	\$ (129)
Charges for Services	--	--	--	--
Interest	--	--	62	62
Total Revenues	8,461	8,461	8,394	(67)
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	<b>8,461</b>	<b>8,461</b>	<b>8,394</b>	<b>(67)</b>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures				
Current				
General Government	--	--	--	--
Debt Service				
Principal	7,035	7,035	7,035	--
Interest	1,426	1,426	1,426	--
Total Expenditures	8,461	8,461	8,461	--
Other Financing Uses				
Transfers to Other Funds	--	--	--	--
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	<b>8,461</b>	<b>8,461</b>	<b>8,461</b>	<b>--</b>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>				
FUND BALANCES, JULY 1	--	--	(67)	(67)
<b>FUND BALANCES, JUNE 30</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ 9,047</b>	<b>\$ 9,047</b>

Continued....

**CITY OF LOS ANGELES**

**Combining Budgetary Comparison Schedule**  
**(Non-GAAP Budgetary Basis)**  
**Annually Budgeted Nonmajor Debt Service Funds - (Continued)**  
**For the Fiscal Year Ended June 30, 2022**  
**(amounts expressed in thousands)**

<b>General Obligation Bonds Refunding Series 2018-B</b>						
	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>		<b>Variance with Final Budget</b>	
	<b>Original</b>	<b>Final</b>	<b>(Budgetary Basis)</b>	<b>Positive (Negative)</b>		
<b>REVENUES AND OTHER FINANCING SOURCES</b>						
Revenues						
Taxes	\$ 1,733	\$ 1,733	\$ 1,745	\$ 12		
Charges for Services	--	--	--	--		
Interest	--	--	9	9		
Total Revenues	1,733	1,733	1,754	21		
Other Financing Sources						
Transfers from Other Funds	--	--	--	--		
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	<b>1,733</b>	<b>1,733</b>	<b>1,754</b>	<b>21</b>		
<b>EXPENDITURES AND OTHER FINANCING USES</b>						
Expenditures						
Current						
General Government	--	--	--	--		
Debt Service						
Principal	--	--	--	--		
Interest	1,733	1,733	1,733	--		
Total Expenditures	1,733	1,733	1,733	--		
Other Financing Uses						
Transfers to Other Funds	--	--	--	--		
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	<b>1,733</b>	<b>1,733</b>	<b>1,733</b>	<b>--</b>		
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>						
FUND BALANCES, JULY 1	--	--	21	21		
<b>FUND BALANCES, JUNE 30</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ 1,157</b>	<b>\$ 1,157</b>		

Continued....

**CITY OF LOS ANGELES**

**Combining Budgetary Comparison Schedule**  
**(Non-GAAP Budgetary Basis)**  
**Annually Budgeted Nonmajor Debt Service Funds - (Continued)**  
**For the Fiscal Year Ended June 30, 2022**  
**(amounts expressed in thousands)**

		<b>General Obligation Bonds Refunding Series 2018-C</b>				<b>Variance with Final Budget Positive (Negative)</b>	
		<b>Budgeted Amounts</b>		<b>Actual Amounts (Budgetary Basis)</b>	<b>Final Budget Positive (Negative)</b>		
		<b>Original</b>	<b>Final</b>				
<b>REVENUES AND OTHER FINANCING SOURCES</b>							
Revenues							
Taxes	\$	378	\$	378	\$	381	
Charges for Services		--		--		--	
Interest		--		--		2	
Total Revenues		378		378		383	
Other Financing Sources							
Transfers from Other Funds		--		--		--	
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>		<b>378</b>		<b>378</b>		<b>383</b>	
<b>EXPENDITURES AND OTHER FINANCING USES</b>							
Expenditures							
Current							
General Government				--		--	
Debt Service				--		--	
Principal				--		--	
Interest				378		378	
Total Expenditures		378		378		378	
Other Financing Uses							
Transfers to Other Funds		--		--		--	
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>		<b>378</b>		<b>378</b>		<b>378</b>	
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>					5	5	
FUND BALANCES, JULY 1		--		--	247	247	
<b>FUND BALANCES, JUNE 30</b>		<b>\$ --</b>		<b>\$ --</b>	<b>\$ 252</b>	<b>\$ 252</b>	

Continued....

**CITY OF LOS ANGELES**

**Combining Budgetary Comparison Schedule**

(Non-GAAP Budgetary Basis)

**Annually Budgeted Nonmajor Debt Service Funds - (Continued)**

For the Fiscal Year Ended June 30, 2022

(amounts expressed in thousands)

<b>Other Nonmajor Debt Service Fund - Convention Center - Staples Arena Account</b>			
	<b>Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>	<b>Positive (Negative)</b>
<b>REVENUES AND OTHER FINANCING SOURCES</b>			
Revenues			
Taxes	\$ --	\$ --	\$ --
Charges for Services	5,341	5,341	8,015
Interest	28	28	22
Total Revenues	<u>5,369</u>	<u>5,369</u>	<u>8,037</u>
Other Financing Sources			
Transfers from Other Funds	--	--	--
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	<b><u>5,369</u></b>	<b><u>5,369</u></b>	<b><u>8,037</u></b>
<b>EXPENDITURES AND OTHER FINANCING USES</b>			
Expenditures			
Current			
General Government	10,338	--	--
Debt Service	--	--	--
Principal	--	--	--
Interest	--	--	--
Total Expenditures	<u>10,338</u>	<u>--</u>	<u>--</u>
Other Financing Uses			
Transfers to Other Funds	3,494	3,453	3,453
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	<b><u>13,832</u></b>	<b><u>3,453</u></b>	<b><u>3,453</u></b>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	<b>(8,463)</b>	<b>1,916</b>	<b>4,584</b>
FUND BALANCES, JULY 1	2,155	2,155	2,166
Appropriation of Fund Balances and Carryforward Appropriations	6,308	(4,071)	--
<b>FUND BALANCES, JUNE 30</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ 6,750</b>

Continued....

**CITY OF LOS ANGELES**

**Combining Budgetary Comparison Schedule**  
**(Non-GAAP Budgetary Basis)**  
**Annually Budgeted Nonmajor Debt Service Funds - (Continued)**  
**For the Fiscal Year Ended June 30, 2022**  
**(amounts expressed in thousands)**

	<b>Total Annually Budgeted Nonmajor Debt Service Funds</b>			
	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>	<b>(Budgetary Basis)</b>	<b>Positive (Negative)</b>
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues				
Taxes	\$ 119,323	\$ 119,323	\$ 58,451	\$ (60,872)
Charges for Services	5,341	5,341	8,015	2,674
Interest	28	28	447	419
Total Revenues	124,692	124,692	66,913	(57,779)
Other Financing Sources				
Transfers from Other Funds	--	--	1,206	1,206
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	<b>124,692</b>	<b>124,692</b>	<b>68,119</b>	<b>(56,573)</b>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures				
Current				
General Government	10,338	--	--	--
Debt Service	97,160	97,160	97,160	--
Principal	22,163	22,163	20,458	1,705
Interest				
Total Expenditures	129,661	119,323	117,618	1,705
Other Financing Uses				
Transfers to Other Funds	3,494	3,453	13,069	(16,522)
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	<b>133,155</b>	<b>122,776</b>	<b>130,687</b>	<b>(7,911)</b>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>				
FUND BALANCES, JULY 1	(8,463)	1,916	(62,568)	(64,484)
Appropriation of Fund Balances and Carryforward Appropriations	2,155	2,155	130,369	128,214
<b>FUND BALANCES, JUNE 30</b>	<b>6,308</b>	<b>(4,071)</b>	<b>--</b>	<b>4,071</b>
	<b>\$ --</b>	<b>\$ --</b>	<b>\$ 67,801</b>	<b>\$ 67,801</b>

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CITY OF LOS ANGELES

Reconciliation of Operations on Budgetary Basis to the GAAP Basis  
Nonmajor Debt Service Funds  
For the Fiscal Year Ended June 30, 2022  
(amounts expressed in thousands)

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**Deficiency of Revenues and Other Financing Sources Under**

**Expenditures and Other Financing Uses - Budgetary**

\$ (62,568)

**Basis Difference**

Adjustments for net changes to accrued assets and liabilities. The GAAP basis operating statement recognizes revenues as soon as they are both measurable and available, and expenditures generally are recorded when liability is incurred; whereas, the budget basis operating statement reflects revenues when received and expenditures when paid. (714)

**Perspective Difference**

Certain Nonmajor Debt Service funds are not included in the legally adopted budget

59,155

**Net Change in Fund Balances - Nonmajor Debt Service Funds**

\$ (4,127)

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## **Capital Projects Funds**

Capital Projects Funds are used to account for major capital improvements which are financed from the City's general obligation bonds and certificates of participation issues, special assessments, certain Federal grants, and specific receipts.

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## CAPITAL PROJECTS FUNDS

Capital Projects Funds are used to account for capital improvements which are financed from the City's and component units' general obligation bonds, certificates of participation issues, special assessments, certain Federal grants and other specific receipts. All of the City's Capital Projects Funds are considered nonmajor funds. Ten funds are separately identified. These funds represent 85.7% of the combined revenues of the Capital Project Funds. The other smaller funds are grouped as other nonmajor capital project funds.

**General Obligation Bonds** – Series 2003-A, Series 2004-A, Series 2005-A, Series 2006-A, Series 2008-A, Series 2009, Series 2011-A, and Proposition HHH - Facilities Program Series 2017-A, Series 2018-A and Series 2021-A. These funds account for the proceeds from the sales of bonds authorized by the voters in November 1998, November 2000, March 2002, and November 2004, and November 2016 for the acquisition, improvement, and construction of certain police and fire safety facilities, animal shelter, zoo facilities, stormwater infrastructure assets and supportive housing and facilities for homeless individuals.

**Recreation and Parks Grant Fund** – Accounts for grants received for major capital improvements undertaken by the City's Department of Recreation and Parks.

**Parks Assessment Fund** – Accounts for assessments levied pursuant to Proposition K – Los Angeles Kids program approved by City voters on November 5, 1996. The assessments from the City of Los Angeles Landscaping and Lighting District 96-1 will be used for the acquisition of land, construction of capital improvements and maintenance of facilities.

**Other Nonmajor Capital Projects Funds** - Account for the activities of smaller capital project funds and represent 14.3% of the combined revenues. Included in this group are two annually budgeted funds: Local Transportation and Park and Recreational Sites and Facilities.

**CITY OF LOS ANGELES**

**Combining Balance Sheet  
Nonmajor Capital Projects Funds  
June 30, 2022  
(amounts expressed in thousands)**

**General Obligation Bonds**

	<b>Series 2003-A</b>	<b>Series 2004-A</b>	<b>Series 2005-A</b>	<b>Series 2006-A</b>	<b>Series 2008-A</b>	<b>Series 2009</b>
<b>ASSETS</b>						
Cash and Pooled Investments	\$ 296	\$ 829	\$ 2,451	\$ 4,718	\$ 1,128	\$ 7,581
Accounts Receivable	--	--	--	--	--	106
Special Assessments Receivable	--	--	--	--	--	--
Investment Income Receivable	1	2	7	14	3	26
Intergovernmental Receivable	--	--	--	--	--	--
Due from Other Funds	--	--	--	--	--	--
<b>TOTAL ASSETS</b>	<b>\$ 297</b>	<b>\$ 831</b>	<b>\$ 2,458</b>	<b>\$ 4,732</b>	<b>\$ 1,131</b>	<b>\$ 7,713</b>
<b>LIABILITIES</b>						
Accounts, Contracts and Retainage Payable	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 28
Obligations Under Securities Lending						
Transactions	4	12	35	68	16	110
Due to Other Funds	--	25	4	493	364	1,286
Deposits and Advances	--	--	--	--	--	--
Other Liabilities	2	6	19	36	9	58
<b>TOTAL LIABILITIES</b>	<b>6</b>	<b>43</b>	<b>58</b>	<b>597</b>	<b>389</b>	<b>1,482</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Receivables from Other Government Agencies	--	--	--	--	--	106
Interest Receivable on Loans and Others	--	--	2	3	1	6
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>--</b>	<b>--</b>	<b>2</b>	<b>3</b>	<b>1</b>	<b>112</b>
<b>FUND BALANCES</b>						
Restricted	291	788	2,398	4,132	741	6,119
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 297</b>	<b>\$ 831</b>	<b>\$ 2,458</b>	<b>\$ 4,732</b>	<b>\$ 1,131</b>	<b>\$ 7,713</b>

Continued...

**CITY OF LOS ANGELES**  
**Combining Balance Sheet - (Continued)**  
**Nonmajor Capital Projects Funds**  
**June 30, 2022**  
**(amounts expressed in thousands)**

	<b>General Obligation Bonds</b>						<b>Total</b>
	<b>Series 2011-A</b>	<b>Proposition HHH - Facilities Program</b>	<b>Recreation and Parks Grant</b>	<b>Parks Assessment</b>	<b>Other Nonmajor Capital Projects Funds</b>		
<b>ASSETS</b>							
Cash and Pooled Investments	\$ 35,085	\$ 2,775	\$ 64,378	\$ 129,825	\$ 21,640	\$ 270,706	
Accounts Receivable	--	--	--	--	92	198	
Special Assessments Receivable	--	--	--	1,842	--	1,842	
Investment Income Receivable	103	11	189	405	7	768	
Intergovernmental Receivable	--	--	8,441	--	--	8,441	
Due from Other Funds	--	--	16	2,892	68	2,976	
<b>TOTAL ASSETS</b>	<b>\$ 35,188</b>	<b>\$ 2,786</b>	<b>\$ 73,024</b>	<b>\$ 134,964</b>	<b>\$ 21,807</b>	<b>\$ 284,931</b>	
<b>LIABILITIES</b>							
Accounts, Contracts and Retainage Payable	\$ --	\$ --	\$ 1,762	\$ 398	\$ 442	\$ 2,630	
Obligations Under Securities Lending Transactions	507	37	930	1,875	52	3,646	
Due to Other Funds	266	204	--	57	2	2,701	
Deposits and Advances	--	--	--	--	4	4	
Other Liabilities	267	18	490	987	27	1,919	
<b>TOTAL LIABILITIES</b>	<b>1,040</b>	<b>259</b>	<b>3,182</b>	<b>3,317</b>	<b>527</b>	<b>10,900</b>	
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Receivables from Other Government Agencies	--	--	3,325	--	92	3,523	
Interest Receivable on Loans and Others	24	3	46	830	2	917	
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>24</b>	<b>3</b>	<b>3,371</b>	<b>830</b>	<b>94</b>	<b>4,440</b>	
<b>FUND BALANCES</b>							
Restricted	34,124	2,524	66,471	130,817	21,186	269,591	
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 35,188</b>	<b>\$ 2,786</b>	<b>\$ 73,024</b>	<b>\$ 134,964</b>	<b>\$ 21,807</b>	<b>\$ 284,931</b>	

**CITY OF LOS ANGELES**

**Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances  
Nonmajor Capital Projects Funds  
For the Fiscal Year Ended June 30, 2022  
(amounts expressed in thousands)**

**General Obligation Bonds**

	<u>Series 2003-A</u>	<u>Series 2004-A</u>	<u>Series 2005-A</u>	<u>Series 2006-A</u>	<u>Series 2008-A</u>	<u>Series 2009</u>
<b>REVENUES</b>						
Other Taxes	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Licenses and Permits	--	--	--	--	--	--
Intergovernmental	--	--	--	--	--	--
Charges for Services	--	--	--	--	16	--
Special Assessments	--	--	--	--	--	--
Investment Earnings	3	9	31	62	13	113
Change in Fair Value of Investments	(16)	(45)	(138)	(269)	(61)	(436)
Other	--	--	--	5	--	--
<b>TOTAL REVENUES</b>	<b>(13)</b>	<b>(36)</b>	<b>(107)</b>	<b>(202)</b>	<b>(32)</b>	<b>(323)</b>
<b>EXPENDITURES</b>						
Capital Outlay	--	--	--	1	--	1,958
<b>TOTAL EXPENDITURES</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>1</b>	<b>--</b>	<b>1,958</b>
<b>DEFICIENCY OF REVENUES UNDER EXPENDITURES</b>	<b>(13)</b>	<b>(36)</b>	<b>(107)</b>	<b>(203)</b>	<b>(32)</b>	<b>(2,281)</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers In	--	--	--	--	--	--
Transfers Out	(37)	--	--	--	--	--
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(37)</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(50)</b>	<b>(36)</b>	<b>(107)</b>	<b>(203)</b>	<b>(32)</b>	<b>(2,281)</b>
FUND BALANCES, JULY 1	341	824	2,505	4,335	773	8,400
<b>FUND BALANCES, JUNE 30</b>	<b>\$ 291</b>	<b>\$ 788</b>	<b>\$ 2,398</b>	<b>\$ 4,132</b>	<b>\$ 741</b>	<b>\$ 6,119</b>

Continued...

**CITY OF LOS ANGELES**

**Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances - (Continued)**  
**Nonmajor Capital Projects Funds**  
**For the Fiscal Year Ended June 30, 2022**  
**(amounts expressed in thousands)**

<b>General Obligation Bonds</b>						
	Proposition HHH - Facilities Program	Recreation and Parks Grant	Parks Assessment	Other Nonmajor Capital Projects Funds		<b>Total</b>
	<b>Series 2011-A</b>					
<b>REVENUES</b>						
Other Taxes	\$ --	\$ --	\$ --	\$ 3,247	\$ 3,247	
Licenses and Permits	--	--	--	10	10	
Intergovernmental	583	--	17,617	--	2,501	20,701
Charges for Services	--	--	708	--	--	724
Special Assessments	--	--	--	24,927	--	24,927
Investment Earnings	411	514	776	1,559	30	3,521
Change in Fair Value of Investments	(1,930)	(322)	(3,564)	(7,129)	(189)	(14,099)
Other	--	--	--	--	--	5
<b>TOTAL REVENUES</b>	<b>(936)</b>	<b>192</b>	<b>15,537</b>	<b>19,357</b>	<b>5,599</b>	<b>39,036</b>
<b>EXPENDITURES</b>						
Capital Outlay	1,310	4,006	17,366	19,581	6,301	50,523
<b>TOTAL EXPENDITURES</b>	<b>1,310</b>	<b>4,006</b>	<b>17,366</b>	<b>19,581</b>	<b>6,301</b>	<b>50,523</b>
<b>DEFICIENCY OF REVENUES UNDER EXPENDITURES</b>	<b>(2,246)</b>	<b>(3,814)</b>	<b>(1,829)</b>	<b>(224)</b>	<b>(702)</b>	<b>(11,487)</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers In	--	779	325	20,667	2,411	24,182
Transfers Out	--	(8,837)	--	(22,495)	(692)	(32,061)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>--</b>	<b>(8,058)</b>	<b>325</b>	<b>(1,828)</b>	<b>1,719</b>	<b>(7,879)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(2,246)</b>	<b>(11,872)</b>	<b>(1,504)</b>	<b>(2,052)</b>	<b>1,017</b>	<b>(19,366)</b>
FUND BALANCES, JULY 1	36,370	14,396	67,975	132,869	20,169	288,957
<b>FUND BALANCES, JUNE 30</b>	<b>\$ 34,124</b>	<b>\$ 2,524</b>	<b>\$ 66,471</b>	<b>\$ 130,817</b>	<b>\$ 21,186</b>	<b>\$ 269,591</b>

CITY OF LOS ANGELES

Combining Budgetary Comparison Schedule  
 (Non-GAAP Budgetary Basis)  
 Annually Budgeted Nonmajor Capital Projects Funds  
 For the Fiscal Year Ended June 30, 2022  
 (amounts expressed in thousands)

**REVENUES AND OTHER FINANCING SOURCES**

Revenues				
Taxes	\$ --	\$ --	\$ --	\$ --
Intergovernmental	3,331	3,331	2,804	(527)
Interest	34	34	16	(18)
Total Revenues	<u>3,365</u>	<u>3,365</u>	<u>2,820</u>	<u>(545)</u>
Other Financing Sources				
Transfers from Other Funds	--	--	--	--

**TOTAL REVENUES AND OTHER FINANCING SOURCES**

**EXPENDITURES AND OTHER FINANCING USES**

Expenditures				
Capital Outlay	10,552	10,699	2,783	7,916
Other Financing Uses				
Transfers to Other Funds	89	89	--	89

**TOTAL EXPENDITURES AND OTHER FINANCING USES**

**EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES**

**OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES**

FUND BALANCES (DEFICIT), JULY 1

Appropriation of Fund Balances and Carryforward Appropriations

Encumbrances Lapsed

**FUND BALANCES (DEFICIT), JUNE 30**

Other Nonmajor Capital Projects Fund - Local Transportation				Variance with Final Budget
Budgeted Amounts		Actual Amounts (Budgetary Basis)	Original Final	Positive (Negative)
\$ --	\$ --	\$ --	\$ --	\$ --
3,331	3,331	2,804	(527)	
34	34	16	(18)	
<u>3,365</u>	<u>3,365</u>	<u>2,820</u>	<u>(545)</u>	
--	--	--	--	--
<u>3,365</u>	<u>3,365</u>	<u>2,820</u>	<u>(545)</u>	
10,552	10,699	2,783	7,916	
89	89	--	89	
<u>10,641</u>	<u>10,788</u>	<u>2,783</u>	<u>8,005</u>	
(7,276)	(7,423)	37	7,460	
175	175	(249)	(424)	
7,101	7,146	--	(7,146)	
--	102	102	--	
<u>\$ --</u>	<u>\$ --</u>	<u>\$ (110)</u>	<u>\$ (110)</u>	

Continued....

**CITY OF LOS ANGELES**

**Combining Budgetary Comparison Schedule**  
**(Non-GAAP Budgetary Basis)**  
**Annually Budgeted Nonmajor Capital Projects Funds - (Continued)**  
**For the Fiscal Year Ended June 30, 2022**  
**(amounts expressed in thousands)**

				<b>Other Nonmajor Capital Projects Fund - Parks and Recreation Sites and Facilities</b>	Variance with Final Budget Positive (Negative)
				Actual Amounts (Budgetary Basis)	
Budgeted Amounts		Original	Final		
<b>REVENUES AND OTHER FINANCING SOURCES</b>					
Revenues					
Taxes	\$	3,100	\$	3,100	\$ 3,247
Intergovernmental		--		--	147
Interest		--		--	--
Total Revenues		<u>3,100</u>		<u>3,100</u>	<u>147</u>
Other Financing Sources					
Transfers from Other Funds		--		2,408	2,408
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>		<u>3,100</u>		<u>3,100</u>	<u>5,655</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>					
Capital Outlay		5,716		16,619	4,037
Other Financing Uses		598		2,656	1,269
Transfers to Other Funds		<u>6,314</u>		<u>19,275</u>	<u>5,424</u>
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>					<u>13,851</u>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>					
FUND BALANCES (DEFICIT), JULY 1		(3,214)		(16,175)	231
Appropriation of Fund Balances and Carryforward Appropriations		--		--	16,406
<b>FUND BALANCES (DEFICIT), JUNE 30</b>		<u>3,214</u>		<u>16,175</u>	<u>17,083</u>
		<u>\$ --</u>		<u>\$ --</u>	<u>\$ 17,314</u>
					Continued....

**CITY OF LOS ANGELES**

**Combining Budgetary Comparison Schedule**  
**(Non-GAAP Budgetary Basis)**  
**Annually Budgeted Nonmajor Capital Projects Funds - (Continued)**  
**For the Fiscal Year Ended June 30, 2022**  
**(amounts expressed in thousands)**

	Total Annually Budgeted Nonmajor Capital Projects Funds			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues				
Taxes	\$ 3,100	\$ 3,100	\$ 3,247	\$ 147
Intergovernmental	3,331	3,331	2,804	(527)
Interest	34	34	16	(18)
Total Revenues	<u>6,465</u>	<u>6,465</u>	<u>6,067</u>	<u>(398)</u>
Other Financing Sources				
Transfers from Other Funds	--	--	2,408	2,408
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	<b><u>6,465</u></b>	<b><u>6,465</u></b>	<b><u>8,475</u></b>	<b><u>2,010</u></b>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures				
Capital Outlay	16,268	27,318	6,820	20,498
Other Financing Uses				
Transfers to Other Funds	687	2,745	1,387	1,358
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	<b><u>16,955</u></b>	<b><u>30,063</u></b>	<b><u>8,207</u></b>	<b><u>21,856</u></b>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>				
FUND BALANCES (DEFICIT), JULY 1	(10,490)	(23,598)	268	23,866
Appropriation of Fund Balances and Carryforward Appropriations	175	175	16,834	16,659
Encumbrances Lapsed	10,315	23,321	--	(23,321)
<b>FUND BALANCES (DEFICIT), JUNE 30</b>	<b><u>--</u></b>	<b><u>102</u></b>	<b><u>102</u></b>	<b><u>--</u></b>
	<b>\$ --</b>	<b>\$ --</b>	<b>\$ 17,204</b>	<b>\$ 17,204</b>

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**CITY OF LOS ANGELES**

**Reconciliation of Operations on Budgetary Basis to the GAAP Basis**  
**Nonmajor Capital Projects Funds**  
**For the Fiscal Year Ended June 30, 2022**  
**(amounts expressed in thousands)**

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**Excess of Revenues and Other Financing Sources Under**

**Expenditures and Other Financing Uses - Budgetary**

\$ 268

**Basis Difference**

Adjustments for net changes to accrued assets and liabilities. The GAAP basis operating statement recognizes revenues as soon as they are both measurable and available, and expenditures generally are recorded when liability is incurred; whereas, the budget basis operating statement reflects revenues when received and expenditures when paid. (112)

Encumbrances, which represent commitments to acquire goods and services, are recorded as the equivalent of expenditures in the budget year incurred (budget), as opposed to a reservation of fund balance (GAAP).

Encumbrances reported as budgetary expenditures  
Prior year encumbrances expended in current year

2,001  
(430)

**Perspective Difference**

Certain Nonmajor Capital Projects Funds are not included in the legally adopted budget; while for some, the budget provides for only the portion of fund receipts that are expended for City department operations.

**Net Change in Fund Balances - Nonmajor Capital Projects Funds**

(21,093)  
\$ (19,366)

**CITY OF LOS ANGELES**

**Supplemental Schedule of Appropriations,  
Expenditures and Other Financing Uses  
Budget and Actual (Non-GAAP Budgetary Basis)**  
**All Budgeted Capital Projects Funds**  
**For the Fiscal Year Ended June 30, 2022**  
**(amounts expressed in thousands)**

	Original Adopted Budget	Additional Appropriations, Carryforward and Transfers	Final Budget	Expenditures	Encumbrances June 30, 2022	Total	Actual	Variance with Final Budget Positive (Negative)
<b>LOCAL TRANSPORTATION</b>								
Capital Outlay	\$ 10,552	\$ 147	\$ 10,699	\$ 1,056	\$ 1,727	\$ 2,783	\$ 7,916	
Transfers to Other Funds	89	--	89	--	--	--	89	
<b>TOTAL</b>	<b>10,641</b>	<b>147</b>	<b>10,788</b>	<b>1,056</b>	<b>1,727</b>	<b>2,783</b>	<b>8,005</b>	
<b>PARKS AND RECREATION SITES AND FACILITIES</b>								
Capital Outlay	5,716	10,903	16,619	3,763	274	4,037	12,582	
Transfers to Other Funds	598	2,058	2,656	1,387	--	1,387	1,269	
<b>TOTAL</b>	<b>6,314</b>	<b>12,961</b>	<b>19,275</b>	<b>5,150</b>	<b>274</b>	<b>5,424</b>	<b>13,851</b>	
<b>TOTAL BUDGETED CAPITAL PROJECTS FUNDS</b>								
Capital Outlay	\$ 16,955	\$ 13,108	\$ 30,063	\$ 6,206	\$ 2,001	\$ 8,207	\$ 21,856	
Transfers to Other Funds	687	2,058	2,745	1,387	--	1,387	1,358	
<b>TOTAL</b>	<b>\$ 16,955</b>	<b>\$ 13,108</b>	<b>\$ 30,063</b>	<b>\$ 6,206</b>	<b>\$ 2,001</b>	<b>\$ 8,207</b>	<b>\$ 21,856</b>	
<b>ALL ANNUALLY BUDGETED CAPITAL PROJECTS FUNDS</b>								
Capital Outlay	\$ 16,268	\$ 11,050	\$ 27,318	\$ 4,819	\$ 2,001	\$ 6,820	\$ 20,498	
Transfers to Other Funds	687	2,058	2,745	1,387	--	1,387	1,358	
<b>TOTAL</b>	<b>\$ 16,955</b>	<b>\$ 13,108</b>	<b>\$ 30,063</b>	<b>\$ 6,206</b>	<b>\$ 2,001</b>	<b>\$ 8,207</b>	<b>\$ 21,856</b>	

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## Fiduciary Funds

Pensions and Other Employee Benefits Trust Funds are used to account for the activities of the City's single-employer defined benefit pension plans and other postemployment benefit plans. Custodial Funds are used to account for activities carried out exclusively for the benefit of those outside of the City but not administered through other fiduciary trusts.

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## FIDUCIARY FUNDS

Fiduciary Funds are used to report assets held by the City in a trustee or agency capacity for others and therefore cannot be used to support the City government's programs. These include Pension Trust Funds, Other Postemployment Benefits Trust Funds, and Custodial Funds.

**Pension Trust Funds** – These funds are used to report resources that are held in trust for the members and beneficiaries of the City's single-employer defined benefit pension plans namely: Fire and Police Pension Plan, Los Angeles City Employees' Retirement Plan, and Water and Power Employees' Retirement and Disability Pension Plans.

**Other Postemployment Benefits Trust Funds** – These funds are used to report resources that are held in trust for the members of the City's postemployment plans namely: Fire and Police Health Subsidy Plan, Los Angeles City Employees' Postemployment Health Care Plan, and Water and Power Employees' Retirees Health Benefit and Death Benefit Plans.

**Custodial Funds** – These funds are used to report activities carried out exclusively for the benefit of that outside of the City but not administered through other fiduciary trusts, such as collections for Clean Fuel Rewards Program, assessments for payments of certain conduit debt, and monies seized by the law enforcement pending judgment.

**CITY OF LOS ANGELES**

**Combining Statement of Fiduciary Net Position  
Pension and Other Postemployment Benefits Trust Funds  
June 30, 2022  
(amounts expressed in thousands)**

	Pension Trust Funds	Other Postemployment Benefits Trust Funds	Total
<b>ASSETS</b>			
Cash and Pooled Investments	\$ 87,343	\$ 9,105	\$ 96,448
Receivables			
Contributions	60,290	2,569	62,859
Accrued Investment Income	189,598	28,862	218,460
Contingent Disability Benefit Advance	3,310	--	3,310
Other Receivables	15,707	1,798	17,505
Advance to Other Entities	702,676	96,239	798,915
Other Investments			
Short-Term Investments	1,752,528	262,090	2,014,618
U.S. Government Obligations	5,393,105	795,065	6,188,170
U.S. Agency Notes	973,538	176,881	1,150,419
Municipal Bonds	17,906	3,428	21,334
Domestic Corporate Bonds	3,853,280	548,278	4,401,558
International Bonds	1,424,011	266,414	1,690,425
Other Fixed Income	785,516	152,075	937,591
Bank Loans	73,571	14,398	87,969
Opportunistic Debt	298,448	58,408	356,856
Domestic Stocks	16,273,000	2,367,222	18,640,222
International Stocks	10,844,484	1,696,887	12,541,371
Mortgage-Backed Securities	732,353	139,830	872,183
Government Agencies	9,461	1,852	11,313
Derivative Instruments - current	(1,047)	(205)	(1,252)
Real Estate	4,289,774	642,534	4,932,308
Alternative Investments	11,375,721	1,766,193	13,141,914
Securities Lending Collateral	2,373,165	405,613	2,778,778
Prepaid Expense	21	--	21
Prepaid Health Subsidy	1	12,549	12,550
Capital Assets			
Land, Furniture, Equipment and Software (Net of Accumulated Depreciation and Amortization of \$15,671)	65,434	10,959	76,393
<b>TOTAL ASSETS</b>	<b>61,593,194</b>	<b>9,459,044</b>	<b>71,052,238</b>
<b>LIABILITIES</b>			
Accounts Payable and Accrued Expenses	185,440	24,797	210,237
Accrued Investment Expenses	16,712	3,270	19,982
Benefits in Process of Payment	39,968	6,212	46,180
Due to Brokers	861,824	127,026	988,850
Obligations Under Securities Lending Transactions	2,373,165	405,613	2,778,778
Mortgage Loan Payable - Current Portion	500	54	554
Mortgage Loan Payable - Noncurrent Portion	191,430	20,516	211,946
Deposits and Advances	34	4	38
<b>TOTAL LIABILITIES</b>	<b>3,669,073</b>	<b>587,492</b>	<b>4,256,565</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Leases	478	93	571
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>478</b>	<b>93</b>	<b>571</b>
<b>NET POSITION</b>			
Restricted for Pension and Other Postemployment Benefits			
Pension Plans	57,878,793	--	57,878,793
Disability Plan	44,850	--	44,850
Death Benefit Plan	--	40,525	40,525
Postemployment Healthcare Plans	--	8,830,934	8,830,934
<b>TOTAL NET POSITION</b>	<b>\$ 57,923,643</b>	<b>\$ 8,871,459</b>	<b>\$ 66,795,102</b>

**CITY OF LOS ANGELES**

**Combining Statement of Changes in Fiduciary Net Position  
Pension and Other Postemployment Benefits Trust Funds  
For the Fiscal Year Ended June 30, 2022  
(amounts expressed in thousands)**

	Pension Trust Funds	Other Postemployment Benefits Trust Funds	Total
<b>ADDITIONS</b>			
Contributions			
Employer	\$ 1,468,438	\$ 412,849	\$ 1,881,287
Plan Member	526,756	372	527,128
Total Contributions	<u>1,995,194</u>	<u>413,221</u>	<u>2,408,415</u>
Self-Funded Insurance Premium	--	13,280	13,280
Health Insurance Premium Reserve	--	1,180	1,180
Investment Income			
Net Depreciation in Fair Value of Investments	(5,406,640)	(872,429)	(6,279,069)
Interest Income	368,588	59,086	427,674
Income from Alternative Investments	49,984	6,741	56,725
Dividend Income	639,367	94,784	734,151
Securities Lending Income	12,561	2,298	14,859
Other Investment Income	58,760	12,566	71,326
Income from Real Estate Investments	106,480	14,102	120,582
Investment Income	(4,170,900)	(682,852)	(4,853,752)
Investment Expense	(295,743)	(49,014)	(344,757)
Securities Lending Expense	(3,058)	(668)	(3,726)
Net Investment Income	<u>(4,469,701)</u>	<u>(732,534)</u>	<u>(5,202,235)</u>
Other Income	399	45	444
<b>TOTAL ADDITIONS</b>	<b><u>(2,474,108)</u></b>	<b><u>(304,808)</u></b>	<b><u>(2,778,916)</u></b>
<b>DEDUCTIONS</b>			
Benefits Payments	3,125,412	440,593	3,566,005
Refunds of Member Contributions	28,227	--	28,227
Administrative Expenses	53,267	11,957	65,224
<b>TOTAL DEDUCTIONS</b>	<b><u>3,206,906</u></b>	<b><u>452,550</u></b>	<b><u>3,659,456</u></b>
<b>CHANGE IN NET POSITION</b>			
Pension Plans	(5,674,650)	--	(5,674,650)
Disability Plan	(6,364)	--	(6,364)
Death Benefit Plan	--	(213)	(213)
Postemployment Healthcare Plans	--	(757,145)	(757,145)
<b>TOTAL CHANGE IN NET POSITION</b>	<b><u>(5,681,014)</u></b>	<b><u>(757,358)</u></b>	<b><u>(6,438,372)</u></b>
Net Position Restricted for Pension and Postemployment Benefits, July 1 Restated			
Pension Plans	63,553,443	--	63,553,443
Disability Plan	51,214	--	51,214
Death Benefit Plan	--	40,738	40,738
Postemployment Healthcare Plans	--	9,588,079	9,588,079
<b>NET POSITION RESTRICTED FOR PENSION AND OTHER POSTEMPLOYMENT BENEFITS, JUNE 30</b>	<b><u>\$ 57,923,643</u></b>	<b><u>\$ 8,871,459</u></b>	<b><u>\$ 66,795,102</u></b>

**CITY OF LOS ANGELES**  
**Combining Statement of Fiduciary Net Position**  
**Pension Trust Funds**  
**June 30, 2022**  
(amounts expressed in thousands)

	Fire and Police Pension Plan	Los Angeles City Employees' Retirement Plan	Water and Power Employees' Retirement and Disability Benefit Plans	Total
<b>ASSETS</b>				
Cash and Pooled Investments	\$ 6,107	\$ 3,505	\$ 77,731	\$ 87,343
Receivables				
Contributions	5,007	--	55,283	60,290
Accrued Investment Income	81,396	66,642	41,560	189,598
Contingent Disability Benefit Advance	--	--	3,310	3,310
Other Receivables	--	9,085	6,622	15,707
Advance to Other Entities	421,405	113,046	168,225	702,676
Other Investments				
Short-Term Investments	822,596	354,767	575,165	1,752,528
U.S. Government Obligations	2,774,048	1,563,416	1,055,641	5,393,105
U.S. Agency Notes	--	--	973,538	973,538
Municipal Bonds	--	12,465	5,441	17,906
Domestic Corporate Bonds	2,181,686	767,102	904,492	3,853,280
International Bonds	48,347	805,609	570,055	1,424,011
Other Fixed Income	--	667,572	117,944	785,516
Bank Loans	--	73,571	--	73,571
Opportunistic Debt	--	298,448	--	298,448
Domestic Stocks	8,729,791	4,360,654	3,182,555	16,273,000
International Stocks	4,343,927	3,586,266	2,914,291	10,844,484
Mortgage-Backed Securities	--	483,043	249,310	732,353
Government Agencies	--	9,461	--	9,461
Derivative Instruments - current	--	(1,047)	--	(1,047)
Real Estate	1,945,509	971,126	1,373,139	4,289,774
Alternative Investments	4,517,483	3,179,716	3,678,522	11,375,721
Securities Lending Collateral	1,223,730	431,535	717,900	2,373,165
Prepaid Expense	--	--	21	21
Prepaid Health Subsidy	1	--	--	1
Capital Assets				
Land, Furniture, Equipment and Software (Net of Accumulated Depreciation and Amortization of \$13,648)	20,853	44,581	--	65,434
<b>TOTAL ASSETS</b>	<b>27,121,886</b>	<b>17,800,563</b>	<b>16,670,745</b>	<b>61,593,194</b>
<b>LIABILITIES</b>				
Accounts Payable and Accrued Expenses	27,612	74,298	83,530	185,440
Accrued Investment Expenses	--	16,712	--	16,712
Benefits in Process of Payment	39,968	--	--	39,968
Due to Brokers	380,076	171,207	310,541	861,824
Obligations Under Securities Lending Transactions	1,223,730	431,535	717,900	2,373,165
Mortgage Loan Payable - Current Portion	500	--	--	500
Mortgage Loan Payable - Noncurrent Portion	191,430	--	--	191,430
Deposits and Advances	34	--	--	34
<b>TOTAL LIABILITIES</b>	<b>1,863,350</b>	<b>693,752</b>	<b>1,111,971</b>	<b>3,669,073</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Leases	--	478	--	478
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>--</b>	<b>478</b>	<b>--</b>	<b>478</b>
<b>NET POSITION</b>				
Restricted for Pension Benefits				
Pension Plans	25,258,536	17,106,333	15,513,924	57,878,793
Disability Plan	--	--	44,850	44,850
<b>TOTAL NET POSITION</b>	<b>\$ 25,258,536</b>	<b>\$ 17,106,333</b>	<b>\$ 15,558,774</b>	<b>\$ 57,923,643</b>

**CITY OF LOS ANGELES**  
**Combining Statement of Changes in Fiduciary Net Position**  
**Pension Trust Funds**  
**For the Fiscal Year Ended June 30, 2022**  
(amounts expressed in thousands)

	Fire and Police Pension Plan	Los Angeles City Employees' Retirement Plan	Water and Power Employees' Retirement and Disability Benefit Plans	Total
<b>ADDITIONS</b>				
Contributions				
Employer	\$ 535,450	\$ 591,305	\$ 341,683	\$ 1,468,438
Plan Member	149,243	245,879	131,634	526,756
Total Contributions	<u>684,693</u>	<u>837,184</u>	<u>473,317</u>	<u>1,995,194</u>
Investment Income				
Net Depreciation in Fair Value of Investments	(2,469,735)	(1,828,439)	(1,108,466)	(5,406,640)
Interest Income	131,894	126,282	110,412	368,588
Income from Alternative Investments	33,416	--	16,568	49,984
Dividend Income	342,858	189,422	107,087	639,367
Securities Lending Income	4,293	3,779	4,489	12,561
Other Investment Income	(1,281)	59,931	110	58,760
Income from Real Estate Investments	59,187	--	47,293	106,480
Investment Income	<u>(1,899,368)</u>	<u>(1,449,025)</u>	<u>(822,507)</u>	<u>(4,170,900)</u>
Investment Expense	(121,983)	(105,639)	(68,121)	(295,743)
Securities Lending Expense	(600)	(558)	(1,900)	(3,058)
Net Investment Income	<u>(2,021,951)</u>	<u>(1,555,222)</u>	<u>(892,528)</u>	<u>(4,469,701)</u>
Other Income	369	30	--	399
<b>TOTAL ADDITIONS</b>	<b><u>(1,336,889)</u></b>	<b><u>(718,008)</u></b>	<b><u>(419,211)</u></b>	<b><u>(2,474,108)</u></b>
<b>DEDUCTIONS</b>				
Benefits Payments	1,237,262	1,163,419	724,731	3,125,412
Refunds of Member Contributions	7,474	11,630	9,123	28,227
Administrative Expenses	22,146	24,282	6,839	53,267
<b>TOTAL DEDUCTIONS</b>	<b><u>1,266,882</u></b>	<b><u>1,199,331</u></b>	<b><u>740,693</u></b>	<b><u>3,206,906</u></b>
<b>CHANGE IN NET POSITION</b>				
Pension Plans	(2,603,771)	(1,917,339)	(1,153,540)	(5,674,650)
Disability Plan	--	--	(6,364)	(6,364)
<b>TOTAL CHANGE IN NET POSITION</b>	<b><u>(2,603,771)</u></b>	<b><u>(1,917,339)</u></b>	<b><u>(1,159,904)</u></b>	<b><u>(5,681,014)</u></b>
Net Position Restricted for Pension, July 1 Restated				
Pension Plans	27,862,307	19,023,672	16,667,464	63,553,443
Disability Plan	--	--	51,214	51,214
<b>NET POSITION RESTRICTED FOR PENSION, JUNE 30</b>	<b><u>\$ 25,258,536</u></b>	<b><u>\$ 17,106,333</u></b>	<b><u>\$ 15,558,774</u></b>	<b><u>\$ 57,923,643</u></b>

**CITY OF LOS ANGELES**  
**Combining Statement of Fiduciary Net Position**  
**Other Postemployment Benefits Trust Funds**  
**June 30, 2022**  
(amounts expressed in thousands)

	Fire and Police Health Subsidy Plan	Los Angeles City Employees' Postemployment Health Care Plan	Water and Power Employees' Retirees Health and Death Benefit Plans	Total
<b>ASSETS</b>				
Cash and Pooled Investments	\$ 654	\$ 686	\$ 7,765	\$ 9,105
Receivables				
Contributions	--	--	2,569	2,569
Accrued Investment Income	8,723	13,042	7,097	28,862
Accounts Receivable	--	1,778	20	1,798
Advance to Other Entities	45,163	22,123	28,953	96,239
Other Investments				
Short-Term Investments	88,160	69,429	104,501	262,090
U.S. Government Obligations	297,301	305,966	191,798	795,065
U.S. Agency Notes	--	--	176,881	176,881
Municipal Bonds	--	2,439	989	3,428
Domestic Corporate Bonds	233,817	150,125	164,336	548,278
International Bonds	5,181	157,661	103,572	266,414
Other Fixed Income	--	130,646	21,429	152,075
Bank Loans	--	14,398	--	14,398
Opportunistic Debt	--	58,408	--	58,408
Domestic Stocks	935,592	853,396	578,234	2,367,222
International Stocks	465,549	701,845	529,493	1,696,887
Mortgage-Backed Securities	--	94,533	45,297	139,830
Government Agencies	--	1,852	--	1,852
Derivative Instruments - current	--	(205)	--	(205)
Real Estate	208,505	190,053	243,976	642,534
Alternative Investments	484,150	622,281	659,762	1,766,193
Securities Lending Collateral	131,150	84,453	190,010	405,613
Prepaid Health Subsidy	12,549	--	--	12,549
Capital Assets				
Land, Furniture, Equipment and Software (Net of Accumulated Depreciation and Amortization of \$2,023)	2,235	8,724	--	10,959
<b>TOTAL ASSETS</b>	<b>2,918,729</b>	<b>3,483,633</b>	<b>3,056,682</b>	<b>9,459,044</b>
<b>LIABILITIES</b>				
Accounts Payable and Accrued Expenses	2,959	14,540	7,298	24,797
Accrued Investment Expenses	--	3,270	--	3,270
Benefits in Process of Payment	1,190	--	5,022	6,212
Due to Brokers	40,734	33,506	52,786	127,026
Obligations Under Securities Lending Transactions	131,150	84,453	190,010	405,613
Mortgage Loan Payable - Current Portion	54	--	--	54
Mortgage Loan Payable - Noncurrent Portion	20,516	--	--	20,516
Deposits and Advances	4	--	--	4
<b>TOTAL LIABILITIES</b>	<b>196,607</b>	<b>135,769</b>	<b>255,116</b>	<b>587,492</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Leases	--	93	--	93
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>--</b>	<b>93</b>	<b>--</b>	<b>93</b>
<b>NET POSITION</b>				
Restricted for Postemployment Benefits				
Death Benefit Plan	--	--	40,525	40,525
Postemployment Healthcare Plans	2,722,122	3,347,771	2,761,041	8,830,934
<b>TOTAL NET POSITION</b>	<b>\$ 2,722,122</b>	<b>\$ 3,347,771</b>	<b>\$ 2,801,566</b>	<b>\$ 8,871,459</b>

**CITY OF LOS ANGELES**

**Combining Statement of Changes in Fiduciary Net Position  
Other Postemployment Benefits Trust Funds  
For the Fiscal Year Ended June 30, 2022  
(amounts expressed in thousands)**

	<b>Fire and Police Health Subsidy Plan</b>	<b>Los Angeles City Employees' Postemployment Health Care Plan</b>	<b>Water and Power Employees' Retirees Health and Death Benefit Plans</b>	<b>Total</b>
<b>ADDITIONS</b>				
Contributions				
Employer	\$ 193,140	\$ 91,623	\$ 128,086	\$ 412,849
Plan Member	--	--	372	372
Total Contributions	<u>193,140</u>	<u>91,623</u>	<u>128,458</u>	<u>413,221</u>
Self-Funded Insurance Premium				
Health Insurance Premium Reserve	--	13,280	--	13,280
--	--	1,180	--	1,180
Investment Income				
Net Depreciation in Fair Value of Investments	(256,022)	(417,259)	(199,148)	(872,429)
Interest Income	13,673	26,689	18,724	59,086
Income from Alternative Investments	3,464	--	3,277	6,741
Dividend Income	35,542	40,033	19,209	94,784
Securities Lending Income	445	798	1,055	2,298
Other Investment Income	(133)	12,666	33	12,566
Income from Real Estate Investments	6,135	--	7,967	14,102
Investment Income	(196,896)	(337,073)	(148,883)	(682,852)
Investment Expense	(12,645)	(24,106)	(12,263)	(49,014)
Securities Lending Expense	(62)	(128)	(478)	(668)
Net Investment Income	<u>(209,603)</u>	<u>(361,307)</u>	<u>(161,624)</u>	<u>(732,534)</u>
Other Income	38	7	--	45
<b>TOTAL ADDITIONS</b>	<b>(16,425)</b>	<b>(255,217)</b>	<b>(33,166)</b>	<b>(304,808)</b>
<b>DEDUCTIONS</b>				
Benefits Payments				
Administrative Expenses	147,467	171,705	121,421	440,593
	2,296	6,955	2,706	11,957
<b>TOTAL DEDUCTIONS</b>	<b>149,763</b>	<b>178,660</b>	<b>124,127</b>	<b>452,550</b>
<b>CHANGE IN NET POSITION</b>				
Death Benefit Plan	--	--	(213)	(213)
Postemployment Healthcare Plans	(166,188)	(433,877)	(157,080)	(757,145)
<b>TOTAL CHANGE IN NET POSITION</b>	<b>(166,188)</b>	<b>(433,877)</b>	<b>(157,293)</b>	<b>(757,358)</b>
Net Position Restricted for Postemployment Benefits, July 1 Restated				
Death Benefit Plan	--	--	40,738	40,738
Postemployment Healthcare Plans	2,888,310	3,781,648	2,918,121	9,588,079
<b>NET POSITION RESTRICTED FOR POSTEMPLOYMENT BENEFITS, JUNE 30</b>	<b>\$ 2,722,122</b>	<b>\$ 3,347,771</b>	<b>\$ 2,801,566</b>	<b>\$ 8,871,459</b>

**CITY OF LOS ANGELES**

**Combining Statement of Fiduciary Net Position**  
**Custodial Funds**  
**June 30, 2022**  
(amounts expressed in thousands)

	Unclaimed Money Seized	Bond Deposit Trust Fund	Custodial Assessment Funds	Clean Fuel Funds	Total
<b>ASSETS</b>					
Cash and Pooled Investments	\$ 3,801	\$ 3,603	\$ 7,673	\$ 10,000	\$ 25,077
Special Assessments Receivable	--	--	752	--	752
Investment Income Receivable	--	--	18	--	18
<b>TOTAL ASSETS</b>	<b>3,801</b>	<b>3,603</b>	<b>8,443</b>	<b>10,000</b>	<b>25,847</b>
<b>LIABILITIES</b>					
Fiduciary Liabilities	--	--	190	--	190
Obligations Under Securities Lending Transactions	--	--	108	--	108
Due to Other Entities	--	3,603	180	--	3,783
Deposits and Advances	3,801	--	--	--	3,801
<b>TOTAL LIABILITIES</b>	<b>3,801</b>	<b>3,603</b>	<b>478</b>	<b>--</b>	<b>7,882</b>
<b>NET POSITION</b>					
Restricted for Individuals, Organizations and Other Governments	--	--	7,965	10,000	17,965
<b>TOTAL NET POSITION</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ 7,965</b>	<b>\$ 10,000</b>	<b>\$ 17,965</b>

**CITY OF LOS ANGELES**

**Combining Statement of Changes in Fiduciary Net Position  
Custodial Funds  
For the Fiscal Year Ended June 30, 2022  
(amounts expressed in thousands)**

	<b>Custodial Assessment Funds</b>	<b>Clean Fuel Funds</b>	<b>Total</b>
<b>ADDITIONS</b>			
Tax Collections from Community Facilities Districts	\$ 8,025	\$ --	\$ 8,025
Collections for Clean Fuel Rewards Program	--	338,018	338,018
Net Depreciation in Fair Value of Investments	(416)	--	(416)
Interest Income	3	--	3
<b>TOTAL ADDITIONS</b>	<b>7,612</b>	<b>338,018</b>	<b>345,630</b>
<b>DEDUCTIONS</b>			
Debt Service Payments for Community Facilities Districts	7,962	--	7,962
Payments for Clean Fuel Reward Program	--	489,034	489,034
<b>TOTAL DEDUCTIONS</b>	<b>7,962</b>	<b>489,034</b>	<b>496,996</b>
<b>CHANGE IN NET POSITION</b>			
Net Position Restricted for Individuals, Organizations and Other Governments, July 1	(350)	(151,016)	(151,366)
	8,315	161,016	169,331
<b>NET POSITION RESTRICTED FOR INDIVIDUALS, ORGANIZATIONS, AND OTHER GOVERNMENTS, JUNE 30</b>	<b>\$ 7,965</b>	<b>\$ 10,000</b>	<b>\$ 17,965</b>

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# STATISTICAL SECTION

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**CITY OF LOS ANGELES**  
**Statistical Section**  
**For the Fiscal Year Ended June 30, 2022**

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The Statistical Section required by GASB Statement No. 44 presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

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**CITY OF LOS ANGELES**  
**Statistical Section**  
**For the Fiscal Year Ended June 30, 2022**

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**OPERATING INFORMATION**

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

<b>Number of City Government Employees by Function/Program</b>	
<b>Full-Time Equivalent, Last Ten Fiscal Years.....</b>	<b>382</b>
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## **Financial Trends**

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

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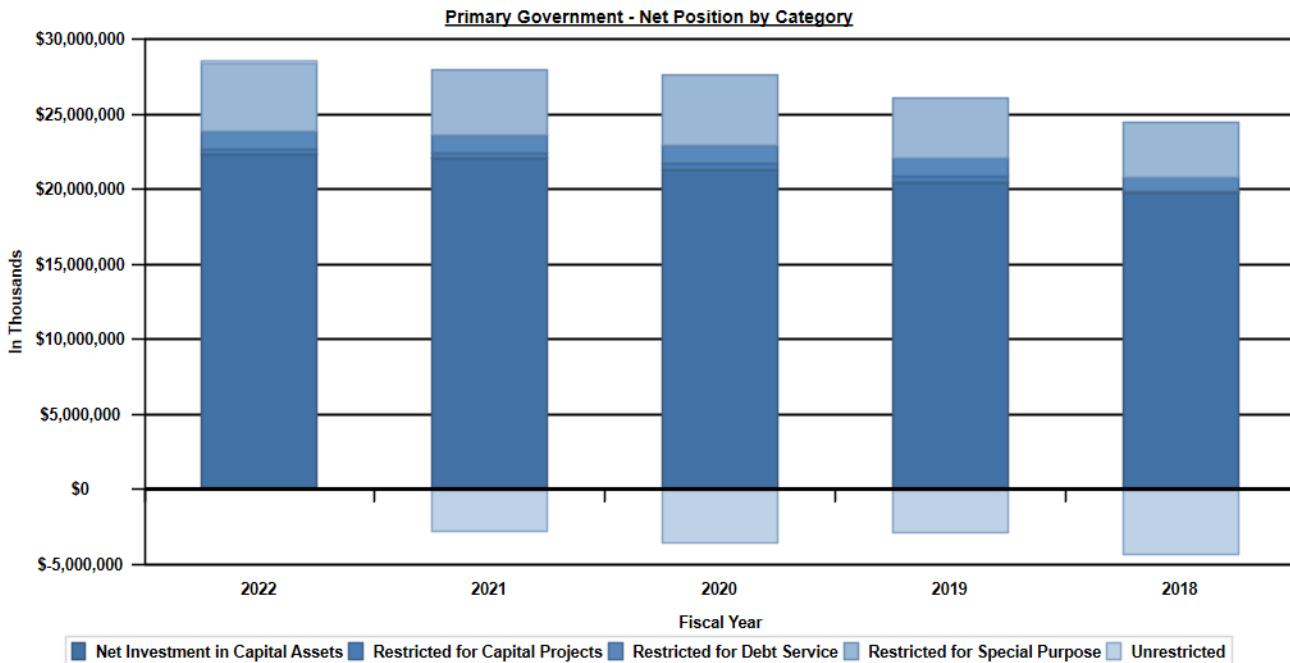
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**CITY OF LOS ANGELES**  
**Net Position by Category**  
**Accrual Basis of Accounting**  
**Last Ten Fiscal Year**  
**(amounts expressed in thousands)**

	Fiscal Year				
	2022	2021	2020	2019	2018
<b>GOVERNMENTAL ACTIVITIES</b>					
Net Investment in Capital Assets	\$ 6,465,677	\$ 6,288,850	\$ 6,113,258	\$ 5,890,308	\$ 5,699,812
Restricted Net Position					
Capital Projects	320,098	362,062	407,609	474,603	90,884
Debt Service	286,112	281,238	346,878	379,192	208,037
Special Purposes	3,701,108	3,452,726	3,371,035	2,643,601	2,387,135
Unrestricted (Deficit)	(5,240,118)	(7,534,065)	(7,444,581)	(6,980,964)	(8,022,270)
<b>SUBTOTAL GOVERNMENTAL ACTIVITIES NET POSITION</b>	<b>5,532,877</b>	<b>2,850,811</b>	<b>2,794,199</b>	<b>2,406,740</b>	<b>363,598</b>
<b>BUSINESS-TYPE ACTIVITIES</b>					
Net Investment in Capital Assets	15,874,735	15,744,950	15,181,630	14,515,311	14,032,397
Restricted Net Position					
Debt Service	920,182	901,679	871,541	848,900	797,375
Special Purposes	866,804	938,385	1,351,593	1,352,280	1,204,517
Unrestricted (Deficit)	5,354,516	4,701,295	3,912,652	4,086,882	3,680,122
<b>SUBTOTAL BUSINESS-TYPE ACTIVITIES NET POSITION</b>	<b>23,016,237</b>	<b>22,286,309</b>	<b>21,317,416</b>	<b>20,803,373</b>	<b>19,714,411</b>
<b>PRIMARY GOVERNMENT</b>					
Net Investment in Capital Assets	22,340,412	22,033,800	21,294,888	20,405,619	19,732,209
Restricted Net Position					
Capital Projects	320,098	362,062	407,609	474,603	90,884
Debt Service	1,206,294	1,182,917	1,218,419	1,228,092	1,005,412
Special Purpose	4,567,912	4,391,111	4,722,628	3,995,881	3,591,652
Unrestricted (Deficit)	114,398	(2,832,770)	(3,531,929)	(2,894,082)	(4,342,148)
<b>TOTAL PRIMARY GOVERNMENT NET POSITION</b>	<b>\$ 28,549,114</b>	<b>\$ 25,137,120</b>	<b>\$ 24,111,615</b>	<b>\$ 23,210,113</b>	<b>\$ 20,078,009</b>

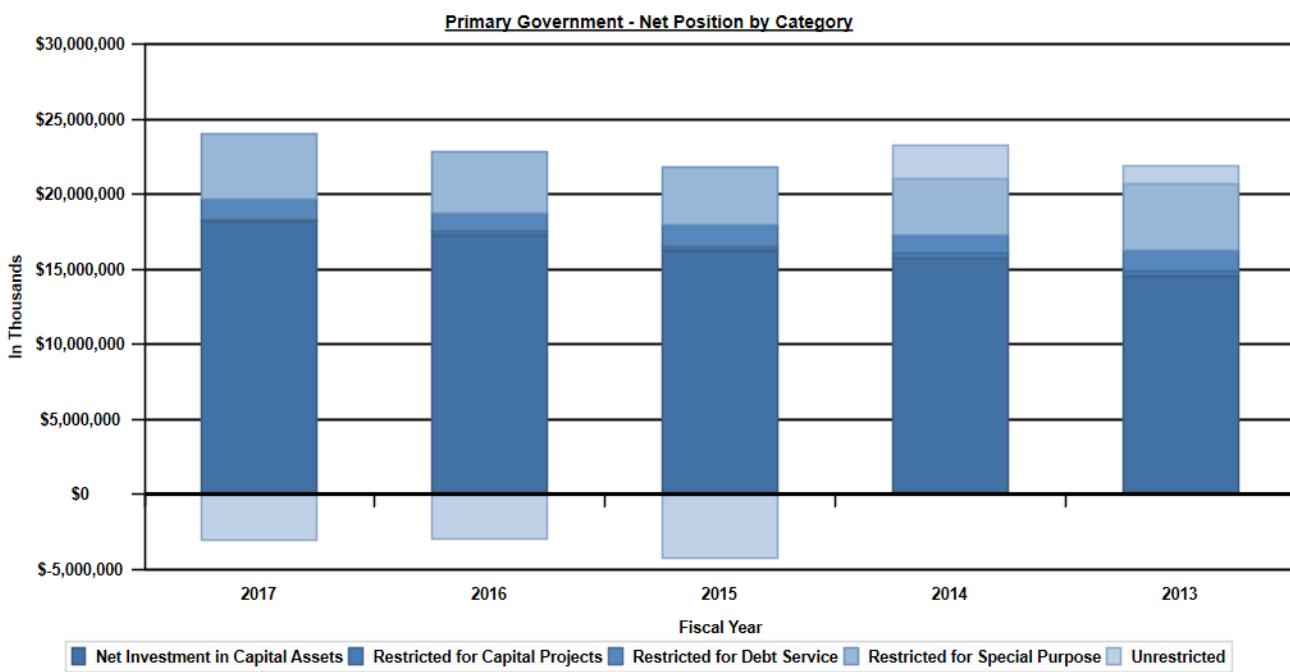
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Note: GASB Statement No. 68, 75, 84 and 87 were implemented in fiscal year 2015, 2018, 2020 and 2022, respectively.



**CITY OF LOS ANGELES**  
**Net Position by Category**  
**Accrual Basis of Accounting - (Continued)**  
**Last Ten Fiscal Year**  
**(amounts expressed in thousands)**

	<b>Fiscal Year</b>				
	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
<b>GOVERNMENTAL ACTIVITIES</b>					
Net Investment in Capital Assets	\$ 5,385,062	\$ 5,267,860	\$ 4,760,372	\$ 4,646,514	\$ 4,452,921
Restricted Net Position					
Capital Projects	98,258	96,477	100,835	204,181	89,055
Debt Service	181,685	162,142	322,336	130,104	154,321
Special Purposes	2,191,572	1,877,242	1,663,223	1,467,249	2,193,433
Unrestricted (Deficit)	(6,579,324)	(6,559,669)	(7,383,558)	(1,276,678)	(2,429,330)
<b>SUBTOTAL GOVERNMENTAL ACTIVITIES NET POSITION</b>	<b>1,277,253</b>	<b>844,052</b>	<b>(536,792)</b>	<b>5,171,370</b>	<b>4,460,400</b>
<b>BUSINESS-TYPE ACTIVITIES</b>					
Net Investment in Capital Assets	12,798,720	11,990,919	11,489,529	11,113,795	10,135,052
Restricted Net Position					
Capital Projects	--	143,033	138,759	135,700	249,773
Debt Service	1,172,984	1,086,557	1,118,078	1,045,688	1,147,819
Special Purposes	2,248,391	2,177,049	2,203,721	2,332,259	2,264,948
Unrestricted (Deficit)	3,481,621	3,625,643	3,169,708	3,506,415	3,619,888
<b>SUBTOTAL BUSINESS-TYPE ACTIVITIES NET POSITION</b>	<b>19,701,716</b>	<b>19,023,201</b>	<b>18,119,795</b>	<b>18,133,857</b>	<b>17,417,480</b>
<b>PRIMARY GOVERNMENT</b>					
Net Investment in Capital Assets	18,183,782	17,258,779	16,249,901	15,760,309	14,587,973
Restricted Net Position					
Capital Projects	98,258	239,510	239,594	339,881	338,828
Debt Service	1,354,669	1,248,699	1,440,414	1,175,792	1,302,140
Special Purpose	4,439,963	4,054,291	3,866,944	3,799,508	4,458,381
Unrestricted (Deficit)	(3,097,703)	(2,934,026)	(4,213,850)	2,229,737	1,190,558
<b>TOTAL PRIMARY GOVERNMENT NET POSITION</b>	<b>\$ 20,978,969</b>	<b>\$ 19,867,253</b>	<b>\$ 17,583,003</b>	<b>\$ 23,305,227</b>	<b>\$ 21,877,880</b>



**CITY OF LOS ANGELES**  
**Changes in Net Position**  
**Accrual Basis of Accounting**  
**Last Ten Fiscal Years**  
**(amounts expressed in thousands)**

	<b>Fiscal Year</b>				
	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
<b>EXPENSES</b>					
Governmental Activities					
General Government	\$ 1,726,188	\$ 1,935,804	\$ 1,686,640	\$ 1,409,022	\$ 1,380,143
Protection of Persons and Property	2,624,309	3,990,018	3,660,482	3,176,379	3,209,073
Public Works	513,475	587,359	580,169	468,463	485,045
Health and Sanitation	552,619	677,878	634,141	605,078	496,132
Transportation	563,804	577,318	580,613	532,348	504,166
Cultural and Recreational Services	713,767	704,490	746,670	714,265	682,076
Community Development	987,179	909,542	657,301	295,571	216,225
Interest on Long-Term Debt	98,054	99,628	135,580	146,491	127,970
Subtotal Governmental Activities Expenses	<b>7,779,395</b>	<b>9,482,037</b>	<b>8,681,596</b>	<b>7,347,617</b>	<b>7,100,830</b>
Business-Type Activities					
Airports	1,742,407	1,558,137	1,684,907	1,483,713	1,388,201
Harbor	462,493	453,024	461,393	408,602	410,133
Power	4,370,903	3,886,405	3,816,543	3,916,279	3,429,928
Water	1,487,767	1,293,737	1,184,170	1,158,635	1,053,783
Sewer	669,062	627,866	669,193	678,253	568,199
Convention Center	43,337	36,847	52,138	62,846	59,408
Subtotal Business-type Activities Expenses	<b>8,775,969</b>	<b>7,856,016</b>	<b>7,868,344</b>	<b>7,708,328</b>	<b>6,909,652</b>
<b>TOTAL PRIMARY GOVERNMENT EXPENSES</b>	<b>16,555,364</b>	<b>17,338,053</b>	<b>16,549,940</b>	<b>15,055,945</b>	<b>14,010,482</b>
<b>PROGRAM REVENUES</b>					
Governmental Activities					
Charges for Services					
General Government	139,567	243,716	249,774	251,549	290,901
Protection of Persons and Property	764,516	575,127	691,176	650,442	540,702
Public Works	302,181	262,553	264,334	242,493	177,530
Health and Sanitation	497,516	484,383	506,121	554,868	480,670
Transportation	121,011	98,855	138,652	116,704	206,240
Cultural and Recreational Services	195,270	157,638	167,934	202,485	214,499
Community Development	215,229	171,533	186,120	176,811	150,932
Operating Grants and Contributions	2,086,187	2,123,367	1,331,396	1,697,057	866,203
Capital Grants and Contributions	99,390	99,905	153,045	136,649	152,315
Subtotal Governmental Activities Program Revenues	<b>4,420,867</b>	<b>4,217,077</b>	<b>3,688,552</b>	<b>4,029,058</b>	<b>3,079,992</b>
Business-type Activities					
Charges for Services					
Airports	1,407,938	1,072,156	1,365,494	1,537,949	1,446,226
Harbor	627,842	572,011	467,666	506,427	490,760
Power	4,593,760	4,268,478	3,807,291	4,070,930	3,804,221
Water	1,606,678	1,463,781	1,275,067	1,253,503	1,190,181
Sewer	739,666	788,755	752,727	694,963	677,886
Convention Center	33,606	18,897	39,502	50,996	50,174
Operating Grants and Contributions	367,456	--	--	--	--
Capital Grants and Contributions	211,269	554,659	226,943	144,066	153,892
Subtotal Business-type Activities Program Revenues	<b>9,588,215</b>	<b>8,738,737</b>	<b>7,934,690</b>	<b>8,258,834</b>	<b>7,813,340</b>
<b>TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES</b>	<b>14,009,082</b>	<b>12,955,814</b>	<b>11,623,242</b>	<b>12,287,892</b>	<b>10,893,332</b>

Continued...

**CITY OF LOS ANGELES**

**Changes in Net Position  
Accrual Basis of Accounting - (Continued)  
Last Ten Fiscal Years  
(amounts expressed in thousands)**

	<b>Fiscal Year</b>				
	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
<b>EXPENSES</b>					
Governmental Activities					
General Government	\$ 1,480,735	\$ 1,348,442	\$ 1,240,898	\$ 1,481,977	\$ 2,089,053
Protection of Persons and Property	3,348,298	2,797,651	2,872,296	2,963,882	2,789,023
Public Works	411,168	235,840	422,558	383,433	387,649
Health and Sanitation	478,040	504,364	467,548	519,519	405,934
Transportation	506,782	420,799	406,573	425,967	423,595
Cultural and Recreational Services	556,152	595,454	541,758	524,282	482,692
Community Development	242,636	187,453	169,121	321,263	386,346
Interest on Long-Term Debt	124,364	131,893	146,896	159,991	179,588
Subtotal Governmental Activities Expenses	<u>7,148,175</u>	<u>6,221,896</u>	<u>6,267,648</u>	<u>6,780,314</u>	<u>7,143,880</u>
Business-Type Activities					
Airlines	1,284,299	1,174,620	1,092,463	984,754	922,914
Harbor	412,315	398,954	379,809	372,645	331,626
Power	3,414,456	3,229,174	3,204,535	3,092,108	2,928,377
Water	1,049,397	1,039,575	1,037,652	1,053,150	939,094
Sewer	577,240	584,971	513,226	542,007	572,425
Convention Center	53,686	49,531	43,871	38,450	39,073
Subtotal Business-type Activities Expenses	<u>6,791,393</u>	<u>6,476,825</u>	<u>6,271,556</u>	<u>6,083,114</u>	<u>5,733,509</u>
<b>TOTAL PRIMARY GOVERNMENT EXPENSES</b>	<b><u>13,939,568</u></b>	<b><u>12,698,721</u></b>	<b><u>12,539,204</u></b>	<b><u>12,863,428</u></b>	<b><u>12,877,389</u></b>
<b>PROGRAM REVENUES</b>					
Governmental Activities					
Charges for Services					
General Government	8,265	96,117	285,973	246,641	305,545
Protection of Persons and Property	600,720	520,550	439,901	443,352	385,961
Public Works	232,095	253,103	182,758	165,229	169,473
Health and Sanitation	565,941	600,117	494,420	492,238	495,544
Transportation	186,386	179,288	151,813	143,103	121,374
Cultural and Recreational Services	203,719	179,046	160,736	153,544	149,237
Community Development	194,568	183,890	139,509	117,097	111,259
Operating Grants and Contributions	774,953	827,258	834,075	903,146	871,459
Capital Grants and Contributions	145,509	123,757	42,705	46,878	55,138
Subtotal Governmental Activities Program Revenues	<u>2,912,156</u>	<u>2,963,126</u>	<u>2,731,890</u>	<u>2,711,228</u>	<u>2,664,990</u>
Business-type Activities					
Charges for Services					
Airlines	1,372,730	1,285,816	1,121,584	1,038,506	1,122,704
Harbor	474,532	441,249	446,895	425,951	416,974
Power	3,697,924	3,517,040	3,336,963	3,319,820	3,264,534
Water	1,118,547	1,131,777	1,082,581	1,141,823	1,073,948
Sewer	634,060	613,092	594,024	571,570	588,987
Convention Center	47,173	44,311	36,158	24,937	27,255
Operating Grants and Contributions	--	--	--	--	--
Capital Grants and Contributions	186,635	232,183	270,637	367,841	109,407
Subtotal Business-type Activities Program Revenues	<u>7,531,601</u>	<u>7,265,468</u>	<u>6,888,842</u>	<u>6,890,448</u>	<u>6,603,809</u>
<b>TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES</b>	<b><u>10,443,757</u></b>	<b><u>10,228,594</u></b>	<b><u>9,620,732</u></b>	<b><u>9,601,676</u></b>	<b><u>9,268,799</u></b>

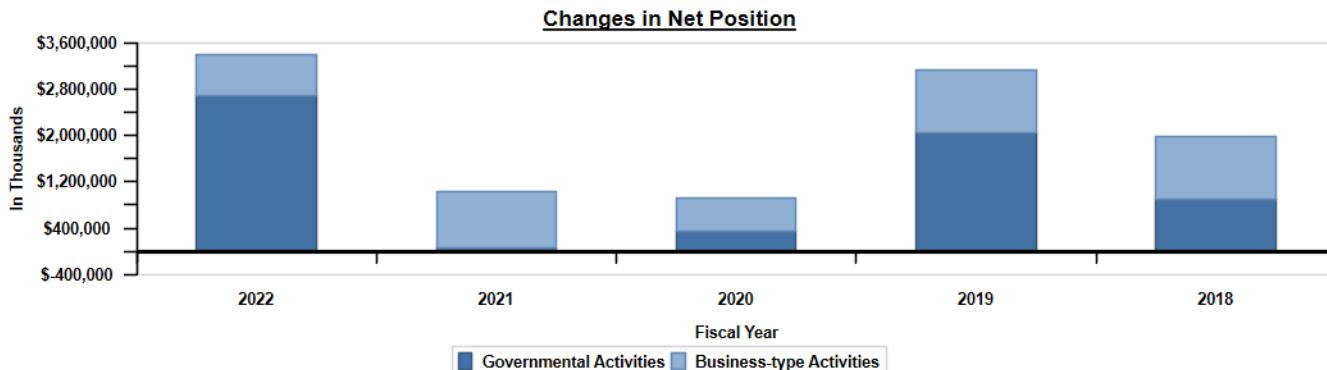
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**CITY OF LOS ANGELES**  
**Changes in Net Position**  
**Accrual Basis of Accounting - (Continued)**  
**Last Ten Fiscal Years**  
**(amounts expressed in thousands)**

	Fiscal Year				
	2022	2021	2020	2019	2018
<b>NET (EXPENSE)/REVENUE</b>					
Governmental Activities	\$ (3,358,528)	\$ (5,264,960)	\$ (4,993,044)	\$ (3,318,559)	\$ (4,020,838)
Business-type Activities	812,246	882,721	66,346	550,506	903,688
<b>TOTAL PRIMARY GOVERNMENT NET EXPENSE</b>	<b>(2,546,282)</b>	<b>(4,382,239)</b>	<b>(4,926,698)</b>	<b>(2,768,053)</b>	<b>(3,117,150)</b>
<b>GENERAL REVENUES AND OTHER CHANGES IN NET POSITION</b>					
Governmental Activities					
Taxes					
Property Taxes	2,628,691	2,551,138	2,374,311	2,251,463	2,108,154
Utility Users' Taxes	634,186	604,106	642,036	621,192	614,335
Business Taxes	1,019,226	743,877	677,241	607,786	542,349
Sales Taxes	693,438	560,962	534,631	607,211	517,495
Other Taxes	842,715	564,069	706,645	819,807	802,548
Unrestricted Grants and Contributions					
Other	35,874	41,161	24,703	22,001	22,053
Unrestricted Investment Earnings (Losses)	(110,102)	(4,485)	94,910	86,819	7,142
Other General Revenues	71,551	42,389	64,767	112,865	57,051
Transfers	225,015	218,355	229,913	232,557	241,848
Extraordinary Items					
Gain (Loss) on Loan Settlement	--	--	--	--	--
Transfer of Properties from CRA	--	--	--	--	--
Transfer of Assets from CRA	--	--	--	--	--
Subtotal Governmental Activities	<b>6,040,594</b>	<b>5,321,572</b>	<b>5,349,157</b>	<b>5,361,701</b>	<b>4,912,975</b>
Business-Type Activities					
Unrestricted Investment Earnings (Losses)	(281,224)	125	322,371	281,122	54,763
Other	409,490	304,402	398,696	489,891	377,160
Transfers	(225,015)	(218,355)	(229,913)	(232,557)	(241,848)
Special Item	--	--	--	--	--
Extraordinary Item	--	--	--	--	--
Subtotal Business-type Activities	<b>(96,749)</b>	<b>86,172</b>	<b>491,154</b>	<b>538,456</b>	<b>190,075</b>
<b>TOTAL PRIMARY GOVERNMENT GENERAL REVENUES AND OTHER CHANGES IN NET POSITION</b>	<b>5,943,845</b>	<b>5,407,744</b>	<b>5,840,311</b>	<b>5,900,157</b>	<b>5,103,050</b>
<b>CHANGES IN NET POSITION</b>					
Governmental Activities	2,682,066	56,612	356,113	2,043,142	892,137
Business-Type Activities	715,497	968,893	557,500	1,088,962	1,093,763
<b>TOTAL PRIMARY GOVERNMENT CHANGE IN NET POSITION</b>	<b>\$ 3,397,563</b>	<b>\$ 1,025,505</b>	<b>\$ 913,613</b>	<b>\$ 3,132,104</b>	<b>\$ 1,985,900</b>

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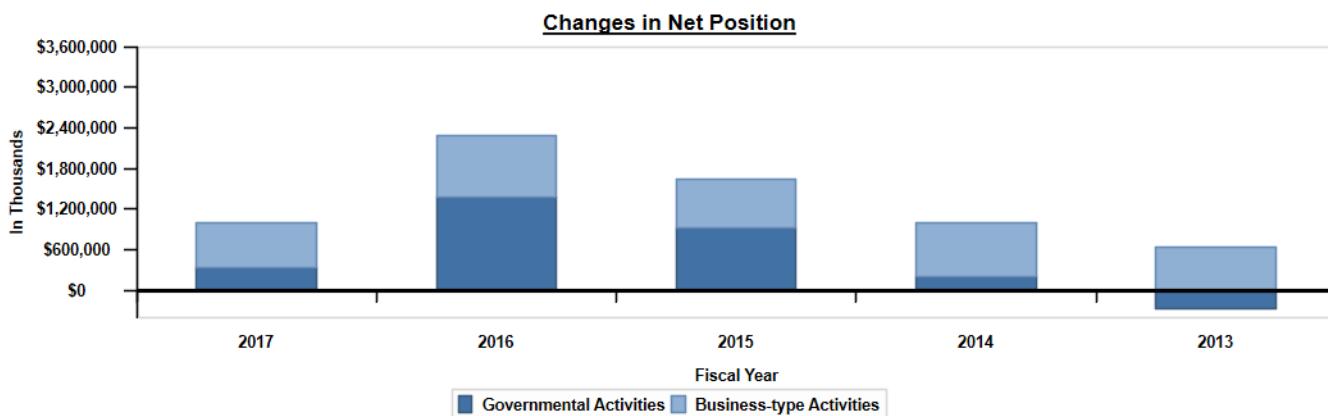
Note: GASB Statement No. 68, 75, 84 and 87 were implemented in fiscal year 2015, 2018, 2020 and 2022, respectively.



**CITY OF LOS ANGELES**

**Changes in Net Position**  
**Accrual Basis of Accounting - (Continued)**  
**Last Ten Fiscal Years**  
**(amounts expressed in thousands)**

	Fiscal Year				
	2017	2016	2015	2014	2013
<b>NET (EXPENSE)/REVENUE</b>					
Governmental Activities	\$ (4,236,019)	\$ (3,258,770)	\$ (3,535,758)	\$ (4,069,086)	\$ (4,478,890)
Business-type Activities	740,208	788,643	617,286	807,334	870,300
<b>TOTAL PRIMARY GOVERNMENT NET EXPENSE</b>	<b>(3,495,811)</b>	<b>(2,470,127)</b>	<b>(2,918,472)</b>	<b>(3,261,752)</b>	<b>(3,608,590)</b>
<b>GENERAL REVENUES AND OTHER CHANGES IN NET POSITION</b>					
Governmental Activities:					
Taxes					
Property Taxes	1,991,949	1,844,945	1,782,124	1,653,067	1,629,914
Utility Users' Taxes	629,952	613,748	637,248	626,919	627,707
Business Taxes	433,985	610,467	541,844	463,602	482,857
Sales Taxes	433,985	538,123	494,685	478,291	460,086
Other Taxes	727,376	660,072	625,889	565,567	523,308
Unrestricted Grants and Contributions					
Other	16,758	8,009	16,421	55,149	20,825
Unrestricted Investment Earnings (Losses)	1,291	39,737	20,724	19,935	(298)
Other General Revenues	63,831	57,531	81,303	117,579	105,850
Transfers	265,427	266,982	260,586	253,000	246,534
Extraordinary Items					
Return of Properties to CRA	--	--	--	--	(93,191)
Transfer of Assets from CRA	--	--	4,855	44,155	205,265
Subtotal Governmental Activities	<b>4,564,554</b>	<b>4,639,614</b>	<b>4,465,679</b>	<b>4,277,264</b>	<b>4,208,857</b>
Business-Type Activities:					
Unrestricted Investment Earnings	32,997	129,316	86,367	98,264	--
Other	386,934	252,429	275,885	122,160	--
Transfers	(265,427)	(266,982)	(260,586)	(253,000)	(246,534)
Pollution Remediation Liabilities Adjustment	--	--	--	15,002	13,387
Special Item	(225,347)	--	--	--	--
Extraordinary Item	9,150	--	--	--	--
Subtotal Business-type Activities	<b>(61,693)</b>	<b>114,763</b>	<b>101,666</b>	<b>(17,574)</b>	<b>(233,147)</b>
<b>TOTAL PRIMARY GOVERNMENT GENERAL REVENUES AND OTHER CHANGES IN NET POSITION</b>	<b>4,502,861</b>	<b>4,754,377</b>	<b>4,567,345</b>	<b>4,259,690</b>	<b>3,975,710</b>
<b>CHANGES IN NET POSITION</b>					
Governmental Activities	328,535	1,380,844	929,921	208,178	(270,033)
Business-Type Activities	678,515	903,406	718,952	789,760	637,153
<b>TOTAL PRIMARY GOVERNMENT CHANGE IN NET POSITION</b>	<b>\$ 1,007,050</b>	<b>\$ 2,284,250</b>	<b>\$ 1,648,873</b>	<b>\$ 997,938</b>	<b>\$ 367,120</b>

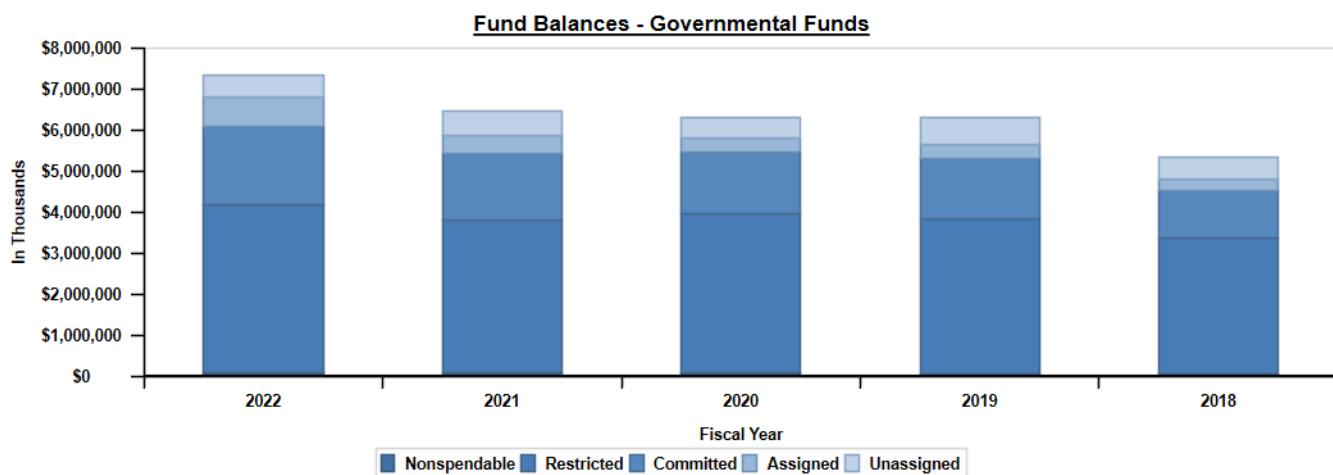


**CITY OF LOS ANGELES**

**Fund Balances - Governmental Funds  
Modified Accrual Basis of Accounting  
Last Ten Fiscal Years  
(amounts expressed in thousands)**

	Fiscal Year				
	2022	2021	2020	2019	2018
<b>GENERAL FUND</b>					
Nonspendable	\$ 66,495	\$ 61,168	\$ 62,895	\$ 55,348	\$ 41,823
Committed	85,078	71,733	37,386	33,092	25,151
Assigned	724,278	426,654	356,167	334,195	289,080
Unassigned	621,843	664,422	535,681	683,406	573,161
<b>SUBTOTAL GENERAL FUND</b>	<b>1,497,694</b>	<b>1,223,977</b>	<b>992,129</b>	<b>1,106,041</b>	<b>929,215</b>
<b>ALL OTHER GOVERNMENTAL FUNDS</b>					
Nonspendable	21,901	19,473	10,771	10,025	8,833
Restricted	4,089,885	3,723,738	3,888,937	3,780,744	3,313,393
Committed	1,810,604	1,563,121	1,458,310	1,428,812	1,129,752
Assigned	2,814	2,938	3,982	1,843	1,770
Unassigned	(92,822)	(60,562)	(60,438)	(15,207)	(55,447)
<b>SUBTOTAL ALL OTHER GOVERNMENTAL FUNDS</b>	<b>5,832,382</b>	<b>5,248,708</b>	<b>5,301,562</b>	<b>5,206,217</b>	<b>4,398,301</b>
<b>ALL GOVERNMENTAL FUNDS</b>					
Nonspendable	88,396	80,641	73,666	65,373	50,656
Restricted	4,089,885	3,723,738	3,888,937	3,780,744	3,313,393
Committed	1,895,682	1,634,854	1,495,696	1,461,904	1,154,903
Assigned	727,092	429,592	360,149	336,038	290,850
Unassigned	529,021	603,860	475,243	668,199	517,714
<b>TOTAL ALL GOVERNMENTAL FUNDS</b>	<b>\$ 7,330,076</b>	<b>\$ 6,472,685</b>	<b>\$ 6,293,691</b>	<b>\$ 6,312,258</b>	<b>\$ 5,327,516</b>

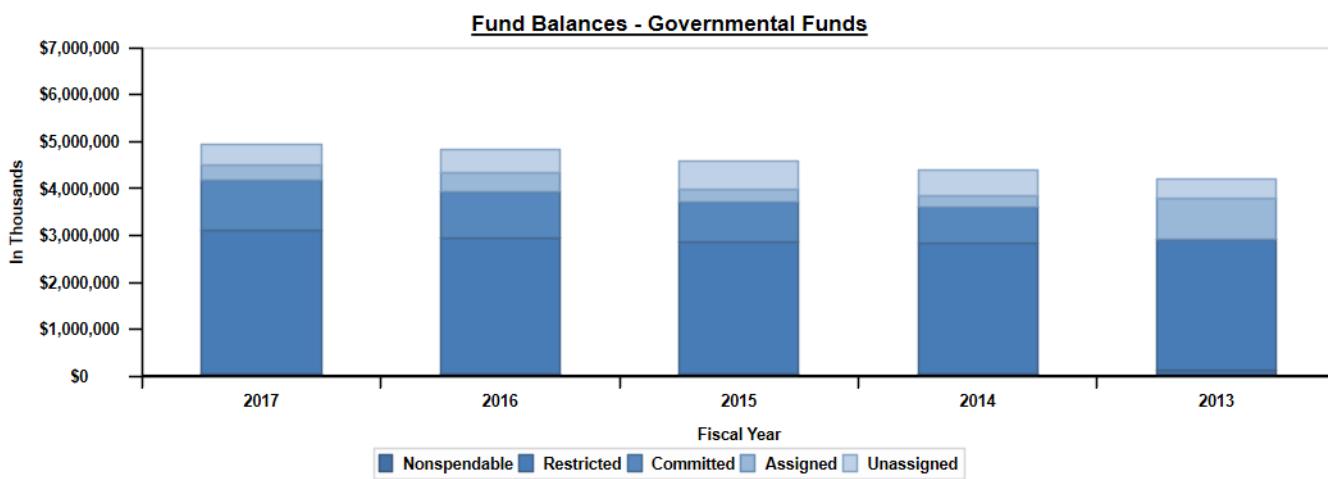
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**CITY OF LOS ANGELES**

**Fund Balances - Governmental Funds  
Modified Accrual Basis of Accounting - (Continued)  
Last Ten Fiscal Years  
(amounts expressed in thousands)**

	Fiscal Year				
	2017	2016	2015	2014	2013
<b>GENERAL FUND</b>					
Nonspendable	\$ 45,480	\$ 44,210	\$ 42,146	\$ 43,146	\$ 43,115
Committed	9,723	1,296	2,457	--	--
Assigned	304,482	392,418	253,388	230,717	242,643
Unassigned	526,543	590,441	647,558	622,208	436,858
<b>SUBTOTAL GENERAL FUND</b>	<b>886,228</b>	<b>1,028,365</b>	<b>945,549</b>	<b>896,071</b>	<b>722,616</b>
<b>ALL OTHER GOVERNMENTAL FUNDS</b>					
Nonspendable	8,884	8,893	10,473	10,946	75,204
Restricted	3,045,932	2,880,111	2,806,864	2,788,734	2,813,386
Committed	1,080,301	1,000,834	862,471	761,828	--
Assigned	153	15	14	--	631,529
Unassigned	(72,758)	(96,668)	(50,270)	(49,742)	(26,112)
<b>SUBTOTAL ALL OTHER GOVERNMENTAL FUNDS</b>	<b>4,062,512</b>	<b>3,793,185</b>	<b>3,629,552</b>	<b>3,511,766</b>	<b>3,494,007</b>
<b>ALL GOVERNMENTAL FUNDS</b>					
Nonspendable	54,364	53,103	52,619	54,092	118,319
Restricted	3,045,932	2,880,111	2,806,864	2,788,734	2,813,386
Committed	1,090,024	1,002,130	864,928	761,828	--
Assigned	304,635	392,433	253,402	230,717	874,172
Unassigned	453,785	493,773	597,288	572,466	410,746
<b>TOTAL ALL GOVERNMENTAL FUNDS</b>	<b>\$ 4,948,740</b>	<b>\$ 4,821,550</b>	<b>\$ 4,575,101</b>	<b>\$ 4,407,837</b>	<b>\$ 4,216,623</b>



**CITY OF LOS ANGELES**

**Changes in Fund Balances - Governmental Funds**  
**Modified Accrual Basis of Accounting**  
**Last Ten Fiscal Years**  
**(amounts expressed in thousands)**

	<b>Fiscal Year</b>				
	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
<b>REVENUES</b>					
Taxes	\$ 5,553,699	\$ 4,990,767	\$ 4,897,805	\$ 4,867,801	\$ 4,584,006
Licenses and Permits	97,301	89,661	101,810	110,289	103,485
Intergovernmental	2,256,069	2,037,881	1,181,220	1,127,369	986,991
Charges for Services	1,432,769	1,265,196	1,397,862	1,399,841	1,267,718
Services to Enterprise Funds	332,381	336,153	375,175	334,185	325,183
Fines	129,863	104,907	119,972	149,096	147,224
Special Assessments	151,865	134,223	147,799	154,572	147,387
Investment Earnings (Losses)	(284,555)	(36,801)	267,449	219,097	75,848
Other	146,385	169,086	146,148	220,104	96,593
<b>TOTAL REVENUES</b>	<b>9,815,777</b>	<b>9,091,073</b>	<b>8,635,240</b>	<b>8,582,354</b>	<b>7,734,435</b>
<b>EXPENDITURES</b>					
General Government	1,636,073	1,555,165	1,596,223	1,373,924	1,357,581
Protection of Persons and Property	3,844,946	3,745,662	3,686,179	3,540,565	3,397,912
Public Works	479,912	444,853	482,006	409,688	413,393
Health and Sanitation	537,022	577,572	553,694	554,102	475,410
Transportation	512,520	484,973	514,264	484,307	452,610
Cultural and Recreational Services	681,816	593,209	656,045	646,414	599,560
Community Development	990,688	879,769	637,264	285,920	206,704
Capital Outlay	420,068	611,105	507,531	609,672	513,595
Debt Service					
Principal	500,814	473,753	338,584	523,918	376,188
Interest	88,620	95,206	130,386	139,617	121,139
Cost of Issuance	3,084	3,346	735	2,791	2,538
Payment to Refunded Bond Escrow Agent	--	--	--	50,252	--
<b>TOTAL EXPENDITURES</b>	<b>9,695,563</b>	<b>9,464,613</b>	<b>9,102,911</b>	<b>8,621,170</b>	<b>7,916,630</b>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES</b>					
	120,214	(373,540)	(467,671)	(38,816)	(182,195)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	2,078,886	1,458,925	1,113,738	1,113,917	1,023,374
Transfers Out	(1,853,871)	(1,240,570)	(883,825)	(881,360)	(781,526)
Issuance of Long-Term Debt	291,940	182,088	187,845	481,770	241,370
Loans from Financed Purchase	--	--	--	78,393	--
Loans from HUD	--	--	--	217	4,005
Discount on Issuance of Long-term Debt	--	--	--	--	--
Premium on Issuance of Long-Term Debt	2,859	--	--	18,319	582
Issuance of Refunding Bonds	219,695	505,791	--	234,460	193,225
Premium on Issuance of Refunding Bonds	45,268	50,110	--	34,854	27,027
Payment to Refunding Bond Escrow Agent	(69,369)	(403,810)	--	(70,661)	(146,932)
Proceeds of Refunding Loan	--	--	--	--	--
Lease Liabilities Issued	21,769	--	--	--	--
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>737,177</b>	<b>552,534</b>	<b>417,758</b>	<b>1,009,909</b>	<b>561,125</b>
<b>EXTRAORDINARY ITEMS</b>					
Transfer of Assets from CRA	--	--	--	--	--
<b>TOTAL EXTRAORDINARY ITEMS</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>NET CHANGE IN FUND BALANCES</b>					
	\$ 857,391	\$ 178,994	\$ (49,913)	\$ 971,093	\$ 378,930
<b>DEBT SERVICE AS A PERCENTAGE OF NON-CAPITAL EXPENDITURES</b>					
	6.4 %	6.4 %	5.4 %	8.3 %	6.8 %

Continued...

**CITY OF LOS ANGELES**

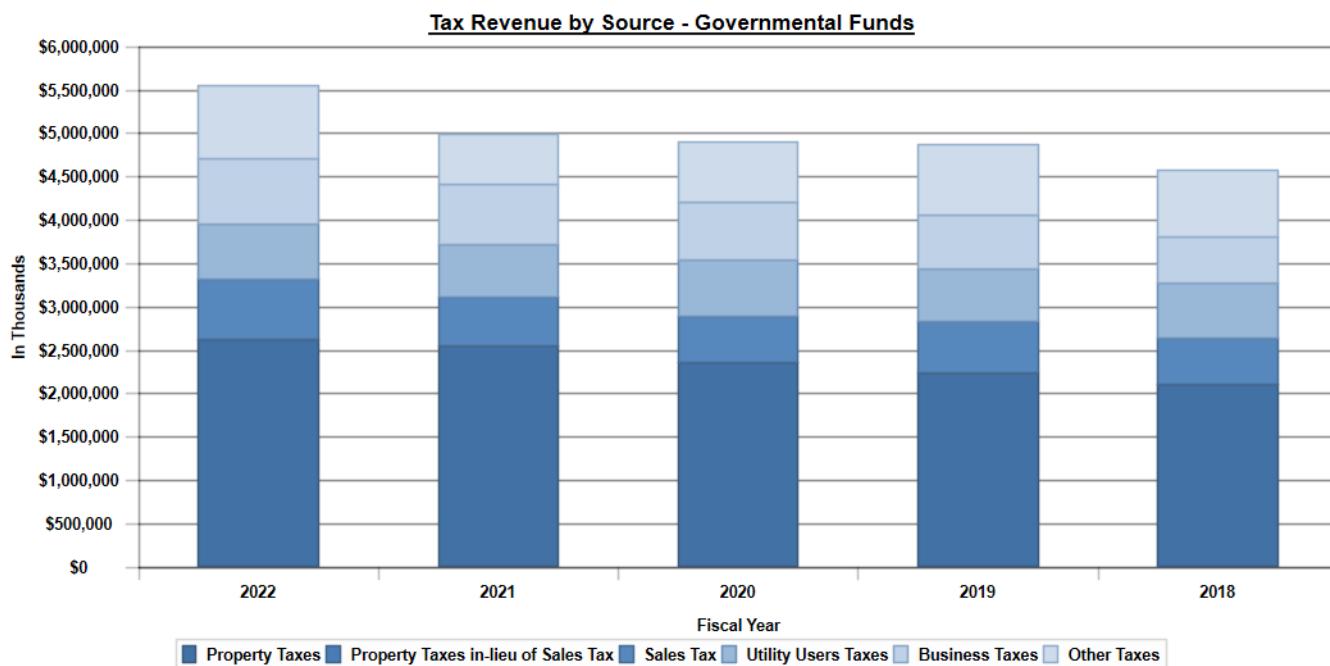
**Changes in Fund Balances - Governmental Funds  
Modified Accrual Basis of Accounting - (Continued)  
Last Ten Fiscal Years  
(amounts expressed in thousands)**

	Fiscal Year				
	2017	2016	2015	2014	2013
<b>REVENUES</b>					
Taxes	\$ 4,392,121	\$ 4,163,430	\$ 4,016,005	\$ 3,861,140	\$ 3,687,676
Licenses and Permits	97,096	85,910	74,428	66,915	61,605
Intergovernmental	805,064	860,867	783,412	842,540	866,749
Charges for Services	1,221,306	1,209,467	1,456,007	1,392,820	1,320,280
Services to Enterprise Funds	335,416	326,481	278,875	259,912	257,343
Fines	153,014	159,254	164,137	176,503	172,437
Special Assessments	146,113	140,994	132,239	130,459	128,762
Investment Earnings (Losses)	56,535	88,844	48,735	53,628	5,438
Other	108,633	160,957	194,408	192,483	188,800
<b>TOTAL REVENUES</b>	<b>7,315,298</b>	<b>7,196,204</b>	<b>7,148,246</b>	<b>6,976,400</b>	<b>6,689,090</b>
<b>EXPENDITURES</b>					
General Government	1,379,386	1,339,233	1,354,114	1,288,088	1,261,771
Protection of Persons and Property	3,261,974	3,166,098	3,097,860	2,919,246	2,667,236
Public Works	414,443	361,380	399,365	379,260	400,017
Health and Sanitation	471,576	487,570	492,721	500,921	438,220
Transportation	434,815	378,821	390,155	405,721	400,047
Cultural and Recreational Services	490,530	512,474	496,172	460,274	431,062
Community Development	245,596	189,865	199,420	345,905	417,285
Capital Outlay	506,648	474,868	425,267	345,432	352,685
Debt Service					
Principal	298,189	465,129	452,305	436,801	326,913
Interest	120,357	139,030	145,663	158,206	168,497
Cost of Issuance	2,818	6,225	2,107	1,312	1,777
Payment to Refunded Bond Escrow Agent	--	--	--	--	--
<b>TOTAL EXPENDITURES</b>	<b>7,626,332</b>	<b>7,520,693</b>	<b>7,455,149</b>	<b>7,241,166</b>	<b>6,865,510</b>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES</b>	<b>(311,034)</b>	<b>(324,489)</b>	<b>(306,903)</b>	<b>(264,766)</b>	<b>(176,420)</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	992,041	1,117,660	1,100,486	1,092,258	951,062
Transfers Out	(726,614)	(850,678)	(839,900)	(839,258)	(704,528)
Issuance of Long-Term Debt	172,298	117,369	209,058	--	116,665
Loans from Financed Purchase	--	--	--	--	--
Loans from HUD	1,827	2,500	2,102	8,578	29,003
Discount on Issuance of Long-term Debt	--	--	--	149,479	--
Premium on Issuance of Long-Term Debt	--	150,216	4,629	--	5,096
Issuance of Refunding Bonds	143,815	1,102,920	76,670	--	78,780
Premium on Issuance of Refunding Bonds	--	--	17,682	--	9,096
Payment to Refunding Bond Escrow Agent	(142,256)	(1,084,399)	(155,196)	--	(94,781)
Proceeds of Refunding Loan	--	--	51,730	--	--
Lease Liabilities Issued	--	--	--	--	--
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>441,111</b>	<b>555,588</b>	<b>467,261</b>	<b>411,057</b>	<b>390,393</b>
<b>EXTRAORDINARY ITEMS</b>					
Transfer of Assets from CRA	--	--	4,855	44,155	205,265
<b>TOTAL EXTRAORDINARY ITEMS</b>	<b>--</b>	<b>--</b>	<b>4,855</b>	<b>44,155</b>	<b>205,265</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ 130,077</b>	<b>\$ 231,099</b>	<b>\$ 165,213</b>	<b>\$ 190,446</b>	<b>\$ 419,238</b>
<b>DEBT SERVICE AS A PERCENTAGE OF NON-CAPITAL EXPENDITURES</b>	<b>5.8 %</b>	<b>8.8 %</b>	<b>8.5 %</b>	<b>8.6 %</b>	<b>7.5 %</b>

**CITY OF LOS ANGELES**  
**Tax Revenues by Source - Governmental Funds**  
**Modified Accrual Basis of Accounting**  
**Last Ten Fiscal Years**  
(amounts expressed in thousands)

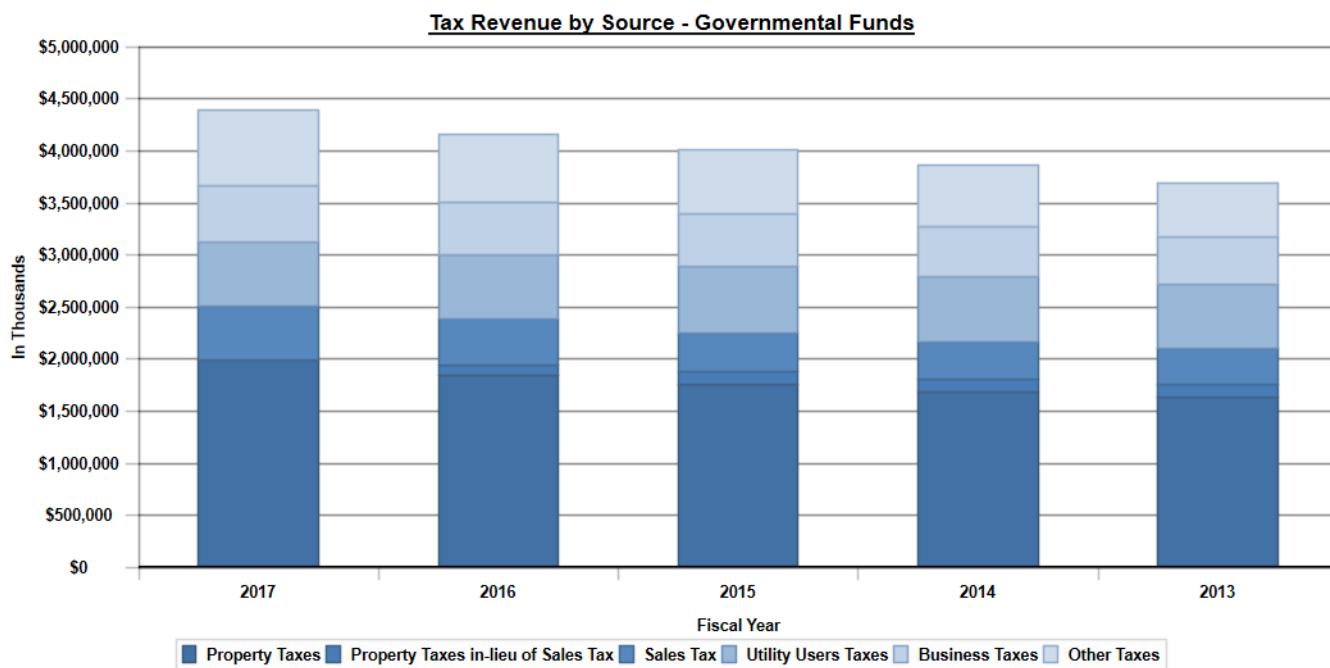
	Fiscal Year					
	Percent of Change 2013-					
	2022	2022	2021	2020	2019	2018
Property Taxes	\$ 2,632,145	61 %	\$ 2,551,219	\$ 2,358,299	\$ 2,243,485	\$ 2,103,053
Property Tax In-lieu of Sales Tax	--	(100)	--	--	--	--
Sales Taxes	694,218	102	562,217	536,362	596,465	534,236
Utility Users' Taxes	632,433	1	610,946	643,564	606,369	640,711
Business Taxes	756,960	69	686,520	668,035	617,169	534,994
Other Taxes	837,943	62	579,865	691,545	804,313	771,012
<b>TOTAL REVENUES</b>	<b>\$ 5,553,699</b>	<b>51</b>	<b>\$ 4,990,767</b>	<b>\$ 4,897,805</b>	<b>\$ 4,867,801</b>	<b>\$ 4,584,006</b>

Continued...



**CITY OF LOS ANGELES**  
**Tax Revenues by Source - Governmental Funds**  
**Modified Accrual Basis of Accounting - (Continued)**  
**Last Ten Fiscal Years**  
**(amounts expressed in thousands)**

	Fiscal Year				
	2017	2016	2015	2014	2013
Property Taxes	\$ 1,992,582	\$ 1,844,440	\$ 1,761,960	\$ 1,688,992	\$ 1,639,355
Property Tax In-lieu of Sales Tax	--	100,348	121,903	121,036	116,458
Sales Taxes	521,910	437,775	372,782	357,255	343,628
Utility Users' Taxes	611,160	614,814	637,318	631,492	623,794
Business Taxes	546,494	507,635	500,774	476,908	447,983
Other Taxes	719,975	658,418	621,268	585,457	516,458
<b>TOTAL REVENUES</b>	<b>\$ 4,392,121</b>	<b>\$ 4,163,430</b>	<b>\$ 4,016,005</b>	<b>\$ 3,861,140</b>	<b>\$ 3,687,676</b>



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## **Revenue Capacity**

These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.

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**CITY OF LOS ANGELES**  
**Assessed Value and Estimated Actual Value of Property**  
**Last Ten Fiscal Years**

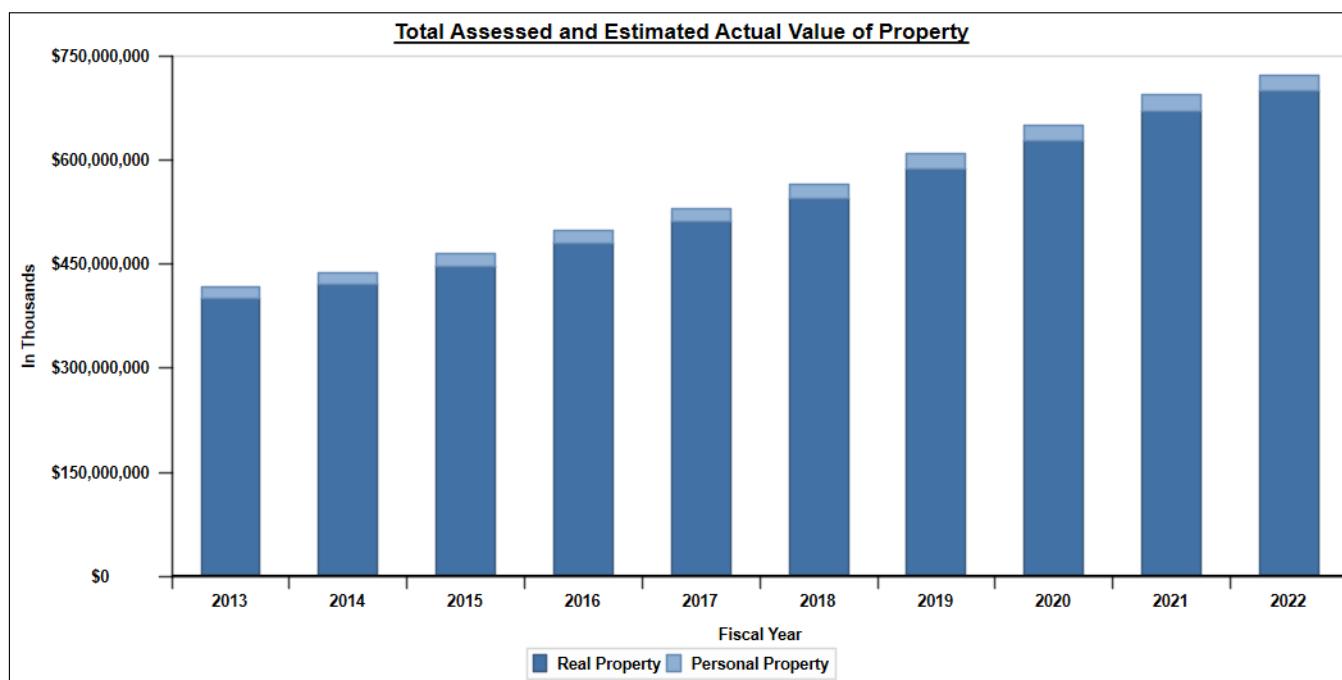
<b>Fiscal Year</b>	<b>Assessed and Estimated Actual Value<sup>(1)</sup></b>			<b>Percent of Average Annual Growth</b>	<b>Total Direct Tax Rate<sup>(3)</sup> (per \$1,000 of assessed value)</b>	<b>Assessed Value Per Capita (\$ 000's)</b>
	<b>Real Property<sup>(2)</sup> (\$ 000's)</b>	<b>Personal Property (\$ 000's)</b>	<b>Total (\$ 000's)</b>			
2022	\$ 699,301,431	\$ 22,238,717	\$ 721,540,148	4.01 %	1.014721	\$ 189
2021	670,279,545	23,468,823	693,748,368	6.63	1.016538	177
2020	627,259,008	23,369,829	650,628,837	6.85	1.018084	162
2019	586,352,297	22,575,396	608,927,693	7.68	1.023107	151
2018	544,661,406	20,848,203	565,509,609	6.61	1.021345	139
2017	510,467,606	19,992,855	530,460,461	6.54	1.021297	131
2016	479,014,783	18,881,492	497,896,275	7.21	1.023030	124
2015	446,417,768	18,002,725	464,420,493	6.04	1.028096	117
2014	420,939,047	17,041,404	437,980,451	5.15	1.029754	111
2013	399,640,203	16,899,247	416,539,450	2.48	1.037694	107

Source: Taxpayer's Guide - Auditor Controller, County of Los Angeles.

(1) Net of Homeowners' Exemption.

(2) Assessed at 100% of estimated actual value. Include State assessed unsecured property valuation.

(3) Total Direct Tax Rate Area #4 is used as it applies to most properties within the City of Los Angeles. Since each property is subject to taxation by a number of taxing entities, the County groups all properties subject to taxation by the same entities into Tax Rate Areas (TRAs). There are over 274 TRAs in the City.

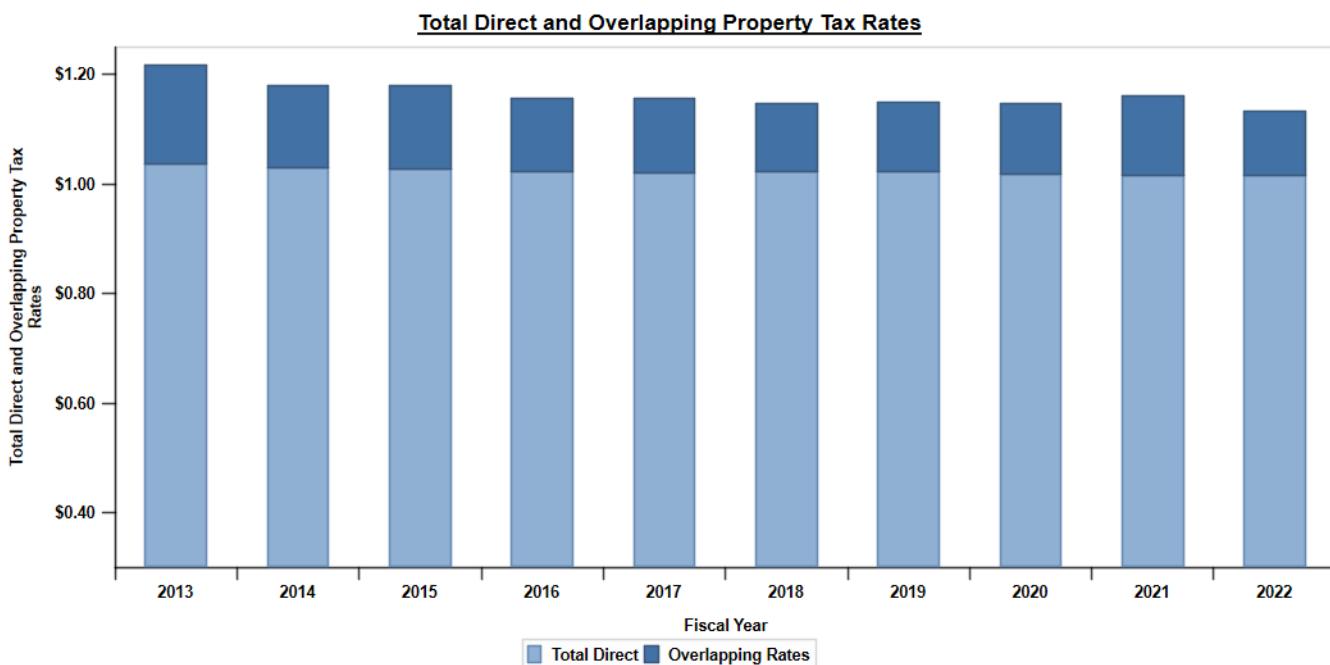


**CITY OF LOS ANGELES**  
**Direct and Overlapping Property Tax Rates**  
**Tax Rate Area No. 4<sup>(a)</sup>**  
**Last Ten Fiscal Years**

Fiscal Year	City Direct Rates			Overlapping Rates		Total Direct and Overlapping Rates
	Basic Rate	General Obligation Debt Service	Total Direct	L.A. Unified School District	Metropolitan Water District	
2022	1.000000	0.014721	1.014721	0.113228	0.003500	1.131449
2021	1.000000	0.016538	1.016538	0.139929	0.003500	1.159967
2020	1.000000	0.018084	1.018084	0.125520	0.003500	1.147104
2019	1.000000	0.023107	1.023107	0.123226	0.003500	1.149833
2018	1.000000	0.021345	1.021345	0.122192	0.003500	1.147037
2017	1.000000	0.021297	1.021297	0.131096	0.003500	1.155893
2016	1.000000	0.023030	1.023030	0.129709	0.003500	1.156239
2015	1.000000	0.028096	1.028096	0.146881	0.003500	1.178477
2014	1.000000	0.029754	1.029754	0.146439	0.003500	1.179693
2013	1.000000	0.037694	1.037694	0.175606	0.003500	1.216800

Source: Tax Rates, Los Angeles County Tax Collector.

(a) Tax Rate Area # 4 is used to illustrate the breakdown of a tax rate within the City and applies the most properties within the City of Los Angeles. Since each property is subject to taxation by a number of taxing entities, the County groups all properties subject to taxation by the same entities into Tax Rate Areas (TRAs). There are over 274 TRAs in the City.



**CITY OF LOS ANGELES**

**Ten Largest Property Taxpayers  
Secured Assessed Valuation  
Current and Nine Years Ago**

<b>Taxpayer</b>	<b>2022</b>			<b>2013</b>		
	<b>Secured Assessed Valuation</b>	<b>Rank</b>	<b>Percentage of Total City Taxable Assessed Value</b>	<b>Secured Assessed Valuation</b>	<b>Rank</b>	<b>Percentage of Total City Taxable Assessed Value</b>
Douglas Emmett LLC	\$ 2,672,575,239	1	0.38 %	\$ 2,324,435,947	1	0.58 %
Essex Portfolio LP	1,466,229,531	2	0.21		--	--
Century City Mall LLC	1,091,138,977	3	0.16		--	--
Greenland LA Metropolis	966,598,953	4	0.14		--	--
FSP South Flower Street	964,738,709	5	0.14		--	--
Hanjin International Corp.	867,474,871	6	0.12		--	--
Rochelle H. Sterling	838,124,648	7	0.12		--	--
Omni Wilshire Courtyard LLC	794,670,367	8	0.11		--	--
Anheuser Busch Commercial	762,511,489	9	0.11		--	--
Valero Energy Corporation	746,204,280	10	0.11		--	--
Anheuser Busch Inc				832,970,864	3	0.21
ConocoPhillips Co.				864,021,914	2	0.22
Tesoro Corporation				690,754,174	4	0.17
APM Terminals Pacific Ltd.				660,862,118	5	0.17
Donald T. Sterling				539,679,428	8	0.14
L.A. Live Properties LLC				559,682,048	7	0.14
Paramount Pictures Corp.				533,894,761	9	0.13
One Hundred Towers, LLC				513,058,461	10	0.13
<b>TOTAL</b>	<b>\$ 11,170,267,064</b>		<b>1.60 %</b>	<b>\$ 8,113,857,293</b>		<b>2.03 %</b>
<b>Total City Secured Assessed Valuation</b>	<b>\$ 699,301,431,187</b>			<b>\$ 399,598,102,112</b>		

Source: California Municipal Statistics Inc  
Taxpayers' Guides, 2021-2022 and 2012-2013

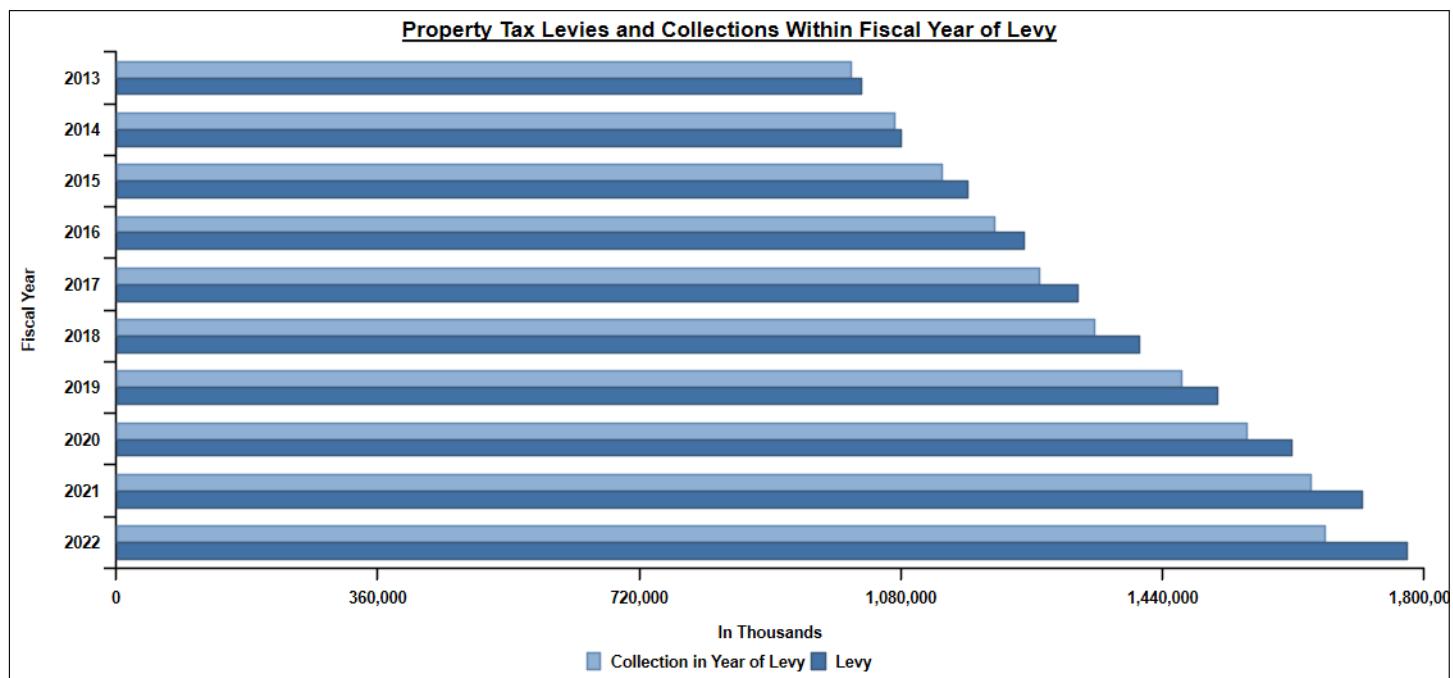
**CITY OF LOS ANGELES**  
**Property Tax Levies and Collections**  
**Last Ten Fiscal Years**  
(amounts expressed in thousands)

Fiscal Year	Total Tax Levy <sup>(a)</sup> for the Fiscal Year	Collected within the Fiscal Year of Levy		Collections in Subsequent Years <sup>(b)</sup>	Total Collections to Date	
		Amount	Percent of Levy		Amount	Percent of Levy <sup>(c)</sup>
2022	\$ 1,775,646	\$ 1,664,040	93.71 %	\$ 25,082	\$ 1,689,122	95.13 %
2021	1,714,309	1,644,823	95.95	13,357	1,658,180	96.73
2020	1,618,316	1,555,461	96.12	12,848	1,568,309	96.91
2019	1,514,759	1,465,802	96.77	25,343	1,491,145	98.44
2018	1,408,319	1,346,492	95.61	21,781	1,368,273	97.16
2017	1,323,358	1,270,727	96.02	4,616	1,275,343	96.37
2016	1,249,297	1,209,196	96.79	7,034	1,216,230	97.35
2015	1,172,231	1,137,005	96.99	8,237	1,145,242	97.70
2014	1,080,159	1,071,795	99.23	12,558	1,084,353	100.39
2013	1,025,057	1,010,830	98.61	60,543	1,071,373	104.52

(a) One percent basic levy only, which is a General Fund revenue; excludes City levy for debt service.

(b) Includes collections on adjustments for undetermined prior fiscal year(s).

(c) Based on available information by fiscal year. Details of delinquent taxes by levy year necessary to identify taxes remaining unpaid by taxpayers as applied to specific fiscal year are not available.



**CITY OF LOS ANGELES**

**Energy Sold by Type of Customer  
Power Enterprise Fund  
Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Sales of Energy (in thousands of megawatt hours)</b>				<b>Direct Rate per Kilowatt Hour</b>		
	<b>Residential</b>	<b>Commercial and Industrial</b>	<b>All Other</b>	<b>Total</b>	<b>Residential</b>	<b>Commercial and Industrial</b>	
2022	7,383	14,092	1,891	23,366	\$ 0.22	\$ 0.20	
2021	7,706	13,220	2,087	23,013	0.21	0.19	
2020	7,218	14,030	1,050	22,298	0.19	0.17	
2019	7,303	14,661	626	22,590	0.19	0.18	
2018	7,258	15,210	532	23,000	0.17	0.16	
2017	7,285	15,311	1,426	24,022	0.16	0.15	
2016	7,482	15,938	1,880	25,300	0.15	0.15	
2015	7,311	15,741	2,330	25,382	0.14	0.14	
2014	7,819	15,778	2,593	26,190	0.13	0.14	
2013	7,568	15,717	2,964	26,249	0.13	0.13	

**CITY OF LOS ANGELES**

**Average Number of Customers for Energy Sales  
Power Enterprise Fund  
Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Average Number of Customers (in thousands)</b>			
	<b>Residential</b>	<b>Commercial and Industrial</b>	<b>All Other</b>	<b>Total</b>
2022	1,430	128	7	1,565
2021	1,414	126	7	1,547
2020	1,405	126	7	1,538
2019	1,397	126	7	1,530
2018	1,386	124	6	1,516
2017	1,378	123	6	1,507
2016	1,371	123	5	1,499
2015	1,363	123	7	1,493
2014	1,368	127	8	1,503
2013	1,280	197	2	1,479

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## **Debt Capacity**

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

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**CITY OF LOS ANGELES**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**  
**(amounts expressed in thousands, except per capita)**

Fiscal Year Ended June 30	Governmental Activities						
	General Obligation Bonds	Judgment Obligation Bonds	Lease Revenue Bonds	Special Assessment Bonds	Revenue Bonds	Notes Payable	Other Obligations
2022	\$ 751,697	\$ --	\$ 1,561,882	\$ --	\$ 159,004	\$ 215,600	\$ 183,618
2021	642,248	--	1,536,336	--	179,181	330,600	89,122
2020	751,022	--	1,519,591	--	203,571	336,000	122,147
2019	865,478	6,256	1,668,256	--	245,932	189,800	152,095
2018	736,177	14,748	1,634,552	--	156,734	320,100	90,467
2017	756,414	22,933	1,693,317	--	192,264	274,000	105,659
2016	842,483	30,827	1,798,130	--	227,880	155,300	135,847
2015	952,278	38,476	1,709,297	--	262,763	240,506	144,075
2014	1,069,709	45,889	1,736,262	18,180	301,429	255,881	184,985
2013	1,165,924	53,079	1,831,177	20,240	419,012	184,197	198,600

**CITY OF LOS ANGELES**  
**Ratios of Outstanding Debt by Type - (Continued)**  
**Last Ten Fiscal Years**  
**(amounts expressed in thousands, except per capita)**

**Business-Type Activities**

Fiscal Year Ended June 30	Revenue Bonds	Commercial Paper	Loans Payable	Other Obligations	Total Primary Government	Percentage of Personal Income <sup>(1)</sup>	Per Capita <sup>(2)</sup>
2022	\$ 33,541,553	\$ 232,940	\$ 784,416	\$ 97,684	\$ 37,528,394	N/A %	\$ 9,825
2021	30,467,657	243,341	740,084	--	34,228,569	4.70	8,883
2020	28,093,772	93,197	803,411	--	31,922,711	4.70	7,959
2019	27,536,607	99,791	726,867	--	31,491,082	4.82	7,847
2018	24,614,878	310,832	646,919	--	28,525,407	4.54	7,064
2017	23,589,506	200,000	632,124	--	27,466,217	4.60	6,830
2016	22,460,800	200,000	590,228	--	26,441,495	4.57	6,612
2015	21,017,668	200,000	544,743	--	25,109,806	4.48	6,321
2014	19,276,291	435,000	438,128	--	23,761,754	4.53	6,034
2013	18,252,193	368,086	327,037	--	22,819,545	4.65	5,849

Note: Details regarding the City's outstanding debt can be found in the Notes to the Financial Statements.

<sup>(1)</sup> Personal income data can be found in the Statistical Section, Demographic and Economic Information

<sup>(2)</sup> Population data updated based on current estimates. See Statistical Section, Demographic and Economic Information.

N/A - Data not available

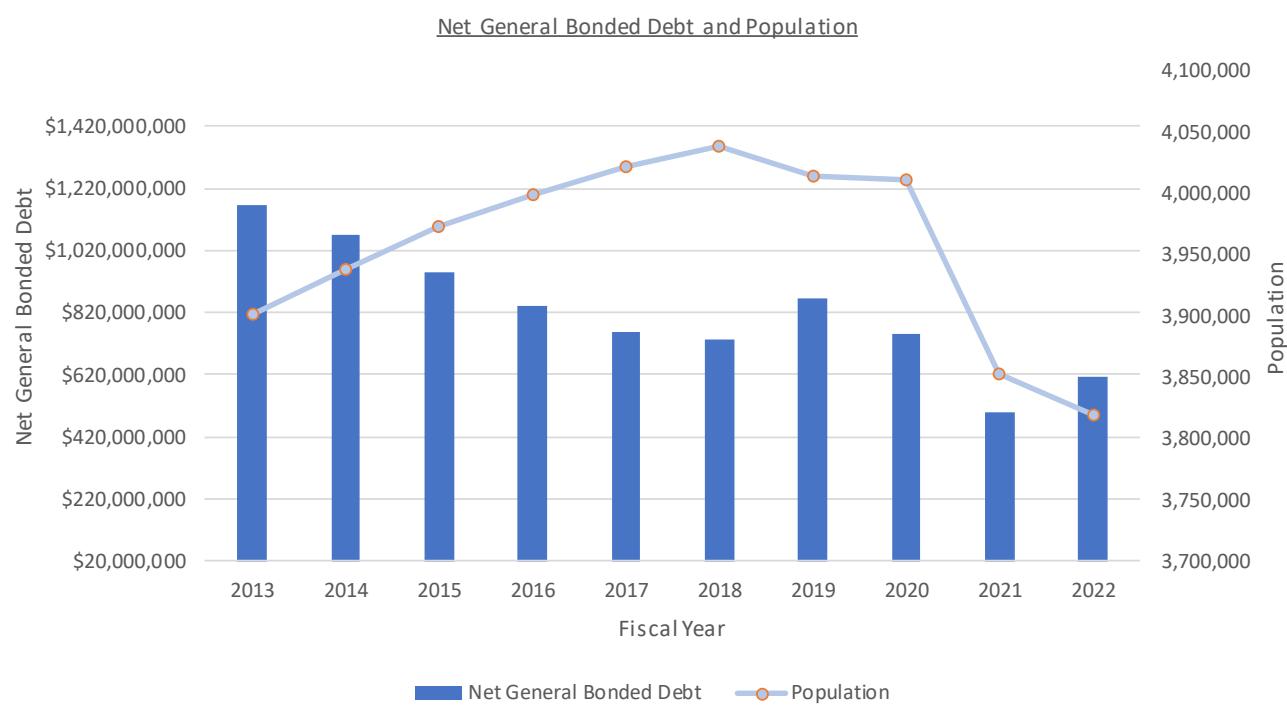
**CITY OF LOS ANGELES**  
**Ratios of Net General Bonded Debt  
to Assessed Value and Per Capita  
Last Ten Fiscal Years**

Fiscal Year Ended June 30	Net General Bonded Debt	Assessed Value <sup>(1)</sup>	Net General Bonded Debt Ratio to Assessed Value	Population <sup>(2)</sup>	Net General Bonded Debt Per Capita
2022	\$ 615,689,000	\$ 721,540,148,478	0.09 %	3,819,538	\$ 161
2021	497,097,000	693,748,367,625	0.07	3,853,323	127
2020	751,022,000	650,628,836,497	0.12	4,010,684	187
2019	865,478,000	608,927,693,039	0.14	4,013,170	216
2018	736,177,000	565,509,608,703	0.13	4,038,313	182
2017	756,414,000	530,460,460,734	0.14	4,021,488	188
2016	842,483,000	497,896,274,993	0.17	3,999,237	211
2015	952,278,000	464,420,493,438	0.21	3,972,348	240
2014	1,069,709,000	437,980,451,025	0.24	3,938,037	272
2013	1,165,924,000	416,539,450,297	0.28	3,901,412	299

(1) Net of homeowners exemptions.

(2) Population data updated based on current estimates.

(3) The total General Bonded Debt netted with the resources externally restricted for the repayment of the debt principal.



**CITY OF LOS ANGELES**  
**Direct and Overlapping Governmental Activities Debt**  
**For the Fiscal Year Ended June 30, 2022**

	Debt Outstanding June 1, 2022	Estimated Percentage Applicable <sup>(1)</sup>	Estimated Share of Overlapping Debt June 1, 2022
<b>OVERLAPPING DEBT REPAYED WITH PROPERTY TAXES</b>			
Metropolitan Water District of Southern California	\$ 20,175,000	21.336 %	\$ 4,304,538
Los Angeles Community College District	4,146,515,000	72.335	2,999,381,625
Beverly Hills Unified School District	664,390,283	0.148	983,298
Inglewood Unified School District	203,435,000	0.760	1,546,106
Las Virgenes Joint Unified School District	105,375,995	0.886	933,631
Los Angeles Unified School District	10,770,060,000	88.386	9,519,225,232
Los Angeles Unified School District supported general obligation bonds <sup>(2)</sup>	(154,867,634)	88.386	(136,881,307)
Other School Districts	541,217,928	Various	444,536
City of Los Angeles Community Facilities District No. 3	605,000	100.000	605,000
City of Los Angeles Community Facilities District No. 4	59,225,000	100.000	59,225,000
City of Los Angeles Community Facilities District No. 8	5,470,000	100.000	5,470,000
City of Los Angeles Community Facilities District No. 11	22,410,000	100.000	22,410,000
Mountains Recreation and Conservation Authority Assessment Districts	14,730,000	100.000	14,730,000
<b>OTHER OVERLAPPING DEBT</b>			
Los Angeles County General Fund Obligations	2,764,747,105	40.851	1,129,426,840
Los Angeles County Superintendent of Schools Certificates of Participation	3,972,227	40.851	1,622,694
Los Angeles County Sanitation District Nos. 1, 4, 5, 8 and 16 Authorities	6,697,602	0.001-11.927	328,022
Inglewood Unified School District Certificates of Participation	1,185,000	0.760	9,006
Las Virgenes Joint Unified School District Certificates of Participation	9,052,295	0.886	80,203
Los Angeles Unified School District Certificates of Participation	120,710,000	88.386	106,690,741
<b>OVERLAPPING TAX INCREMENT DEBT</b>	<b>305,955,000</b>	<b>100.000</b>	<b>305,955,000</b>
<b>SUBTOTAL- OVERLAPPING DEBT</b>			<b>\$ 14,036,490,165</b>
<b>CITY OF LOS ANGELES DIRECT DEBT</b>			
General Obligation Bonds	751,697,000	100.000	751,697,000
COP and Lease Revenue Bonds	1,511,541,000	100.000	1,511,541,000
Direct Placements	50,341,000	100.000	50,341,000
Revenue Bonds and Notes Payable	374,604,000	100.000	374,604,000
Financed Purchase Obligations	30,549,000	100.000	30,549,000
HUD Loans	38,664,000	100.000	38,664,000
<b>SUBTOTAL - CITY OF LOS ANGELES DIRECT DEBT<sup>(3)</sup></b>			<b>2,757,396,000</b>
<b>TOTAL DIRECT AND OVERLAPPING DEBT</b>			<b>\$ 16,793,886,165</b>

(1) Percentage of overlapping agency's assessed valuation located within boundaries of the City.

(2) Represents applicable amount of accumulated set-aside deposits for Qualified School Construction Bonds as of June 30, 2022, deducted from outstanding principal.

(3) Includes all long-term debt instruments of the government activities, including bonds, notes, certificates of participation and loans.

Source: City of Los Angeles, Office of the City Administrative Officer, for overlapping debt.

**CITY OF LOS ANGELES**  
**Ratios of General Bonded Debt Outstanding and Legal Debt Margin**  
**Last Ten Fiscal Years**  
**(amounts expressed in thousands, except per capita)**

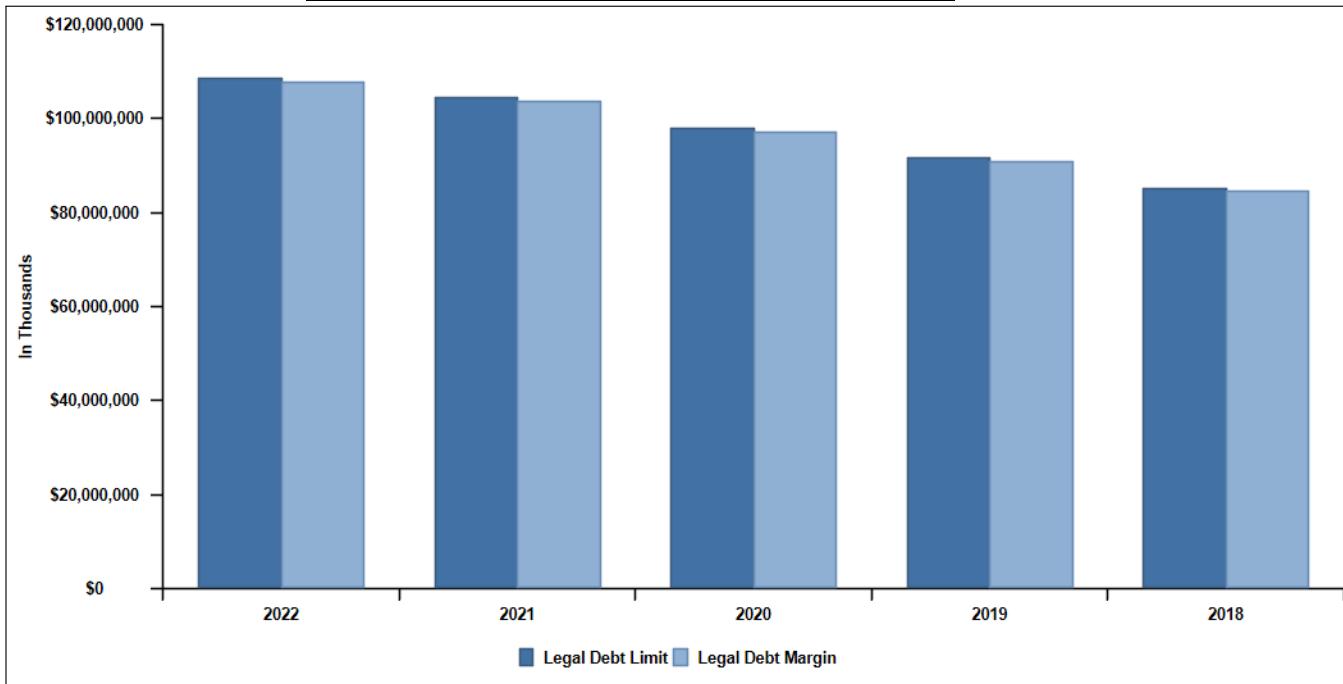
	Fiscal Year				
	2022	2021	2020	2019	2018
Assessed Valuation Net of Homeowners' Exemptions	\$ 721,540,148	\$ 693,748,368	\$ 650,628,837	\$ 608,927,693	\$ 565,509,609
Add: Homeowners' Exemptions	2,226,637	2,264,753	2,329,537	2,364,507	2,411,314
Gross Assessed Valuation	<u>\$ 723,766,785</u>	<u>\$ 696,013,121</u>	<u>\$ 652,958,374</u>	<u>\$ 611,292,200</u>	<u>\$ 567,920,923</u>
Legal Debt Limit <sup>(a)</sup> (15% of assessed value)	\$ 108,565,018	\$ 104,401,968	\$ 97,943,756	\$ 91,693,830	\$ 85,188,138
Less: General Obligation Bonds Outstanding	751,697	642,248	751,022	865,478	736,177
Legal Debt Margin	<u>\$ 107,813,321</u>	<u>\$ 103,759,720</u>	<u>\$ 97,192,734</u>	<u>\$ 90,828,352</u>	<u>\$ 84,451,961</u>
Legal Debt Margin as a Percentage of the Debt Limit	99.31 %	99.38 %	99.23 %	99.06 %	99.14 %
General Obligation Bonds Outstanding as a Percentage of Assessed Value	0.10 %	0.09 %	0.12 %	0.14 %	0.13 %
Population <sup>(b)</sup>	3,819,538	3,923,341	4,010,684	4,013,170	4,054,400
General Obligation Bonds Outstanding per Capita	\$ 197	\$ 164	\$ 187	\$ 216	\$ 182

Continued...

(a) Debt limit provided in Section 43605 of the State of California Government Code.

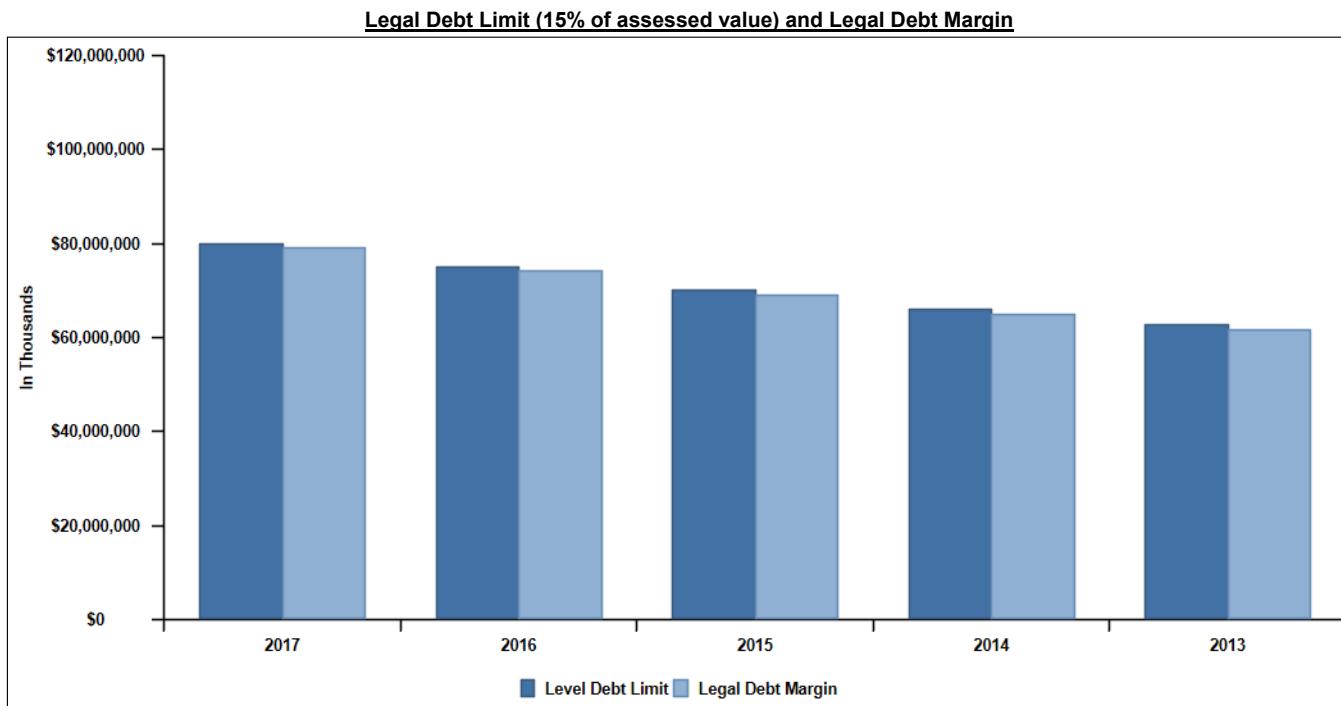
(b) Population data updated based on current estimates.

**Legal Debt Limit (15% of assessed value) and Legal Debt Margin**



**CITY OF LOS ANGELES**  
**Ratios of General Bonded Debt Outstanding and Legal Debt Margin - (Continued)**  
**Last Ten Fiscal Years**  
**(amounts expressed in thousands, except per capita)**

	Fiscal Year				
	2017	2016	2015	2014	2013
Assessed Valuation Net of Homeowners' Exemptions	\$ 530,460,461	\$ 497,896,275	\$ 464,420,493	\$ 437,980,451	\$ 416,539,450
Add: Homeowners' Exemptions	2,454,777	2,502,726	2,545,253	2,588,592	2,629,357
Gross Assessed Valuation	<u>\$ 532,915,238</u>	<u>\$ 500,399,001</u>	<u>\$ 466,965,746</u>	<u>\$ 440,569,043</u>	<u>\$ 419,168,807</u>
Legal Debt Margin (15% of assessed value)	\$ 79,937,286	\$ 75,059,850	\$ 70,044,862	\$ 66,085,356	\$ 62,875,321
Less: General Obligation Bonds Outstanding	756,414	842,483	952,278	1,069,709	1,165,924
Legal Debt Margin	<u>\$ 79,180,872</u>	<u>\$ 74,217,367</u>	<u>\$ 69,092,584</u>	<u>\$ 65,015,647</u>	<u>\$ 61,709,397</u>
Legal Debt Margin as a Percentage of the Debt Limit	99.05 %	98.88 %	98.64 %	98.38 %	98.15 %
General Obligation Bonds Outstanding as a Percentage of Assessed Value	0.14 %	0.17 %	0.20 %	0.24 %	0.28 %
Population <sup>(b)</sup>	4,021,488	3,999,237	3,972,348	3,938,037	3,901,412
General Obligation Bonds Outstanding per Capita	\$ 188	\$ 211	\$ 240	\$ 272	\$ 299



**CITY OF LOS ANGELES**

**Pledged Revenue Coverage  
Last Ten Fiscal Years  
(amounts expressed in thousands)**

<b>Fiscal Year</b>	<b>Operating Revenues<sup>(1)</sup></b>	<b>Less: Operating Expenses<sup>(2)</sup></b>	<b>Net Available Revenue</b>	<b>Debt Service<sup>(3)</sup></b>	<b>Net Available Revenue Coverage</b>	<b>Net Operating Cash Flow</b>	<b>Net Operating Cash Flow Coverage<sup>(4)</sup></b>
<b>Airports Enterprise Fund Revenue Bonds and Notes</b>							
2022	\$ 1,420,676	\$ 776,159	\$ 644,517	\$ 496,344	1.3	\$ 578,963	1.2
2021	1,156,493	462,118	694,375	456,422	1.5	405,607	0.9
2020	1,606,812	844,630	762,182	402,747	1.9	540,779	1.3
2019	1,735,243	786,919	948,324	375,825	2.5	717,845	1.9
2018	1,578,222	784,369	793,853	344,931	2.3	751,190	2.2
2017	1,460,713	725,190	735,523	325,681	2.3	614,930	1.9
2016	1,422,362	713,720	708,642	285,325	2.5	512,252	1.8
2015	1,219,715	697,708	522,007	263,454	2.0	424,474	1.6
2014	1,145,668	663,104	482,564	218,021	2.2	411,985	1.9
2013	981,586	648,974	332,612	136,523	2.4	247,540	1.8
<b>Harbor Enterprise Fund Revenue Bonds and Notes</b>							
2022	\$ 665,857	\$ 254,632	\$ 411,225	\$ 118,968	3.5	\$ 356,591	3.0
2021	586,039	272,983	313,056	79,070	3.8	262,722	3.5
2020	524,346	273,570	250,776	82,806	3.0	237,631	2.9
2019	578,794	240,427	338,367	84,884	4.0	254,978	3.0
2018	501,663	236,955	264,708	80,147	3.3	228,920	2.9
2017	487,806	227,675	260,131	87,570	3.0	274,581	3.1
2016	457,521	226,261	231,260	91,831	2.5	189,992	2.0
2015	460,364	234,249	226,115	70,103	3.2	213,184	3.0
2014	446,910	205,354	241,556	65,488	3.7	131,284	2.0
2013	416,974	205,169	211,805	72,398	2.9	234,234	3.2
<b>Power Enterprise Fund Revenue Bonds and Notes</b>							
2022	\$ 4,696,107	\$ 3,127,510	\$ 1,568,597	\$ 667,165	2.4	\$ 1,240,693	1.9
2021	4,517,240	2,853,249	1,663,991	638,818	2.6	1,384,300	2.2
2020	4,133,485	2,813,414	1,320,071	625,999	2.1	1,155,673	1.8
2019	4,373,557	2,973,389	1,400,168	580,192	2.4	1,319,164	2.3
2018	3,947,264	2,524,608	1,422,656	546,478	2.6	1,091,274	2.0
2017	3,853,514	2,564,978	1,288,536	538,814	2.4	957,064	1.8
2016	3,734,402	2,451,934	1,282,468	467,251	2.7	972,422	2.1
2015	3,542,227	2,445,059	1,097,168	457,933	2.4	1,161,619	2.5
2014	3,495,731	2,363,857	1,131,874	451,253	2.5	942,757	2.1
2013	3,342,586	2,266,249	1,076,337	426,825	2.5	761,079	1.8

**CITY OF LOS ANGELES**  
**Pledged Revenue Coverage - (Continued)**  
**Last Ten Fiscal Years**  
(amounts expressed in thousands)

Fiscal Year	Operating Revenues <sup>(1)</sup>	Less: Operating Expenses <sup>(2)</sup>	Net Available Revenue	Debt Service <sup>(3)</sup>	Net Available Revenue Coverage	Net Operating Cash Flow	Net Operating Cash Flow Coverage <sup>(4)</sup>
<b>Water Enterprise Fund Revenue Bonds and Notes</b>							
2022	\$ 1,639,691	\$ 981,543	\$ 658,148	\$ 356,845	1.8	\$ 562,131	1.6
2021	1,576,150	869,591	706,559	337,092	2.1	657,169	1.9
2020	1,384,804	759,931	624,873	336,922	1.9	543,528	1.6
2019	1,325,982	767,726	558,256	251,445	2.2	563,578	2.2
2018	1,256,737	685,894	570,843	309,825	1.8	565,679	1.8
2017	1,192,420	700,610	491,810	278,912	1.8	242,212	0.9
2016	1,215,469	735,769	479,700	241,123	2.0	184,462	0.8
2015	1,151,356	733,283	418,073	216,787	1.9	324,403	1.5
2014	1,206,561	770,368	436,193	204,392	2.1	317,305	1.6
2013	1,091,710	672,462	419,248	192,885	2.2	347,264	1.8
<b>Sewer Enterprise Fund Revenue Bonds and Notes</b>							
2022	\$ 735,833	\$ 369,274	\$ 366,559	\$ 218,712	1.7	\$ 599,020	2.7
2021	788,803	318,637	470,166	218,634	2.2	418,648	1.9
2020	762,597	368,658	393,939	223,554	1.8	308,863	1.4
2019	710,020	375,442	334,578	214,273	1.6	361,112	1.7
2018	682,779	284,184	398,595	210,291	1.9	357,341	1.7
2017	634,376	303,483	330,893	199,572	1.7	343,761	1.7
2016	619,430	295,523	323,907	199,523	1.6	316,864	1.6
2015	596,450	289,498	306,952	188,456	1.6	321,017	1.7
2014	573,772	265,284	308,488	190,988	1.6	266,081	1.4
2013	576,552	279,587	296,965	206,965	1.4	284,783	1.4

(1) For Airports and Harbor, operating revenues include pledged pooled investment interest income. For Power and Water, operating revenues include capital contributions, net nonoperating revenues. For Sewer, operating revenues include interest income from pooled investments other than interest income from construction funds.

(2) For Airports, Harbor and Sewer, operating expenses do not include interest, depreciation and amortization expenses. For Airport, operating expenses exclude CARES Act funded expenses. For Power and Water, operating expenses do not include depreciation and amortization expense.

(3) Debt service includes principal and interest payments on bonds.

(4) Net operating cash flow coverage is presented to show the Funds' ability to generate sufficient cash flow to cover debt service costs.

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## **Demographic and Economic Information**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

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**CITY OF LOS ANGELES**  
**Demographic and Economic Statistics**  
**Last Ten Fiscal Years**

Fiscal Year	Estimated Population <sup>(1)</sup>	Personal Income (in thousands) <sup>(2)</sup>	Personal Income Per Capita <sup>(2)</sup>	Median Age <sup>(3)</sup>	Public School Enrollment <sup>(4)</sup>	Unemployment Rate <sup>(5)</sup>
2022	3,819,538	\$ --	\$ --	N/A	455,530	4.6 %
2021	3,853,323	728,772,915	74,141	37.0	439,013	7.7
2020	4,010,684	678,829,092	68,272	35.9	504,468	12.0
2019	4,013,170	653,482,010	65,094	35.9	516,935	4.5
2018	4,038,313	628,808,732	62,224	35.8	532,102	5.1
2017	4,021,488	597,597,564	59,058	35.8	547,246	4.8
2016	3,999,237	578,154,382	57,127	35.6	560,991	5.6
2015	3,972,348	560,484,548	54,298	35.0	582,430	7.0
2014	3,938,037	525,088,691	51,111	35.0	594,891	8.7
2013	3,901,412	491,016,518	48,283	34.7	598,020	10.3

(1) Data based on California Department of Finance report E-1, released May 2, 2022 with revised estimated population.

(2) U.S. Department of Commerce, Bureau of Economic Analysis for Los Angeles County updated on November 16, 2022. Data subsequent to 2021 is not available.

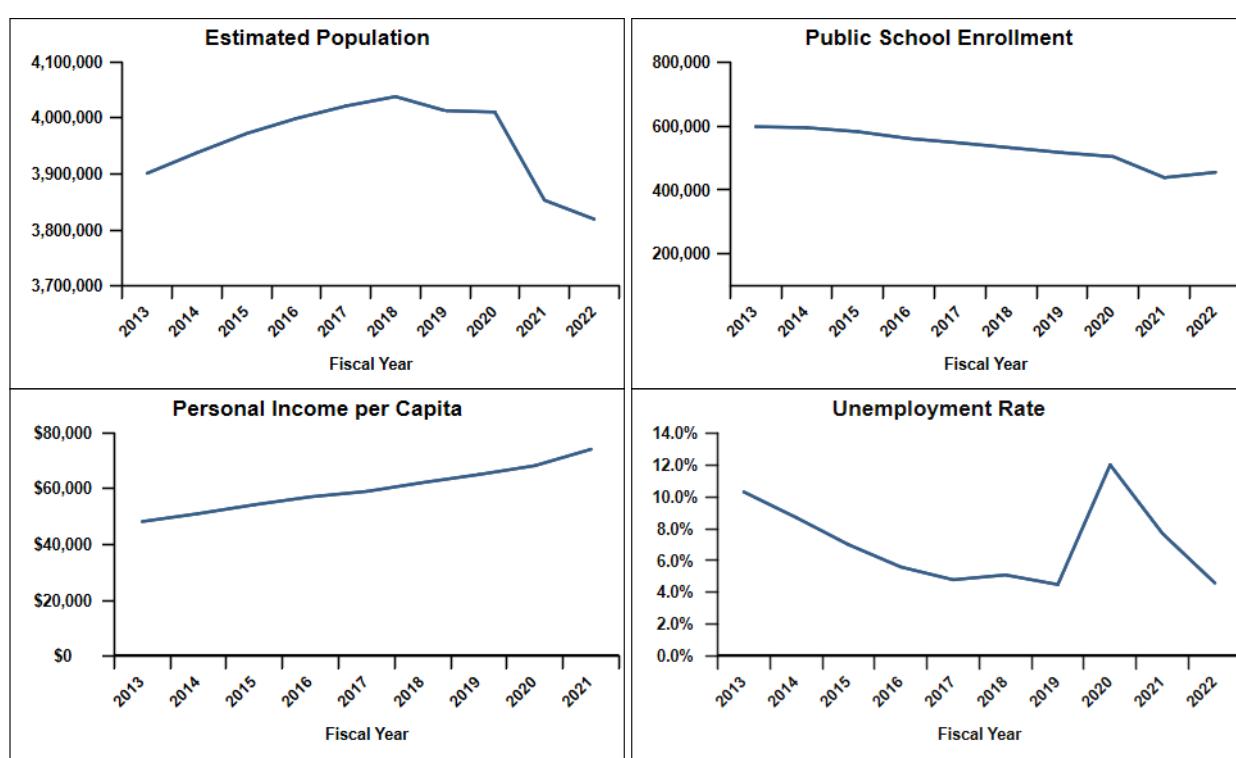
The U.S. Census Bureau defines personal income as the income received by all persons from all sources, and is the sum of "net earnings", rental income, dividend income, interest income, and transfer receipts. "Net earnings" is defined as wage and salary, supplements to wages and salaries, and proprietors' income, less contributions for government social insurance, before deduction of personal income and other taxes. Personal income estimates are in thousands of dollars, not adjusted for inflation. Separate information for the City of Los Angeles is not available.

(3) US Census Bureau American Community Survey for the City. Source: <http://data.census.gov/>

(4) Enrollment data determined at the beginning of each school year (October). Data include the City and all or significant portions of a number of smaller cities and unincorporated territories. Source: LAUSD Annual financial report.

(5) Data based on California Employment Development Department for City of Los Angeles - November 2022, not seasonally adjusted, released December 16, 2022.

N/A Not Available



**CITY OF LOS ANGELES**  
**Los Angeles County**  
**Principal Employers (Non-Government)**  
**Current Year and Nine Years Ago**

<b>Employer</b>	<b>2022</b>			<b>2013</b>		
	<b>Employees</b>	<b>Rank<sup>(1)</sup></b>	<b>Percentage of Total County Employment</b>	<b>Employees</b>	<b>Rank<sup>(1)</sup></b>	<b>Percentage of Total County Employment</b>
Kaiser Permanente	40,303	1	0.8 %	36,508	1	0.8 %
University of Southern California	22,735	2	0.5	16,623	3	0.4
Northrop Grumman Corp.	18,000	3	0.4	18,000	2	0.4
Cedars-Sinai Medical Center	16,659	4	0.3	12,000	6	0.3
Target Corp.	15,888	5	0.3	14,250	4	0.3
Allied Universal	15,326	6	0.3	--	--	--
Providence Health & Services Southern California	14,935	7	0.3	11,403	8	0.3
Ralphs/Food 4 Less/Kroger	14,000	8	0.2	13,200	5	0.3
Walmart Inc.	14,000	9	0.3	--	--	--
Walt Disney Co.	12,200	10	0.1	10,500	10	0.2
Boeing Co.	--	--	--	11,249	9	0.3
Bank of America Corp.	--	--	--	12,000	7	0.3
All Others	4,810,054	--	96.3	4,209,967	--	96.4
<b>TOTAL (1)(2)</b>	<b>4,994,100</b>		<b>100.0 %</b>	<b>4,365,700</b>		<b>100.0 %</b>

Source:

(1) Los Angeles Business Journal (LABJ) - The information on this list was provided by representatives of the employers themselves. Companies are ranked by the current number of full-time employees in L.A. County. Several companies may have qualified for this list, but failed to submit information or do not break out local employment data.

(2) Total County Employment per California EDD labor force report (<http://www.labormarketinfo.edd.ca.gov>).

This report was completed based on information from various sources and is intended for use as a general guide only.  
The City does not warrant accuracy of this data. Inquiries should be directed to the individual employer.

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## **Operating Information**

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

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**CITY OF LOS ANGELES**

**Number of City Government Employees by Function/Program  
Full-Time Equivalent  
Last Ten Fiscal Years**

	Fiscal Year				
	2022	2021	2020	2019	2018
<b>GOVERNMENTAL ACTIVITIES</b>	<b>31,604</b>	<b>31,369</b>	<b>33,973</b>	<b>33,059</b>	<b>32,535</b>
General Government					
City Administrative Officer	126	109	119	114	112
City Attorney	933	914	1,003	963	953
City Ethics Commission	32	29	31	25	24
Controller	132	133	146	150	146
Council	387	375	381	375	372
Employees Relations Board	3	3	3	3	3
General Services	1,225	1,199	1,394	1,341	1,352
Information Technology Agency	326	336	406	393	378
Mayor	179	191	210	219	203
Personnel	502	481	545	488	475
Neighborhood Empowerment	24	25	28	28	31
City Clerk	100	95	113	107	105
Cannabis Regulation <sup>(5)</sup>	34	28	29	21	7
Human Relations Commission	19	9	--	--	--
Office of Finance <sup>(1)</sup>	273	261	297	304	309
Public Accountability <sup>(5)</sup>	3	3	3	4	4
Protection of Persons and Property					
Animal Services	296	307	342	327	314
Building & Safety	888	884	920	903	892
Fire- Civilian	335	344	380	367	347
Fire- Sworn	3,390	3,299	3,391	3,348	3,356
Police- Civilian	2,689	2,749	3,070	2,992	3,002
Police- Sworn	9,277	9,390	9,963	10,004	9,990
Emergency Management	21	20	29	24	23
Public Works					
Public Works- Contract Administration	292	303	334	323	314
Public Works- Engineering	756	742	846	827	771
Public Works- Street Lighting	278	289	324	296	251
Public Works- Street Services	1,081	1,070	1,230	1,138	992
Public Works- Board of Public Works	102	94	106	106	95
Health and Sanitation					
Public Works- Sanitation	2,890	2,839	2,978	2,817	2,739
Transportation					
Transportation	1,371	1,341	1,474	1,368	1,340
Cultural and Recreational Services					
Cultural Affairs	60	54	65	61	60
El Pueblo de los Angeles Historical Monument	6	6	8	8	9
Library	786	804	830	813	822
Recreation and Parks	1,329	1,259	1,456	1,424	1,379
Zoo	220	210	238	228	216
Community Development					
Aging	37	33	41	36	32
Economic and Workforce Development <sup>(2)</sup>	110	103	121	119	127
Disability	26	24	27	23	20
LA Housing Department <sup>(3)</sup>	584	636	675	599	589
City Planning	408	378	417	373	381
Youth Development <sup>(6)</sup>	7	--	--	--	--
Community Investment for Families <sup>(6)</sup>	67	--	--	--	--

Continued...

**CITY OF LOS ANGELES**

**Number of City Government Employees by Function/Program - (Continued)**  
**Full-Time Equivalent**  
**Last Ten Fiscal Years**

	<b>Fiscal Year</b>				
	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
<b>GOVERNMENTAL ACTIVITIES</b>	<b>32,100</b>	<b>31,306</b>	<b>30,606</b>	<b>30,316</b>	<b>31,344</b>
General Government					
City Administrative Officer	113	109	108	109	103
City Attorney	935	891	882	834	813
City Ethics Commission	24	22	23	20	18
Controller	142	135	146	143	146
Council	345	339	353	333	364
Employees Relations Board	3	3	3	3	3
General Services	1,342	1,356	1,321	1,309	1,430
Information Technology Agency	391	440	431	452	463
Mayor	185	170	161	146	173
Personnel	499	484	480	460	460
Neighborhood Empowerment	26	26	19	22	23
City Clerk	108	88	95	96	97
Cannabis Regulation <sup>(5)</sup>	--	--	--	--	--
Human Relations Commission	--	--	--	--	--
Office of Finance <sup>(1)</sup>	329	317	311	326	336
Public Accountability <sup>(5)</sup>	--	--	--	--	--
Protection of Persons and Property					
Animal Services	317	317	309	312	318
Building & Safety	935	849	808	744	760
Fire- Civilian	350	309	293	293	297
Fire- Sworn	3,311	3,265	3,140	3,181	3,206
Police- Civilian	2,920	2,754	2,723	2,810	2,888
Police- Sworn	9,948	9,866	9,856	9,739	9,875
Emergency Management	23	25	23	21	31
Public Works					
Public Works- Contract Administration	298	284	270	278	294
Public Works- Engineering	768	756	733	710	701
Public Works- Street Lighting	235	226	205	194	209
Public Works- Street Services	974	865	838	869	931
Public Works- Board of Public Works	96	95	85	81	81
Health and Sanitation					
Public Works- Sanitation	2,601	2,564	2,425	2,318	2,317
Transportation					
Transportation	1,324	1,340	1,276	1,268	1,287
Cultural and Recreational Services					
Cultural Affairs	58	46	36	34	34
El Pueblo de los Angeles Historical Monument	9	9	9	9	10
Library	774	748	707	653	999
Recreation and Parks	1,376	1,332	1,320	1,316	1,388
Zoo	204	202	195	198	213
Community Development					
Aging	36	38	32	34	34
Economic and Workforce Development <sup>(2)</sup>	135	136	140	151	255
Disability	20	17	15	17	15
LA Housing Department <sup>(3)</sup>	598	591	567	598	511
City Planning	348	292	268	235	261
Youth Development <sup>(6)</sup>	--	--	--	--	--
Community Investment for Families <sup>(6)</sup>	--	--	--	--	--

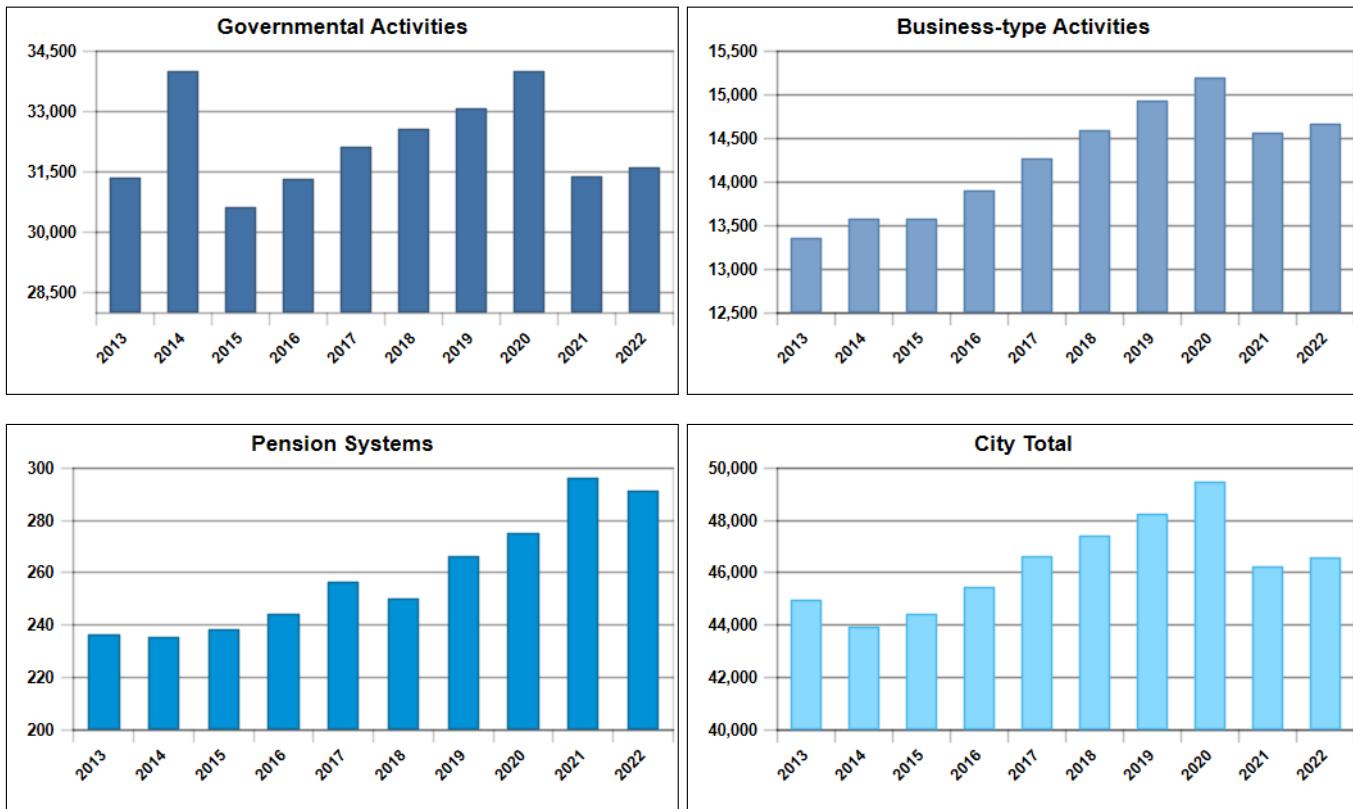
**CITY OF LOS ANGELES**

**Number of City Government Employees by Function/Program - (Continued)**  
**Full-Time Equivalent**  
**Last Ten Fiscal Years**

	Fiscal Year				
	2022	2021	2020	2019	2018
<b>BUSINESS-TYPE ACTIVITIES</b>					
Los Angeles Convention Center	14,652	14,561	15,184	14,919	14,583
Water and Power	8	8	10	9	8
Airports <sup>(4)</sup>	10,804	10,550	10,704	10,364	10,044
Harbor <sup>(4)</sup>	3,006	3,091	3,557	3,666	3,647
	834	912	913	880	884
<b>PENSION SYSTEMS</b>					
City Employees' Retirement System	291	296	275	266	250
Fire and Police Pension System	179	180	156	147	138
	112	116	119	119	112
<b>GRAND TOTAL</b>	<b>46,547</b>	<b>46,226</b>	<b>49,432</b>	<b>48,244</b>	<b>47,368</b>

Continued...

**Full-Time Equivalent Employees**  
**Last Ten Fiscal Years**



**CITY OF LOS ANGELES**

**Number of City Government Employees by Function/Program - (Continued)**  
**Full-Time Equivalent**  
**Last Ten Fiscal Years**

	<b>Fiscal Year</b>				
	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
<b>BUSINESS-TYPE ACTIVITIES</b>					
Los Angeles Convention Center	14,266	13,894	13,564	13,375	13,350
Water and Power	11	12	12	11	92
Airports <sup>(4)</sup>	9,794	9,456	9,228	8,924	8,776
Harbor <sup>(4)</sup>	3,578	3,520	3,439	3,491	3,535
	883	906	885	949	947
<b>PENSION SYSTEMS</b>					
City Employees Retirement System	256	244	238	235	236
Fire and Police Pension System	140	131	128	125	127
	116	113	110	110	109
<b>GRAND TOTAL</b>	<b>46,622</b>	<b>45,444</b>	<b>44,408</b>	<b>43,926</b>	<b>44,930</b>

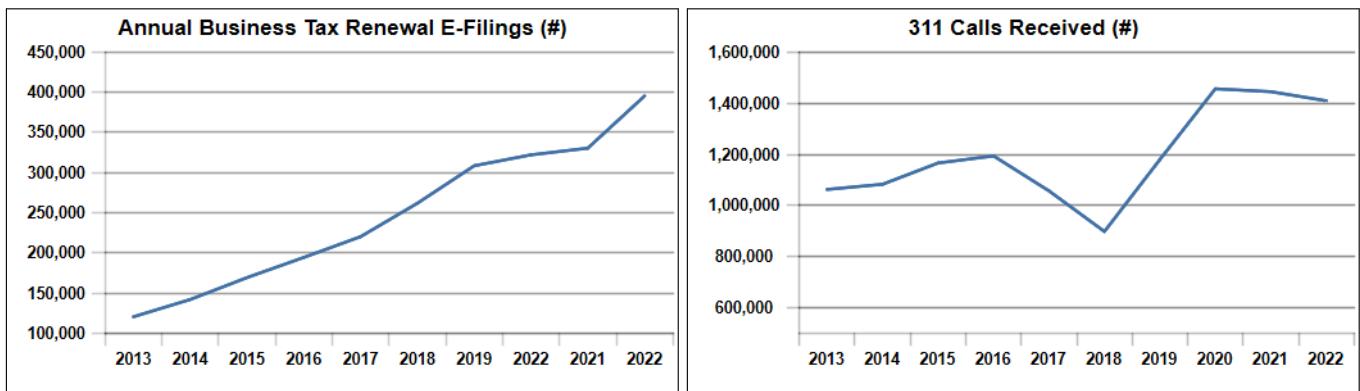
- (1) The Treasurer and Finance were consolidated in fiscal year 2012.
- (2) Department name changed from Community Development in fiscal year 2014.
- (3) Department name changed from Housing in fiscal year 2014.
- (4) Certain changes were made to conform to the fiscal year 2013 presentation.
- (5) The Cannabis Regulation and Public Accountability were established in fiscal year 2018.
- (6) The Youth Development and Community Investment for Families Departments were established in fiscal year 2022.

Sources:

Fiscal year 2018 through 2022: Data restated to conform with Office of the Controller Full-Time Active Employee Count as of the last pay period of the fiscal year, except those of Harbor and Water and Power.

**CITY OF LOS ANGELES**  
**Operating Indicators by Function/Program**  
**Last Ten Fiscal Years**

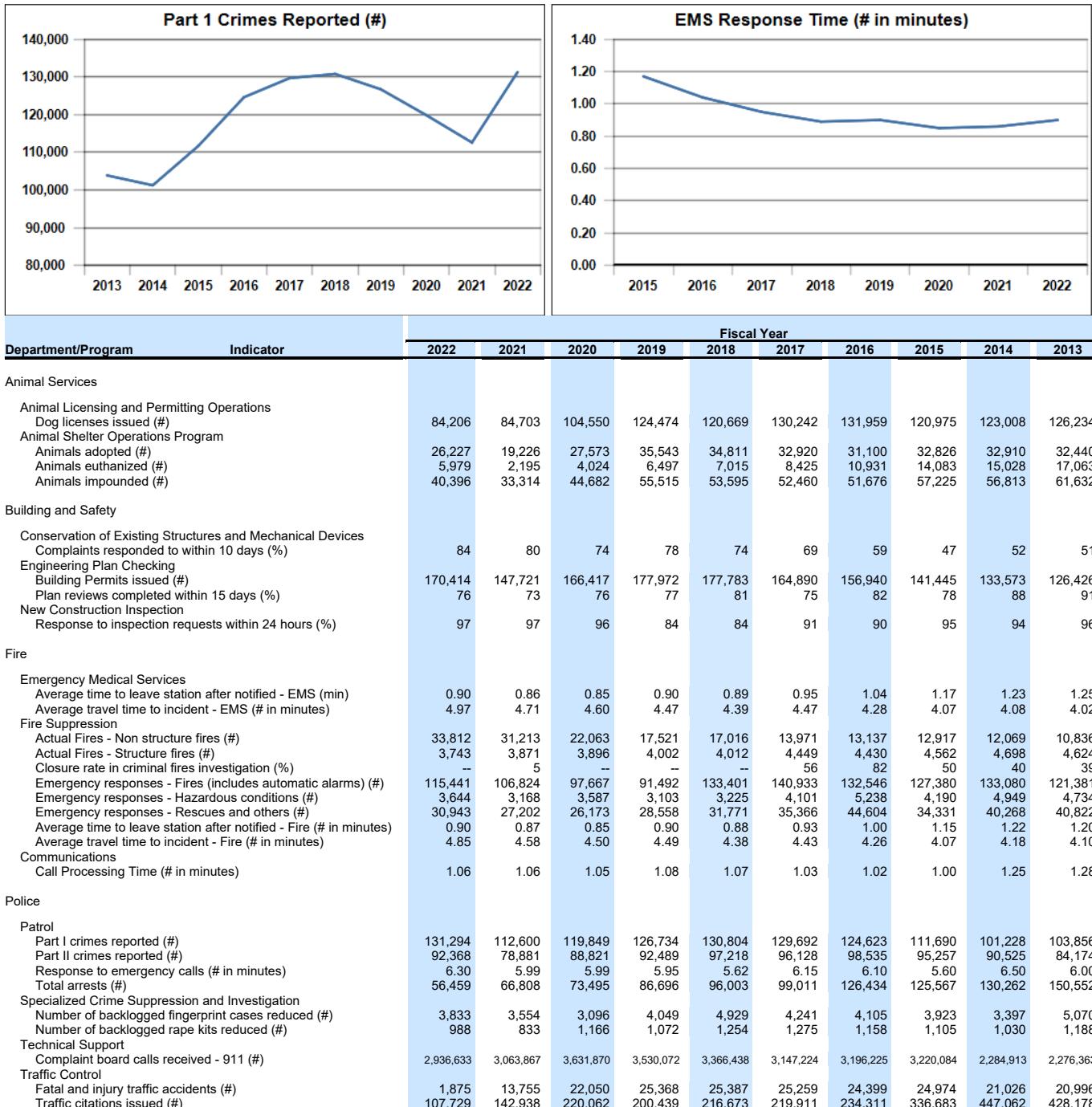
**General Government**



Department/Program	Indicator	Fiscal Year									
		2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Cannabis Regulation (3)											
Number of Cannabis Businesses		1,000	825	425	311	169	--	--	--	--	--
City Attorney											
Criminal Prosecution											
Issues resolved in the neighborhood prosecutor program (%) (3)		78	72	78	104	86	84	97	48	50	46
Combined criminal jury and court trials (#)		372	414	325	343	344	321	352	362	308	342
Consumer protection-cases reviewed (#)		210	290	213	123	200	200	230	100	150	160
Consumer cases concluded (#)		75	86	65	51	130	120	146	--	--	--
Environmental cases concluded (#)		475	463	471	459	465	452	383	412	409	329
Housing/rent control cases concluded (#)		667	905	1,097	855	744	764	1,007	842	608	603
General Services											
Building Maintenance											
Maintenance work orders completed (%)		78	66	78	69	72	73	71	71	71	--
Energy conservation audits completed (#)		12	--	9	19	20	20	20	8	12	--
Custodial Services											
Municipal facilities cleaned per day (% of square feet)		100	100	100	100	100	100	90	90	85	--
Fleet Services											
Vehicles available for Bureau of Sanitation operations (%)		81	84	87	87	88	89	84	83	83	85
Vehicles available for Bureau of Street Services operations (%)		84	86	86	87	81	84	82	85	79	78
Vehicles available for Dept of Transportation operations (%)		91	92	88	88	92	92	93	92	90	91
Real Estate Services											
City-as-tenant leases remaining		84	85	84	71	71	75	77	88	100	--
Supply Services											
Days to process orders under \$100,000		32	24	31	36	44	27	35	--	--	--
Information Technology Agency											
3-1-1 Call Center Operations											
Average wait time per caller (# of seconds)		222	190	158	174	294	370	142	61	70	224
Number of calls received (#)		1,409,330	1,444,964	1,456,237	1,179,694	898,435	1,057,107	1,193,757	1,166,105	1,083,097	1,062,894
Total Contacts		2,198,227	2,226,070	2,138,683	1,779,798	1,384,829	1,484,035	1,481,185	1,338,830	1,192,706	1,190,105
Neighborhood Empowerment											
Community Impact Statements submitted by Neighborhood Councils		1,200	1,163	647	614	408	320	258	343	152	--
Office of Finance											
Revenue Billings, Audit and Collections											
Annual Business Tax renewal e-filings (#)		395,290	330,422	322,104	308,506	261,926	220,381	194,545	169,463	142,220	120,747
Collections from Citywide Collection unit (\$ in thousands)		20,108	18,224	17,732	21,656	23,143	23,628	22,017	24,457	27,551	27,385
Refund claims processed (#)		12,665	10,109	19,338	4,331	6,596	5,722	7,417	6,188	8,411	10,667
Revenue enhancement unit investigations (#)		71,214	88,525	98,682	111,916	122,918	149,547	138,278	143,328	157,949	124,389
Total tax accounts audited (#)		1,098	1,384	1,473	1,571	2,133	2,666	3,465	4,472	4,819	4,839
Personnel											
Employee Selection											
Exams completed in 150 days (#)		74	67	86	73	73	65	71	69	73	--
Employee Training and Development											
Non-mandated courses completed in the Online Training Academy		21,856	31,305	34,420	9,188	14,496	20,231	7,996	5,624	4,119	951

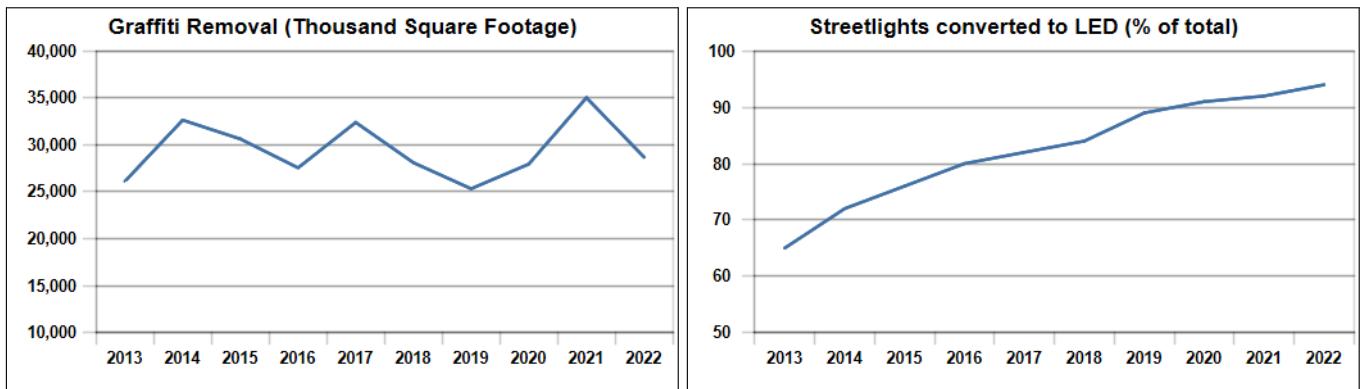
**CITY OF LOS ANGELES**  
**Operating Indicators by Function/Program**  
**Last Ten Fiscal Years**

**Protection of Persons and Property**



**CITY OF LOS ANGELES**  
**Operating Indicators by Function/Program**  
**Last Ten Fiscal Years**

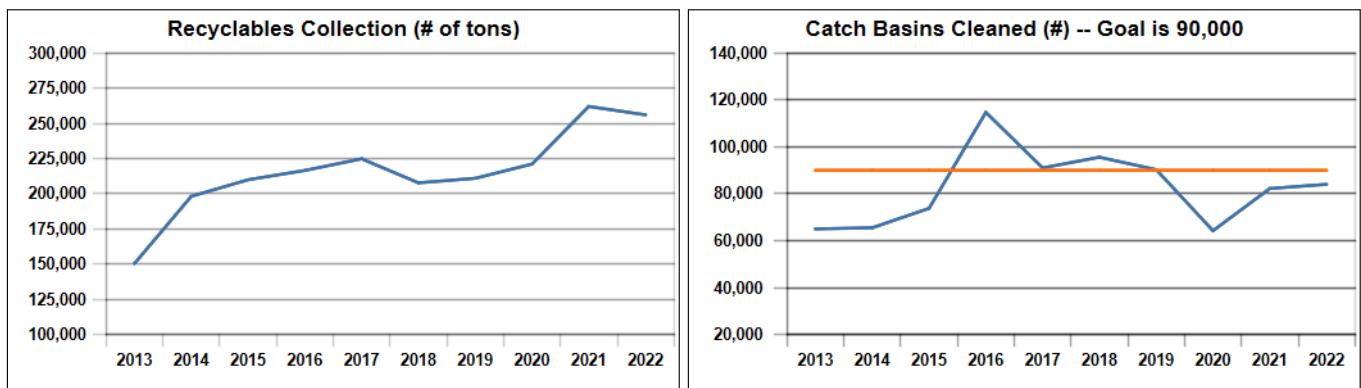
**Public Works**



Department/Program	Indicator	Fiscal Year									
		2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Board of Public Works											
Office of Community Beautification											
Graffiti eradicated/square footage (# per 1,000 sq ft)	28,677	35,021	27,943	25,319	28,096	32,388	27,545	30,620	32,638	26,117	
Graffiti removal requests completed in 24 hrs (%)	74	73	68	62	73	77	55	48	66	58	
Bureau of Contract Administration											
Construction Inspection											
Number of private development inspections (#)	144	185	172	184	176	175	150	224	147	157	
Contract Compliance											
Prevailing Wage Restitution Completed (\$ millions)	2.10	0.96	0.36	1.21	0.55	1.10	0.53	1.21	1.54	0.93	
Bureau of Engineering											
All Capital Programs											
Completed capital projects (#)	110	155	173	115	143	106	144	147	124	116	
Bureau of Street Lighting											
Design and Construction											
Streetlights converted to LED (% of total)	94	92	91	89	84	82	80	76	72	65	
System Operation, Maintenance and Repair											
Percent of streetlights operating (%)	99.08	99.28	99.24	99.32	99.34	99.33	99.37	99.33	99.20	99.00	
Street Services											
Maintaining Streets											
Small asphalt repairs (# of square feet)	554,887	881,243	824,393	908,679	820,592	1,513,764	1,121,767	1,050,411	1,402,144	1,416,500	
Response time to pothole service requests (days)	1.7	0.9	1.3	2.9	2.3	1.3	--	--	--	--	
Street Cleaning Program											
Completion frequency-posted routes (%)	99	96	96	97	98	99	91	93	96	97	
Street Improvement Program											
Access ramps constructed (#)	350	376	362	308	532	526	742	1,035	1,256	1,560	
Bus pads constructed (#)	76	63	53	86	55	49	58	101	76	97	
Concrete bus landings installed (#)	10	11	13	--	--	50	65	170	107	30	
Sidewalks repaired (# of square feet)	587,819	568,392	524,247	313,648	329,410	309,343	118,732	--	--	--	
Street Resurfacing and Reconstruction Program											
Streets resurfaced (# of lane miles)	550	557	663	720	660	848	855	855	--	--	
Streets slurry sealed (# of lane miles)	1,344	988	1,080	1,546	1,739	1,560	1,555	1,545	--	--	
Street Tree and Parkway Maintenance Program											
Trees trimmed by contracted forces (#)	29,633	31,252	37,038	31,693	31,844	36,036	33,850	23,142	14,847	19,607	

**CITY OF LOS ANGELES**  
**Operating Indicators by Function/Program**  
**Last Ten Fiscal Years**

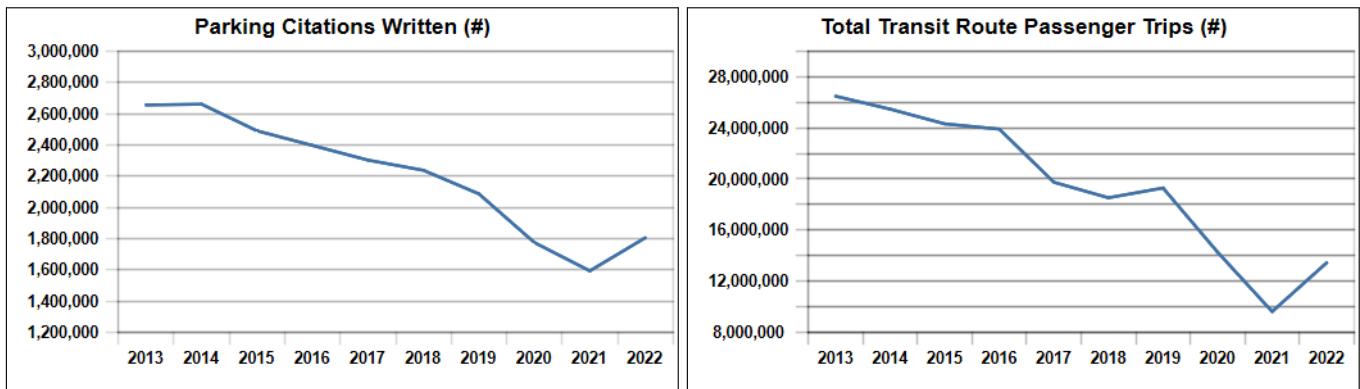
**Health and Sanitation**



Department/Program	Indicator	Fiscal Year									
		2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>Sanitation</b>											
Household Refuse Collection Program											
Tons collected - Bulky items (# of tons)	44,299	55,499	52,090	54,238	53,766	91,225	60,101	46,416	33,720	34,000	
Tons collected - Recyclables (# of tons)	256,040	262,021	221,089	210,944	207,756	224,796	216,542	209,924	198,143	150,380	
Tons collected - Refuse (# of tons)	1,076,972	1,006,473	964,151	942,041	928,377	953,670	907,611	873,104	852,635	848,890	
Tons collected - Yard Trimmings (# of tons)	392,610	425,133	462,175	411,188	414,729	417,354	417,325	425,070	428,237	522,737	
Solid Resources											
Convert refuse collection fleet to clean fuels (%)	81	82	85	83	82	80	78	78	76	78	
Watershed Protection											
Catch basin cleaning (#) (4)	84,012	82,213	64,222	90,279	95,561	91,021	114,699	73,772	65,492	65,000	

**CITY OF LOS ANGELES**  
**Operating Indicators by Function/Program**  
**Last Ten Fiscal Years**

**Transportation**



Department/Program	Indicator	Fiscal Year									
		2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Transportation											
Parking Management and Intersection Control											
Citations written (#)	1,805,286	1,593,817	1,775,106	2,086,277	2,237,086	2,302,206	2,395,778	2,489,390	2,659,718	2,654,910	
Crossing guard assignments (#)	566	541	544	538	537	529	523	524	507	492	
Hours of intersection control (#)	31,373	87,624	62,260	43,019	53,901	32,400	27,615	25,997	23,490	23,730	
Peak hour tows and other tows (#)	62,075	45,025	52,591	58,501	61,060	32,647	31,245	49,910	39,999	45,921	
Traffic Control Devices											
New signals (Traffic Pedestrian) installed (#)	19	29	16	32	32	19	31	11	19	32	
Traffic signals repaired (#)	15,302	694	694	735	626	725	766	10,797	8,832	8,769	
Transit Capital Programming											
Active traffic congestion relief projects (#)	75	64	68	69	64	62	96	81	79	84	
Increase in bicycle lane miles (# of miles)	26	32	40	10	10	12	9	23	41	101	
Transit Operations											
Total transit vehicle passenger trips (#)	13,451,113	9,629,615	14,277,781	19,292,796	18,527,770	19,741,533	23,895,017	24,306,283	25,453,959	26,467,594	
Transportation System Operations											
Red curb miles reinstalled/installed (#)	245	250	203	99	199	295	362	334	372	392	
Signs maintained/replaced (#)	39,327	47,876	38,275	20,978	28,115	46,189	52,422	49,029	7,812	43,728	
Temporary signs installed/removed (#)	641,705	290,468	654,822	770,211	726,009	726,200	646,724	365,068	436,589	471,376	
Thermoplastic longline striping installed/reinstalled (# of miles)	1,231	890	654	1,470	933	963	1,326	137	61	151	

**CITY OF LOS ANGELES**

**Operating Indicators by Function/Program  
Last Ten Fiscal Years**

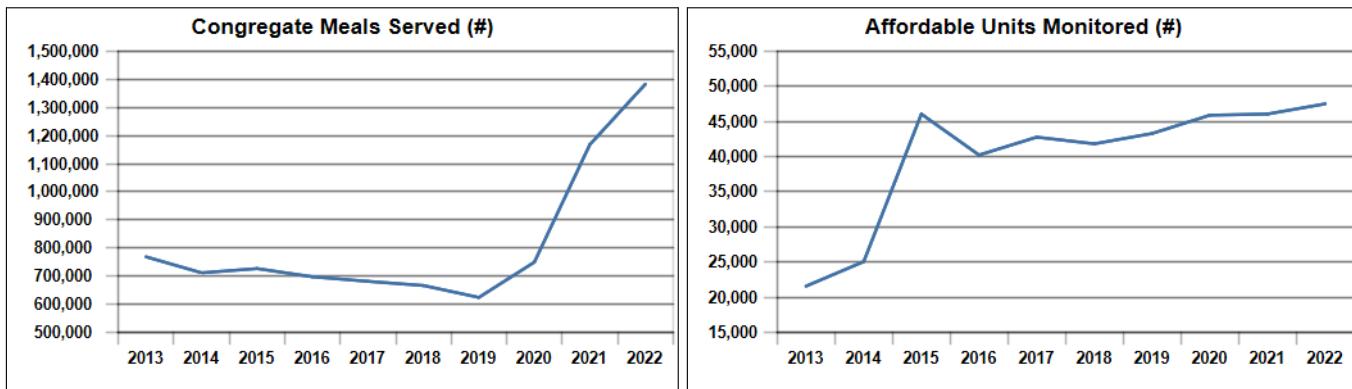
**Cultural and Recreational Services**

		Cultural and Recreational Services									
		Griffith Observatory Visitors (#)					Municipal Sports Participants (#)				
Department/Program	Indicator	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Convention Center											
City Tourism Development											
Citywide conventions and center events (#) (4)		13	--	12	23	27	32	29	25	23	24
Delegates attending Citywide conventions (#) (4)		156,209	--	227,059	362,442	440,634	503,036	496,886	320,900	299,274	215,800
Exhibit hall events hosted (#) (4)		54	--	89	138	148	153	167	156	126	140
Cultural Affairs											
City Arts											
Art class enrollment (#) (4)		150,052	136,966	162,216	228,646	185,546	182,078	121,356	212,506	15,000	14,000
Theater attendance (#)		51,360	26,559	149,812	81,379	98,498	112,200	68,129	91,166	150,000	140,000
Community Arts											
Art exhibitions presented (#)		3,031	1,502	2,079	2,852	1,371	692	655	1,082	65	60
Special events/festivals (#) (4)		486	269	146	150	149	133	118	142	20	17
Performing Arts											
Music/theatre programs presented		450	227	308	415	591	751	505	759	--	--
El Pueblo											
Events											
Cultural and special events (#) (4)		30	32	114	93	122	152	137	73	119	--
History and Museums											
Museum visitors (#) (4)		46,665	82,239	283,557	443,648	493,460	656,322	582,623	627,301	588,517	--
Library											
Public Library Services											
Attendance level for cultural programming (#) (4)		50,655	79,116	270,482	349,820	402,881	417,831	368,339	371,810	355,211	531,498
Items circulated (#)		18,874,937	15,203,658	16,282,884	17,153,200	16,142,466	16,276,897	16,353,158	15,800,499	15,086,605	14,983,679
Number of people visiting library facilities (#) (4)		3,710,717	36,828	6,591,517	10,214,070	11,198,977	13,145,751	13,504,301	14,093,505	14,584,162	14,096,741
Registered borrowers (#)		2,863,691	2,696,713	2,546,442	2,338,648	2,120,032	1,665,288	1,411,764	1,236,890	1,148,250	1,099,165
Recreation and Parks											
Advance Planning											
New parks opened to the public (#)		--	2	2	4	2	5	8	7	10	8
Educational Exhibits											
Observatory attendance (#) (4)		653,836	10,575	1,080,718	1,532,916	1,628,315	1,566,700	1,417,282	1,264,376	1,155,104	1,033,429
Expo Center											
Number of visitors to the Expo Center (#) (4)		534,672	68,995	628,184	744,509	709,056	675,291	456,607	416,053	448,860	889,000
Museums and Educational											
Visitors to museums (excluding Griffith Observatory) (#) (4)		366,888	129,094	368,514	496,342	541,539	539,173	537,762	472,044	429,085	310,000
Recreational Opportunities											
Aquatics - Pool Attendance (#) (4)		1,656,417	216,335	920,940	2,764,705	2,592,208	2,430,377	2,962,513	2,648,817	2,951,899	3,255,404
Camps - Camper days (# of days)		207,097	91,301	67,065	63,060	73,929	70,654	65,283	66,626	62,427	55,624
Municipal Sports - Team sports participants (4)		35,987	14,148	48,405	55,570	75,306	81,572	86,806	83,045	90,815	101,916
Zoo											
Educational Exhibits											
Attendance (#) (4)		1,408,915	656,689	1,191,773	1,803,699	1,802,387	1,743,795	1,784,786	1,752,279	1,550,343	1,506,274

**CITY OF LOS ANGELES**

**Operating Indicators by Function/Program  
Last Ten Fiscal Years**

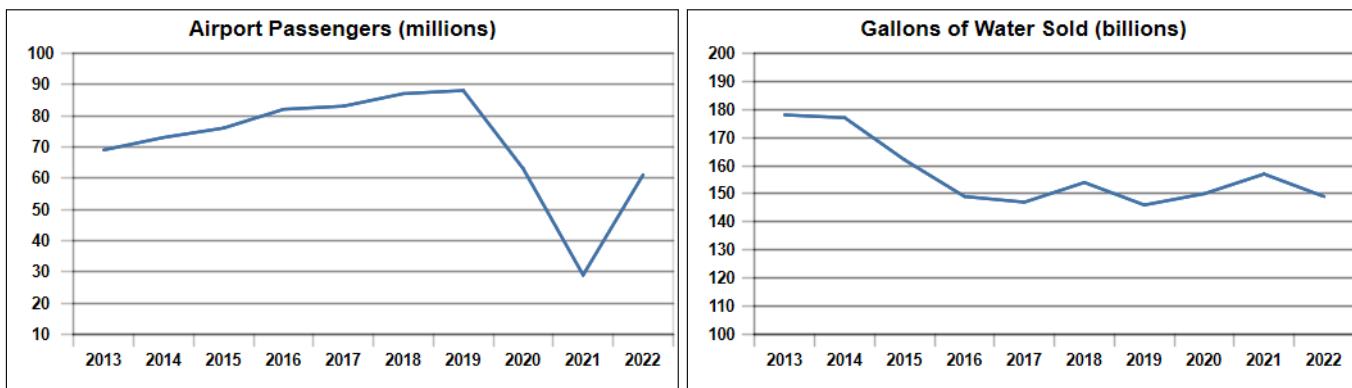
**Community Development**



Department/Program	Indicator	Fiscal Year									
		2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>Aging</b>											
Family Caregiver Services											
Community education participants (#)	1,662	2,596	1,476	4,145	4,515	2,652	2,486	2,872	8,490	7,682	
Senior Social Services											
Congregate meals served	1,381,882	1,167,267	749,667	624,406	666,705	681,524	697,731	726,873	711,895	768,560	
Homebound meals served (#)	742,785	998,532	813,338	707,325	721,423	725,079	737,256	739,957	755,480	768,536	
Prop A - One-way transportation trips (#)	84,838	93,958	84,038	121,155	125,648	123,253	130,175	132,101	131,269	129,354	
<b>City Planning</b>											
Community Planning											
Community Plans Less than 10 Years Old (#)	10	9	6	6	6	3	5	2	2	3	
Geographic Project Planning											
Cases Completed (#)	3,100	2,700	3,005	3,113	2,898	2,110	3,522	2,133	1,774	1,549	
Historic Resources											
Major Projects											
Entitlement Cases Requiring and EIR (#)	30	16	30	19	35	17	11	9	--	--	
<b>Disability</b>											
ADA Compliance											
Sign language and captioning requests processed (#)	179	303	397	490	327	94	389	397	245	342	
AIDS Coordination											
HIV tests/referrals provided (#)	17,242	19,491	18,793	18,630	18,000	10,000	--	--	37,176	--	
Individuals serviced by Prevention Program (#)	51,270	36,956	27,945	33,640	23,000	25,000	27,528	25,569	46,877	--	
Syringes removed (# in millions)	2	2	3	2	1	1	1	1	1	1	
<b>Economic and Workforce Development (1)</b>											
Economic Development											
Businesses established by Business Source (#)	203	141	167	128	232	324	291	205	221	231	
New jobs created through business source and lending (#)	644	301	898	1,162	1,069	1,364	1,039	2,000	331	--	
Workforce Development											
HireLA Youth placed in employment (#)	13,262	10,817	7,264	20,060	16,834	15,500	15,070	11,382	10,256	--	
Job training enrollments for adults/dislocated workers (#)	13,389	13,860	23,182	26,898	32,430	32,075	34,946	22,302	3,900	4,695	
<b>LA Housing Department (2)</b>											
Code Enforcement											
Multi-family unit inspected every 4 years (#)	760,000	760,000	750,000	750,000	750,000	720,000	742,523	720,000	180,000	179,728	
Periodic unit inspections (#)	132,066	74,077	86,095	155,388	178,646	177,795	169,568	164,655	165,928	180,484	
Compliance Monitoring											
Affordable units monitored (#)	47,486	46,043	45,875	43,275	41,812	42,757	40,218	46,041	25,061	21,578	
Finance & Development											
New funded transit oriented development housing units (#)	2,472	820	824	1,653	669	459	585	526	828	--	
Homeownership and Preservation											
Number of housing units made lead safe (# housing units)	1	26	25	37	48	86	61	84	114	121	
Housing Preservation and Production											
Low income units financed under the Homeownership Pgm (#)	22	60	85	72	56	44	81	88	91	--	
Rent											
Complaints resolved within 120 days (%)	92	93	87	88	79	78	79	89	88	--	
Rent adjustments processed (#)	1,068	1,106	1,231	1,067	669	559	405	476	381	--	
Rental units registered (#)	385,964	423,829	445,977	514,464	508,064	528,716	532,046	528,395	530,894	529,106	
Tenant complaints processed (#)	8,711	6,924	10,163	9,405	9,728	7,661	6,897	6,248	5,874	5,780	
Strategic Planning & Policy Development											
Housing unit at risk of losing affordability restrictions contacts (#)	129	474	1,491	1,285	82	1,364	3,441	842	344	--	

**CITY OF LOS ANGELES**  
**Operating Indicators by Function/Program**  
**Last Ten Fiscal Years**

**Business-type Activities**



Department/Program	Indicator	Fiscal Year									
		2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>Airports</b>											
Air cargo (# in thousand tons)	2,945	2,817	2,285	2,401	2,416	2,316	2,655	2,588	2,393	2,400	
Aircraft movements (# in thousands)	846	664	770	937	957	933	970	944	974	939	
Passengers (# in millions) (4)	61	29	63	88	87	83	82	76	73	69	
<b>Harbor</b>											
Containerized cargo volume (# in millions of TEUs)	10	10	9	10	9	9	8	8	8	8	
Cruise passengers (4)	490,978	6,221	487,013	586,786	479,388	534,484	676,644	578,902	541,418	355,875	
Inbound tonnage (# in millions tons)	113	114	100	114	103	106	106	103	99	93	
Outbound tonnage (# in millions tons)	109	102	84	97	88	92	79	75	74	72	
Vessel arrivals (#)	1,917	1,668	1,731	1,917	1,904	2,060	2,014	1,846	2,196	2,089	
<b>Power</b>											
Cumulative Feed in Tariff (FiT) installations (# of kilowatts)	97,429	86,800	70,300	65,578	46,700	29,250	11,519	7,532	800	--	
Customers- number (# in thousands)	1,565	1,548	1,537	1,529	1,516	1,507	1,499	1,493	1,503	1,479	
Energy production (# of kwh in billions)	24	24	24	25	25	26	27	27	27	27	
Megawatt hours of power from energy efficiency (# of Mwh)	398,900	300,300	349,617	476,851	445,630	475,091	412,191	296,379	251,556	--	
Kilowatt hours sold (# of hours in billions)	23	23	22	23	23	24	25	25	26	26	
Power poles replaced, installed and reinforced (#)	3,799	3,944	4,033	3,757	3,018	2,656	2,436	2,393	1,599	1,135	
Solar Incentive Program (SIP) cumulative capacity (# of kilowatts)	295,492	295,358	271,850	282,858	250,528	221,798	176,330	135,620	105,466	79,605	
Solar Incentive Program (SIP) installed capacity (# of kilowatts) (4)	129	7,130	6,000	32,330	28,730	44,599	40,710	27,250	28,861	24,505	
System Average Interruption Duration Index - SAIDI (# of minutes per customer)	115	161	102	175	150	162	125	85	62	72	
System Average Interruption Frequency Index - SAIFI (# of interruptions per customer)	1.00	0.80	0.70	0.90	0.93	0.96	0.91	0.70	0.48	0.48	
<b>Wastewater</b>											
Wastewater treated (Volume in MGD)	325	316	327	339	331	337	335	344	355	377	
Water recycled (Volume in MGD)	97	120	120	113	120	118	96	96	99	94	
Sewer cleaning - miles of sewers cleaned (# of miles)	6,644	6,640	6,393	6,787	6,870	6,830	7,127	6,928	6,614	6,750	
<b>Water</b>											
DWP water sourced from local groundwater (%)	11	11	7	7	4	10	16	18	12	10	
Recycled water use (# of acre feet)	12,031	11,405	9,682	7,511	9,971	8,030	9,910	10,097	10,536	7,480	
Cumulative miles of water main replaced (# of miles)	32	30	27	32	41	242	207	174	154	131	
Customers - number (# in thousands)	694	692	689	687	683	680	678	676	679	676	
Gallons sold (billions of gallons)	149	157	150	146	154	147	149	162	177	178	
Per capita water use	113	113	105	105	112	102	104	114	123	131	
Water main breaks (# of breaks)	1,114	1,064	1,099	1,495	1,450	1,390	1,547	1,241	1,146	1,148	
Water purchased from MWD (% of total water supply)	75	63	32	30	36	45	71	71	76	69	

Note: Prior fiscal year figures adjusted to correct total based on updated data.

(1) Department name changed from Community Development in fiscal year 2014.

(2) Department name changed from Housing and Community Investment in fiscal year 2022.

(3) Department is developing a new indicator.

(4) Data significantly decreased for the fiscal years 2020 and 2021 due to the impact of COVID-19.

-- Data not available or no longer reported.

Sources: Various departments.

**CITY OF LOS ANGELES**

**Capital Assets Information  
Governmental Activities  
Last Ten Fiscal Years**

Function/Asset	Fiscal Year				
	2022	2021	2020	2019	2018
General Government					
Fiber optic cabling (fiber miles)	150	150	150	150	150
Protection of Persons and Property					
Animal shelters	6	6	6	6	6
Fire apparatus <sup>(2)</sup>	413	416	401	400	400
Fire stations	106	106	106	106	106
Patrol units	1,402	1,415	1,358	1,382	1,380
Police stations	29	29	29	29	29
Police training centers	3	3	3	3	3
Public Works					
Bridges	516	512	512	512	515
Street lights	211,437	205,025	223,000	223,000	220,000
Streets (centerline miles)	6,500	6,500	6,500	6,500	6,500
Health and Sanitation					
Refuse collection trucks	735	738	726	707	727
Refuse yards (1)	6	6	6	6	6
Transportation					
Automated traffic signal and control systems	78	76	75	75	72
Bike paths (miles)	15	15	15	15	15
Commuter buses	470	469	432	392	392
Traffic signals	4,835	4,816	4,789	4,775	4,744
Cultural and Recreational Services					
Acres of beach land	232	232	232	232	232
Acres park land including beaches	16,172	16,172	16,171	16,169	16,169
Archery ranges	3	3	3	3	3
Baseball/softball diamonds	256	256	256	256	256
Children's play areas	411	410	408	400	387
Dog parks	13	12	12	11	9
Golf courses	13	13	13	13	13
Hiking trails (miles)	162	162	162	162	92
Historical sites	11	11	11	11	11
Horticulture centers	6	6	6	6	6
Indoor gyms	114	114	114	114	95
Lakes	13	13	13	13	13
Libraries	73	73	73	73	73
Licensed child-care centers	2	2	2	2	2
Museums	12	12	12	12	12
Park sites	490	490	487	446	446
Pools	59	59	62	62	62
Recreational centers	123	123	123	184	184
Recreational parks	7	7	7	7	5
Residential camps	7	7	7	9	9
Senior citizen centers	29	29	29	30	29
Skate parks	27	27	27	27	26
Tennis courts	319	319	319	321	321
Wedding sites	19	19	19	19	19

**CITY OF LOS ANGELES**  
**Capital Assets Information - (Continued)**  
**Governmental Activities**  
**Last Ten Fiscal Years**

Function/Asset	Fiscal Year				
	2017	2016	2015	2014	2013
General Government					
Fiber optic cabling (fiber miles)	150	150	150	150	150
Protection of Persons and Property					
Animal shelters	6	6	6	6	6
Fire apparatus <sup>(2)</sup>	381	380	377	367	367
Fire stations	106	106	106	106	106
Patrol units	1,347	1,345	1,374	1,374	1,374
Police stations	29	29	28	29	29
Police training centers	3	3	3	3	3
Public Works					
Bridges	515	515	517	517	514
Street lights	219,000	220,000	210,662	209,397	207,384
Streets (centerline miles)	6,500	6,500	6,500	6,500	6,500
Health and Sanitation					
Refuse collection trucks	709	697	698	701	750
Refuse yards (1)	6	6	6	6	6
Transportation					
Automated traffic signal and control systems	68	68	57	50	48
Bike paths (miles)	14	14	14	14	14
Commuter buses	390	399	387	385	371
Traffic signals	4,703	4,697	4,683	4,677	4,657
Cultural and Recreational Services					
Acres of beach land	232	232	232	232	232
Acres park land including beaches	15,766	16,152	16,152	16,149	16,001
Archery ranges	3	3	3	3	3
Baseball/softball diamonds	256	256	256	256	256
Children's play areas	387	387	387	387	383
Dog parks	9	9	9	9	9
Golf courses	13	13	13	13	13
Hiking trails (miles)	92	92	92	92	92
Historical sites	11	11	11	11	11
Horticulture centers	6	6	6	6	6
Indoor gyms	95	95	95	95	95
Lakes	13	13	13	13	13
Libraries	73	73	73	73	73
Licensed child-care centers	2	2	3	2	2
Museums	12	12	12	12	12
Park sites	490	444	444	442	435
Pools	62	62	62	62	62
Recreational centers	184	184	184	184	184
Recreational parks	5	5	5	5	5
Residential camps	9	9	9	9	9
Senior citizen centers	35	30	31	35	31
Skate parks	26	26	26	28	21
Tennis courts	321	321	321	321	321
Wedding sites	19	19	19	19	19

**CITY OF LOS ANGELES**

**Capital Assets Information  
Business-Type Activities  
Last Ten Fiscal Years**

Function/Asset	Fiscal Year				
	2022	2021	2020	2019	2018
Airports					
Number of airports <sup>(1)</sup>	2	2	2	2	2
Harbor					
Number of cargo terminals	23	23	23	23	23
Number of major containers terminals	8	8	8	8	8
Power					
Generating units	200	201	250	269	245
Overhead distribution lines (miles)	10,493	10,462	10,470	10,350	10,397
Transmission lines (miles)	3,755	3,769	3,769	3,791	3,760
Underground distribution lines (miles)	3,973	3,942	3,857	3,732	3,710
Wastewater					
Sanitary sewers (miles)	6,700	6,700	6,700	6,700	6,700
Storm drain pipe mainline (miles)	1,220	1,220	1,319	1,306	1,306
Water					
Aqueduct (miles)	472	472	472	472	472
Distribution pipe (miles)	7,341	7,340	7,340	7,340	7,337
Number of storage reservoirs and tanks	117	118	118	118	118
Service connections	713,032	712,451	710,917	714,427	719,479

**CITY OF LOS ANGELES**  
**Capital Assets Information - (Continued)**  
**Business-Type Activities**  
**Last Ten Fiscal Years**

Function/Asset	Fiscal Year				
	2017	2016	2015	2014	2013
Airports					
Number of airports <sup>(1)</sup>	2	3	3	3	3
Harbor					
Number of cargo terminals	23	23	23	23	24
Number of major containers terminals	8	8	8	8	8
Power					
Generating units	245	245	241	242	242
Overhead distribution lines (miles)	10,329	10,300	10,288	10,213	10,220
Transmission lines (miles)	3,632	3,632	3,632	3,632	3,632
Underground distribution lines (miles)	3,693	3,680	3,677	3,608	3,561
Wastewater					
Sanitary sewers (miles)	6,700	6,700	6,700	6,700	6,700
Storm drain pipe mainline (miles)	1,293	1,272	1,260	1,260	1,244
Water					
Aqueduct (miles)	472	472	472	472	472
Distribution pipe (miles)	7,315	7,288	7,270	7,263	7,246
Number of storage reservoirs and tanks	118	120	120	114	114
Service connections	690,728	729,680	704,176	696,989	702,485

(1) Airports operates LAX and VNY.

(2) "Fire trucks" renamed to "Fire apparatus."

Source: City departments

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