



ANNUAL COMPREHENSIVE FINANCIAL REPORT

City of Los Angeles, California
For Fiscal Year Ended June 30, 2023



**kenneth
mejia**
LA CITY CONTROLLER

City of Los Angeles California



Annual Comprehensive Financial Report

For the Fiscal Year Ended June 30, 2023

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, 2023

Prepared by the Office of Los Angeles City Controller Kenneth Mejia



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Chief Deputy Controller

Rahoor (Wally) Oyewole

Chief Financial Officer and

Director of Financial Analysis and Reporting

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Assistance provided by the General Accounting and Open Data staff, and Victoria Orellana (Senior Administrative Clerk).

CITY OF LOS ANGELES
ANNUAL COMPREHENSIVE FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2023

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INTRODUCTORY SECTION



KENNETH MEJIA
CONTROLLER

January 24, 2024

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 Controller for the City of Los Angeles, I am pleased to submit the Annual Comprehensive Financial Report (ACFR) of the City for the fiscal year ended June 30, 2023, 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 2023.

The independent auditor expressed an opinion that the City's financial statements for fiscal year 2023 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, 2022. This was the twenty-eighth 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.

These are challenging times for the public sector and the City of Los Angeles. Wars, inflation, climate change and political upheaval pose global risks while our nation grapples with increasing economic, environmental and social disruption. In Los Angeles, we must not only cope with the problems of the present – we also have the responsibility for investing in a sustainable future. Both depend on transparency and accountability regarding our City's financial health.

Finally, 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 all those in our Office and citywide who made contributions to fully accounting for the City's revenues and expenses. At a time of staff shortages and resource constraints, their work is deeply valued and respected.

Respectfully submitted,


[Kenneth Mejia \(Jan 24, 2024 14:03 PST\)](#)

KENNETH MEJIA
Los Angeles City Controller

LETTER OF TRANSMITTAL

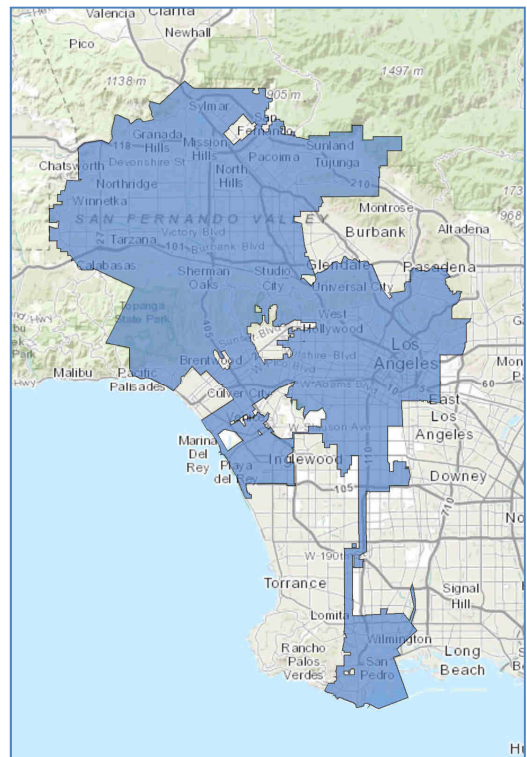
The Annual Comprehensive Financial Report (ACFR) is published annually by the City Controller (Controller) on the City of Los Angeles' (City) financial condition and results of operations at the conclusion of the fiscal year. The ACFR is issued as part of the Controller's City Charter mandate to monitor 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.

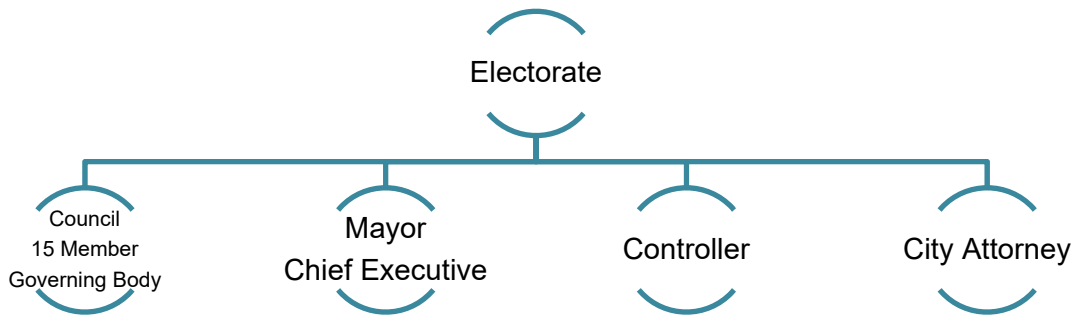
The Letter of Transmittal complements the ACFR as it provides context for the City's financial statements in presenting basic information on the profile of the government, local economy, major initiatives, and financial management policies of the City government.

I. Profile of the Government

The City of Los Angeles is the second most populous city in the nation with an estimated January 1, 2023 population of 3,766,109. 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 information presented in the financial statements may be better understood when it is viewed from the broader perspective of the economic and social environment within which the City operates. 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 2022, Los Angeles International Airport (LAX) was the sixth busiest airport in the world in terms of total passengers and ninth busiest in terms of total cargo metric tons. According to the U.S. DOT originating and destination (O&D) Survey of Airline Passenger Traffic for calendar year 2022, LAX had the largest number of domestic O&D passengers in the U.S. O&D passengers begin and end their journeys at LAX, while connecting passengers transfer to other flights at LAX.

The economic recovery from COVID-19 pandemic continued through fiscal year 2023 and resulted in a robust General Fund revenues growth for the City. The strong revenues allowed the City to end fiscal year 2023 in a solid financial position, with July 1, 2023 Reserve Fund balance of 648.3 million, an all-time high.

The fiscal year 2024 Budget assumes the City will continue to see strong revenues and projected a robust 6.1 percent growth in General Fund revenue over fiscal year 2023. However, after the first four months of fiscal year 2024, revenue was \$92.8 million below projections. There are several economic factors that could impact revenues and the overall City's fiscal position in the upcoming year.

Although the economic activities were largely stable during the first half of fiscal year 2024, there are indicators of some slowdown leading up to the second half of the fiscal year. According to the University of California (UCLA) Anderson Forecast, the employment picture in California looks different now than it did pre-pandemic. Jobs were lost in some sectors and created in others, while other jobs simply moved out of state as a result of remote work. Many of the new jobs are in different sectors than those where job loss was the most pronounced. In the logistics, technology (professional, technical and scientific services and information), construction, durable goods manufacturing and health care sectors, rapid job creation made up for more job losses in other sectors. While the California economy is growing faster than the U.S. economy, there is a risk that the high interest rates might still disrupt the current expansion on the downside. Even though recession worries have subsided, increased military conflict abroad and a sense of greater geopolitical risk has kept uncertainty about the future high. UCLA Forecast concluded that the uncertainty factor, combined with a slower-growing U.S. economy in 2024, suggests a slower-growing California economy in 2024.

The unemployment rate within the City of Los Angeles appears to be inching up as well. Although labor disputes involving SAG-AFTRA, Writers, and Longshore workers have subsided and thousands of their workers are now back to work in Los Angeles County, the Los Angeles Hotel workers strike is still unsettled. According to the Bureau of Labor Statistics, the unemployment rate for the Los Angeles-Long Beach-Anaheim metro area rose from 4.6 percent in November 2022 to 5.3 percent in November 2023.



Another factor is the higher mortgage interest rates, which continue to put downward pressure on real estate sales volume and prices. This has continued to negatively impact documentary tax receipt, a key revenue source for the City. According to the California Association of Realtors' November 2023 Sales Report, year-to-date statewide home sales were down 25.9 percent in November 2023, as home sales dropped to the lowest level since the Great Recession. In Los Angeles, although median price was up by 7.2 percent, sales volume declined by 5.1 percent compared to November 2022. Declining sales have already resulted in \$16.4 million in documentary transfer tax receipts shortfall during the first four months of fiscal year 2024, and if it continues, could further lower year-end receipts. Federal Reserve has hinted it plans to cut rates in 2024 which should allow more prospective homebuyers to reenter the market. However, the rate cuts are likely to come well after fiscal year 2024 has ended.

All these economic factors contribute to downward economic pressures which could negatively affect the City's economically sensitive revenue sources, and City's financial position in 2024.

III. Major Initiatives

The City is constantly undertaking many significant initiatives that are discussed at length in the City's annual budget documents. The increase in projected revenue from the 2024 budget continues paramount investments to reduce homelessness and improve public safety while being fiscally responsible with strong reserves to address uncertainties in the year ahead.

The 2024 budget reflects our values and invests in the most critical needs of our City, which highlights the following priorities, including confronting the emergency of homelessness and housing, keeping our City safe, community investments to address poverty and income inequality, protecting our environment and investing in our future, infrastructure and sustainability, animal services, and fiscal responsibility. Mayor Bass' first City budget includes an unprecedented \$1.3 billion investment to confront the homelessness crisis, including \$250 million for Inside Safe - the new citywide program to bring Angelenos inside and end street encampments. The budget also includes funding for bold methods to make Los Angeles' neighborhoods safer, strengthen the City's infrastructure, continue combating climate change and improve our City services.

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 2023, \$964 million in bonds have been issued, more than \$885 million has been spent, and the entirety of the approved funding has been allocated to projects. With Proposition HHH funding, we have completed 69 housing projects (4,274 units) while 40 projects (2,716 units) are currently under construction, and 26 projects are in the predevelopment stage.

Within that overall commitment, the budget breaks new ground to bring people inside from tents and encampments by committing \$250 million to Inside Safe. The budget funds the newly established Office within Mayor Bass' Administration that coordinates strategic housing and homelessness initiatives, including the City's response to the emergency declaration on homelessness, executive directives to lead a citywide increase in affordable housing production, and Inside Safe. This funding will also allow for the direct hiring of 13 outreach teams within Mayor Bass' Administration to be trained and deployed in support of Inside Safe.



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. Measure ULA mandates specific programs to increase the production and preservation of affordable housing, and to expand homelessness prevention programs throughout Los Angeles. Because this measure is still in litigation, the budget lays out Mayor Bass' vision by responsibly allocating \$150 million out of the total of over \$600 million collections projected for measure ULA.

- 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 \$15.1 billion, is projected to be completed in 2026. Projects include various terminal projects, a Landside Access Modernization Program, an Automated People Mover System, a Consolidated Rental Car Facility, 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 2033. The preliminary estimated cost of the projects included in the Next Capital Program is approximately \$15 billion, including an escalation reserve. Airports currently expects the Next Capital Program to have projects in the Airfield and Terminal Modernization Project, an expansion of the Midfield Satellite Concourse and various other improvements. From airside to landside, a transformation 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 2022-23 actual compliance and 2023-24 budgetary compliance.

Policy	2022-23	2023-24
Reserve Fund Policy		
July 1st Percent of General Fund Receipts	8.08%	8.20%
Budget Stabilization Fund Policy		
Growth of seven major General Fund tax receipts	9.48%	4.78%
Amount of Revenue Growth above 3.6%/4.3% (millions)	\$ 291.2	\$ 25.9
Amount of Deposit (millions)	\$ 72.8	\$ 2.1
Capital and Technology Improvement Policy		
1.5 Percent of General Fund Receipts	1.65%	2.02%
Financial Management Policy		
One-Time Revenue (millions)	\$ 192.3	\$ 245.0
One-Time Expenditures (millions)	\$ 344.0	\$ 488.0
Debt Management Policy		
Non-Voter	2.39%	2.54%
Total Approved	3.90%	4.22%



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 5.0 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 2022-23 and 2023-24 adjusted Reserve Fund cash balance was \$601.7 million and \$648.3 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 2023-24, the growth rate used to determine BSF contributions was recalculated to be 4.3 percent, based on the 20-year historical average of these tax revenues. Under the BSF Financial Policy, excess projected revenue in the 2023-24 Adopted Budget would be \$25.9 million, which was not enough growth to trigger a required appropriation to the BSF. While it is not required, the 2023-24 Adopted Budget included a \$2.1 million appropriation to BSF. The BSF began the fiscal year with a cash balance of \$195.8 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 2022-23 and 2023-24, the City budgeted approximately \$122.6 million and \$160.0 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 2023-24 Budget satisfies this policy by allocating \$245.0 million in one-time revenues towards \$488.0 million in one-time expenditures.



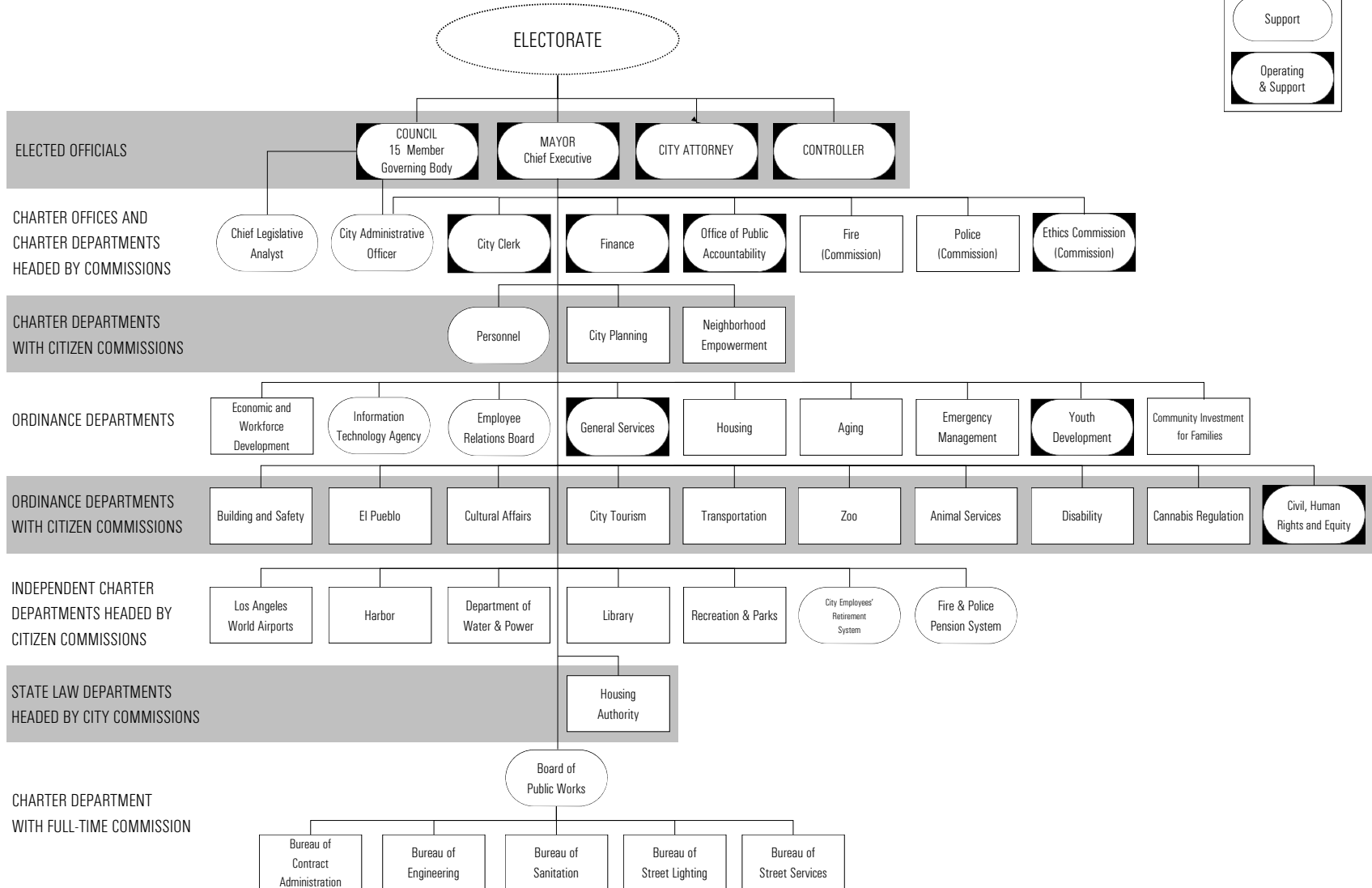
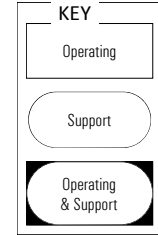
Debt Management Policy

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 6.0 percent of General Fund revenue and a total debt service cap of 15 percent of General Fund revenue. The 2022-23 and 2023-24 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 2022-23



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



Marqueece Harris-Dawson
District 8
President Pro Tempore



Bob Blumenfield
District 3
Asst. Pres. Pro Tempore



Eunisses Hernandez
District 1



Nithya Raman
District 4



Katy Yaroslavsky
District 5



Imelda Padilla
District 6



Monica Rodriguez
District 7



Curren D. Price, Jr.
District 9



Heather Huff
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 Mangioglou
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, 2022

Christopher P. Morill

Executive Director/CEO

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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, 2023, 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, 2023, 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
Business-type Activities:			
Airports, Water, Power and Harbor	91%	87%	91%
Each Major Enterprise Fund:			
Airports	100%	100%	100%
Water	100%	100%	100%
Power	100%	100%	100%
Harbor	100%	100%	100%
Aggregate Remaining Fund Information:			
Pensions, LACERS, and DWP Plans	89%	91%	66%

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 basic financial statements, effective as of July 1, 2022, the City adopted the provisions of Governmental Accounting Standards Board Statement No. 96, *Subscription-Based Information Technology Arrangements*. Our opinions are not modified with respect to this matter.

Responsibilities of Management 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 (asset) and related ratios, the other postemployment benefits (OPEB) plans schedules of employer contributions, the schedules of changes in net OPEB liability (asset) 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 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 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 24, 2024, 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.



Los Angeles, California
January 24, 2024

Management's Discussion and Analysis

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, 2023. 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 2023 by \$30.6 billion, an increase of \$2.0 billion over fiscal year 2022. The net position of \$30.6 billion consisted of: \$22.7 billion net investment in capital assets; \$6.9 billion restricted net position, which represents resources that are subject to certain restrictions on how they may be used; \$6.2 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 \$2.0 billion total change in net position, governmental activities represented \$476.9 million, while the business-type activities represented \$1.6 billion, including a beginning net position adjustment of \$30.0 million for the cumulative effects of the implementation of GASB Statement No. 96 "*Subscription-Based Information Technology Arrangements*."
- As of June 30, 2023, the aggregate fund balances of the City's governmental funds were \$8.6 billion, a net increase of \$1.2 billion from June 30, 2022. Of the aggregate fund balances, \$94.0 million or 1.1% were nonspendable, \$4.8 billion or 56.4% were restricted, \$2.0 billion or 23.0% were committed, \$400.3 million or 4.7% were assigned to specific purposes, and \$1.3 billion or 14.8% were unassigned.
- At the end of the fiscal year, the General Fund showed a fund balance of \$1.9 billion, of which \$69.9 million were nonspendable, \$397.4 million were assigned for various purposes, \$52.6 million were committed and \$1.3 billion were unassigned.
- The City's bonded debt and long-term notes payable at June 30, 2023 totaled \$39.2 billion, an increase of \$1.9 billion from the prior year's balance of \$37.3 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, community development, and interest on long-term debt. The business-type activities of the City include airports, harbor, power, water, sewer and convention center services.

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.

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 \$30.6 billion at the close of fiscal year 2023.

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

CITY OF LOS ANGELES
Condensed Statement of Net Position
(amounts expressed in thousands)

	Governmental Activities		Business-type Activities		Total	
	FY 2023	FY 2022	FY 2023	FY 2022	FY 2023	FY 2022
Assets						
Current and other assets	\$ 11,881,362	\$ 14,034,302	\$ 15,355,854	\$ 16,691,179	\$ 27,237,216	\$ 30,725,481
Capital assets	8,660,969	8,664,485	50,982,461	48,057,868	59,643,430	56,722,353
Total assets	20,542,331	22,698,787	66,338,315	64,749,047	86,880,646	87,447,834
Deferred outflows of resources	3,267,313	2,775,175	1,924,276	1,009,963	5,191,589	3,785,138
Liabilities						
Current and other liabilities	1,452,020	1,723,196	1,921,007	2,027,088	3,373,027	3,750,284
Long-term liabilities	15,130,131	10,998,191	40,283,118	36,541,234	55,413,249	47,539,425
Total liabilities	16,582,151	12,721,387	42,204,125	38,568,322	58,786,276	51,289,709
Deferred inflows of resources	1,217,694	7,219,698	1,480,455	4,174,451	2,698,149	11,394,149
Net position						
Net investment in capital assets	6,546,170	6,465,677	16,195,874	15,874,736	22,742,044	22,340,413
Restricted	4,690,933	4,307,318	2,182,942	1,786,986	6,873,875	6,094,304
Unrestricted	(5,227,304)	(5,240,118)	6,199,195	5,354,515	971,891	114,397
Total net position	\$ 6,009,799	\$ 5,532,877	\$ 24,578,011	\$ 23,016,237	\$ 30,587,810	\$ 28,549,114

Note: FY 2022 figures have not been restated for the effect of GASB 96.

Of the total net position, \$22.7 billion or 74.4% 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, \$6.9 billion or 22.5%, represents resources subject to various restrictions on how they may be used. The balance in unrestricted net position of \$971.9 million or 3.1% is the net amount of the governmental activities deficit of \$5.2 billion, and \$6.2 billion unrestricted net position that may be used to meet the City's obligations for its business-type activities.

Compared to the fiscal year 2022, net investment in capital assets increased by \$401.6 million or 1.8%. The restricted net position increased by \$779.6 million or 12.8% mainly due to increases in net position restricted for debt service, culture and recreation services, community development and housing programs, and other purposes for the Power system, while the unrestricted net position increased by \$857.5 million or 749.6%, primarily attributed to an increase from the unrestricted net position of business-type activities in the fiscal year 2023.

The deficit balance for the governmental activities unrestricted net position of \$5.2 billion was mainly due to the net pension liability of \$6.6 billion, net OPEB liability of \$1.1 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 \$2.9 billion or 5.2%. The decrease in governmental activities was \$3.5 million, and the increase in business-type activities was \$2.9 billion or 6.1%. For governmental activities, the slight decrease was primarily due to the addition of capital improvement projects, such as recreational, cultural and community centers, bridge housing, municipal facilities, and construction and rehabilitation of streets and bridges, offset by the increase in accumulated depreciation associated with the existing facilities and equipment and restatement of right-to-use (RTU) subscription assets associated with the implementation of GASB Statement No. 96 "Subscription-Based Information Technology Arrangements" (SBITA.)

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). Power improved the general infrastructure of power plants in the generation, transmission, distribution, and fuel resources, and Water improved its water infrastructure. In comparison, the Harbor's decrease in capital assets, net of depreciation and amortization, decreased as the accumulated depreciation associated with the Port's existing facilities and equipment more than offset the increase in new capital assets related to capital project development and construction in progress.

Current and Other Assets

Current and other assets decreased by \$3.5 billion or 11.4%. Governmental activities were \$2.2 billion or 15.3% lower, while business-type activities declined by \$1.3 billion or 8.0%.

Governmental activities' current and other assets went down mainly due to a combined decrease of \$2.9 billion in net pension and other postemployment benefits (OPEB) assets from unfavorable investment returns in the fiscal year 2023, offset by an increase of \$769.0 million in cash from various special revenue and debt service funds and General Fund.

Business-type activities' current and other assets declined mainly due to a combined decrease of \$1.9 billion in net pension and OPEB assets from unfavorable investment returns in the fiscal year 2023. The decrease was offset by all proprietary departments' combined increase of \$320.7 million in account receivables, as well as offset by an increase in unrestricted cash of \$341.6 million from Airports and Harbor funds as a result of increases in operating and investment activities that was offset by cash reductions from Power, Water, and Sewer funds.

Deferred outflows of resources went up by \$1.4 billion or 37.2%, 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 increased by \$7.9 billion or 16.6%. Business-type activities increased by \$3.8 billion or 10.2%, while governmental activities increased by \$4.1 billion or 37.6% from the prior year. Besides the net pension and OPEB liabilities increase of \$3.1 billion, governmental activities mainly increased in general obligation bonds payable of \$300.7 million, compensated absences liabilities of \$207.6 million, and claims and judgment liabilities of \$543.3 million. The business-type activities rose \$1.1 billion in net pension and OPEB liabilities, \$1.7 billion in bonds and notes payable from the long-term debt and commercial paper issuances by Airports, Water, Power, and Sewer funds, \$593.9 million in Public-Private and Public-Public Partnerships (PPP) availability payment liabilities as a result of the implementation of GASB Statement No. 94 *"Public-Private and Public-Public Partnerships and Availability Payment Arrangements"* by Airports fund.

Current and Other Liabilities

The City's current and other liabilities decreased by \$377.3 million or 10.1%. Governmental activities decreased by \$271.2 million or 15.7%, while business-type activities declined by \$106.1 million or 5.2% from the prior year. Governmental activities mainly decreased in unearned revenue of \$227.7 million, obligations under securities lending transactions of \$67.7 million, accounts payable and accrued expenses of \$4.5 million, and offset by an increase of \$27.9 million in other liabilities. Business-type activities primarily decreased in accounts payable and accrued expenses of \$199.1 million and obligations under securities lending transactions of \$63.1 million, and they were offset by a combined increase of \$153.8 million in accrued interest payable, deposits and advances, and line of credit.

Deferred inflows of resources decreased by \$8.7 billion or 76.3%, primarily due to a combined decrease of \$8.6 billion in deferred inflows from pensions and OPEB.

Net Position

Compared to the prior year, the total net position was higher by \$2.0 billion or 7.1%, with governmental activities up by \$476.9 million or 8.6% from the fiscal year 2022 net position of \$5.5 billion and business-type activities up by \$1.6 billion or 6.8%.

Net investment in capital assets increased by \$80.5 million for governmental activities and went up by \$321.1 million for business-type activities. The restricted net position went up by \$383.6 million for governmental activities, and the deficit in unrestricted net position decreased by \$12.8 million. The restricted net position increased by \$396.0 million for business-type activities, while the unrestricted net position increased by \$844.7 million.

The changes in restricted net position were increases of \$88.2 million for debt service, \$8.9 million for public safety, \$45.5 million for public works and sanitation, \$48.1 million for transportation, and \$105.0 million for culture and recreation activities, \$159.7 million for community development and housing, \$18.9 million for passenger/customer facility programs, and \$310.0 million for other purposes. Offsetting these increases were decreases of \$4.7 million for capital projects.

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)

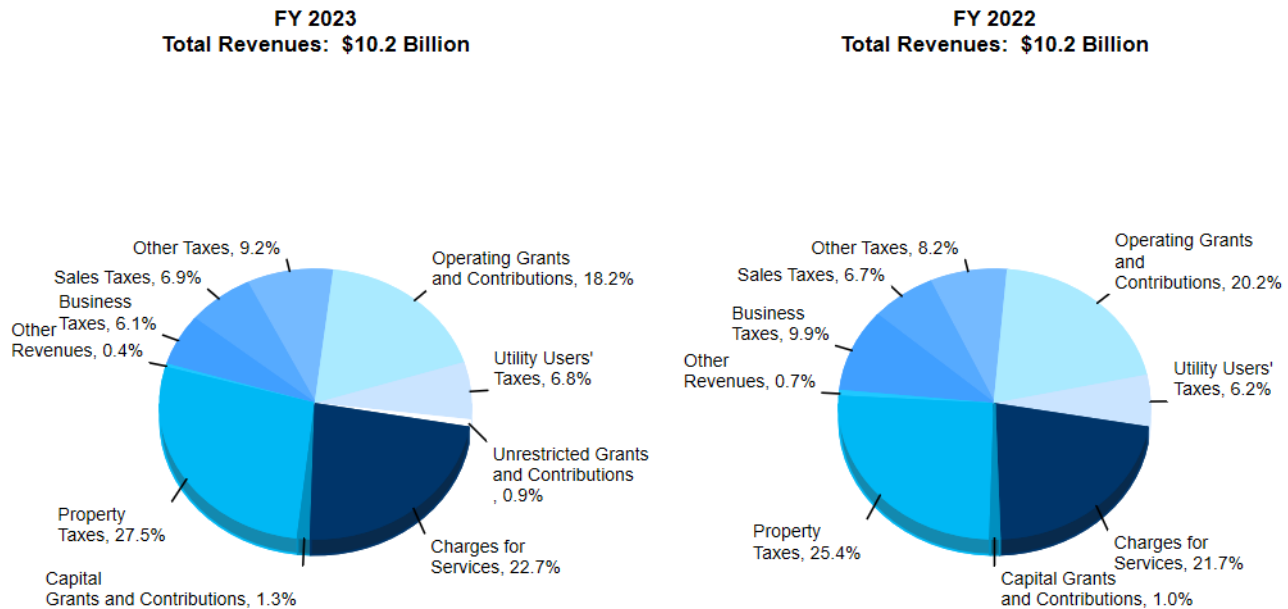
	Governmental Activities		Business-type Activities		Total	
	FY 2023	FY 2022	FY 2023	FY 2022	FY 2023	FY 2022
Revenues						
Program Revenues						
Charges for Services	\$ 2,320,295	\$ 2,235,290	\$ 9,854,989	\$ 9,009,490	\$ 12,175,284	\$ 11,244,780
Operating Grants and Contributions	1,857,329	2,086,187	119,074	367,456	1,976,403	2,453,643
Capital Grants and Contributions	136,257	99,390	616,983	211,269	753,240	310,659
General Revenues						
Property Taxes	2,819,290	2,628,691	--	--	2,819,290	2,628,691
Utility Users Taxes	698,003	634,186	--	--	698,003	634,186
Business Taxes	626,620	1,019,226	--	--	626,620	1,019,226
Sales Taxes	704,815	693,438	--	--	704,815	693,438
Other Taxes	935,405	842,715	--	--	935,405	842,715
Unrestricted Grants and Contributions	49,341	35,874	--	--	49,341	35,874
Unrestricted Investment Earnings (Losses)	36,818	(110,102)	154,710	(281,224)	191,528	(391,326)
Other Revenues	40,446	71,551	663,168	409,490	703,614	481,041
Total Revenues	10,224,619	10,236,446	11,408,924	9,716,481	21,633,543	19,952,927
Expenses						
General Government	2,331,602	1,726,188	--	--	2,331,602	1,726,188
Protection of Persons and Property	3,632,760	2,624,309	--	--	3,632,760	2,624,309
Public Works	642,030	513,475	--	--	642,030	513,475
Health and Sanitation	735,974	552,619	--	--	735,974	552,619
Transportation	641,789	563,804	--	--	641,789	563,804
Cultural and Recreational Services	822,487	713,767	--	--	822,487	713,767
Community Development	988,699	987,179	--	--	988,699	987,179
Interest on Long-Term Debt	154,114	98,054	--	--	154,114	98,054
Airports	--	--	2,050,387	1,742,407	2,050,387	1,742,407
Harbor	--	--	539,951	462,493	539,951	462,493
Power	--	--	4,698,985	4,370,903	4,698,985	4,370,903
Water	--	--	1,476,345	1,487,767	1,476,345	1,487,767
Sewer	--	--	793,809	669,062	793,809	669,062
Convention Center	--	--	55,917	43,337	55,917	43,337
Total Expenses	9,949,455	7,779,395	9,615,394	8,775,969	19,564,849	16,555,364
Excess of Revenues Over Expenses	275,164	2,457,051	1,793,530	940,512	2,068,694	3,397,563
Transfers	232,043	225,015	(232,043)	(225,015)	--	--
Increase in Net Position	507,207	2,682,066	1,561,487	715,497	2,068,694	3,397,563
Net Position - July 1, As Previously Reported	5,532,877	2,850,811	23,016,237	22,286,309	28,549,114	25,137,120
Change in Accounting Principle, GASB 96 Implementation	(30,285)	--	287	14,431	(29,998)	14,431
Net Position - July 1 Restated	5,502,592	2,850,811	23,016,524	22,300,740	28,519,116	25,151,551
Net Position - June 30	\$ 6,009,799	\$ 5,532,877	\$ 24,578,011	\$ 23,016,237	\$ 30,587,810	\$ 28,549,114

Note: FY 2022 figures have not been restated for the effect of GASB 96.

Governmental Activities

For the fiscal year ended June 30, 2023, total revenues of governmental activities were \$10.2 billion while total expenses were \$9.9 billion. Of the \$9.9 billion total expenses, 54.3% was funded by taxes and other general revenues, and the remaining 45.7% 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 2023 and 2022:



Revenues from charges for services of \$2.3 billion, property taxes of \$2.8 billion, and operating grants and contributions of \$1.9 billion were the three largest revenue sources for governmental activities. Together, these accounted for \$7.0 billion or 68.4% of total revenues.

With revenues from department and franchise activities recovered from business reopening and economic recovery, charges for services rose by \$85.0 million or 3.8% in the fiscal year 2023 compared to the fiscal year 2022. Various revenue sources contributed to this increase, including service fees from proprietary departments, charges for emergency services by the Fire Department, contributions from non-governmental sources for climate equity, affordable housing projects, LA28 youth support partnership, and recreational subdivision, municipal sports, sales revenues and fees from various recreational centers.

Operating grants and contributions decreased by \$228.9 million or 11.0%, mainly due to a decrease in the Federal grant revenue from the American Rescue Plan Act (ARPA) and Emergency rental assistance, and State grant for public safety, offset by cost reimbursement from the Federal Emergency Management Agency (FEMA) and increases in fair value of investments relating to invested proceeds of grant advances.

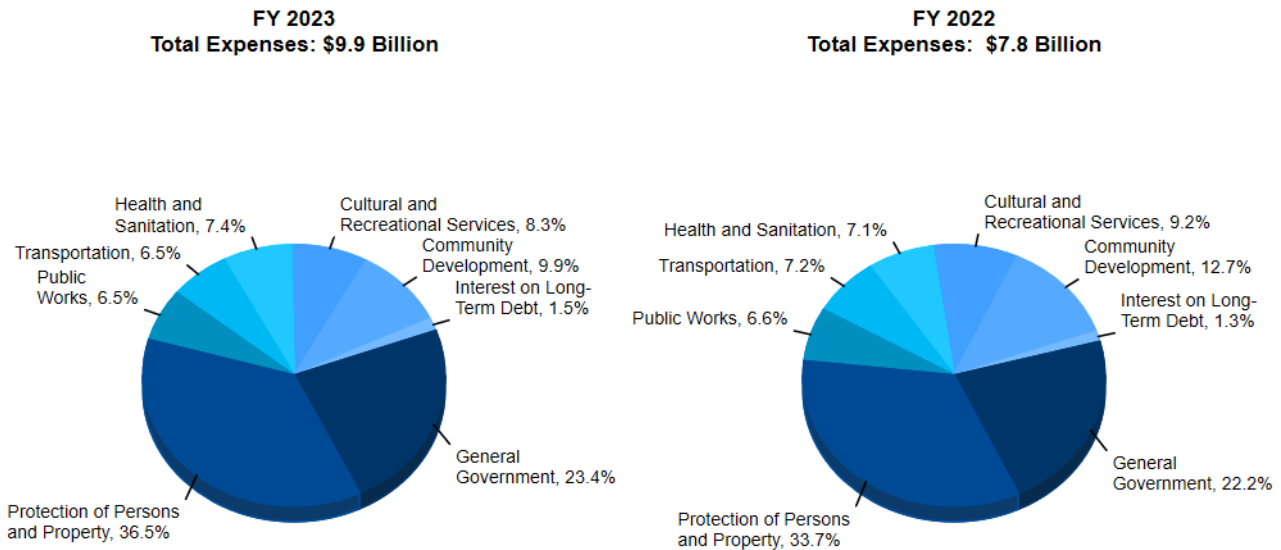
Capital grants and contributions were \$36.9 million higher than in fiscal year 2022, attributed to increased revenues in Federal grants for the Sixth Street viaduct project, State grants for various local transportation projects, and fair value of investments increase relating to invested proceeds of grant advances.

Management's Discussion and Analysis (Unaudited)

Property Tax revenue increased by \$190.6 million or 7.3% due to growth in the taxable assessed value of properties mirroring the growth of the real estate market. The decrease of \$392.6 million in Business Tax was mainly due to a decline in the estimated business tax receivable account by provisioning a higher uncollectible allowances percentage and adjusting estimated assessments based on the determination of taxable receipts. Sales Tax revenues increased by \$11.4 million, reflecting the improvement of economic activities from the post-pandemic reopening. Utility Users Taxes increased by \$63.8 million or 10.1%, attributed to Users Tax increase due to increased natural gas fuel prices and an increase in Electrical Users Tax revenues.

Other taxes were up by \$92.7 million or 11.0%, primarily attributed to robust increases in Transient Occupancy Tax, Parking Occupancy Tax, and various Franchise incomes from the economic recovery. At the same time, the reduction in Documentary Transfer Tax revenue offsets the above increases due to continued real estate sales volume and pricing declines. Combined unrestricted grants and contributions, investment earnings, and other revenues went up by \$129.3 million, mainly due to an increase in investment earnings and a change in the fair value of investments resulting from the higher interest rates, and the positive changes partially offset by a decrease from other revenues.

The following charts are graphical comparisons of the City's governmental expenses by function for fiscal years 2023 and 2022:



Total expenses increased by \$2.1 billion or 27.9% over the fiscal year 2022, which was comprised of increases in the following functions: general government of \$605.4 million, protection of persons and property of \$1.0 billion, public works of \$128.6 million, health and sanitation of \$183.4 million, transportation of \$78.0 million, cultural and recreational services of \$108.7 million, community development of \$1.5 million, and interest on long-term debt of \$56.1 million.

The major expense categories for the increases across functions were retirement, liability payouts, salaries and benefits, contract services and procurements, and interest expenses. Of these expense categories, the increase of \$1.0 billion was in net pension and OPEB related expenses for the Los Angeles Fire and Police Pension System (Pensions) and the City Employees' Retirement System (LACERS) due to the swing from the prior year's negative pension and OPEB expenses to the regular pension and OPEB expenses derived from net depreciation in the fair value of investments based on the measurement date as of the end of fiscal year 2022. A \$457.1 million increase in liability expenses was primarily tied to workers' compensation, tort, and non-tort liabilities estimates. An increase of \$421.8 million in salaries and benefits costs was mainly due to certain labor organization members for deferred compensation adjustments, cash awards, and compensated absences.

The net operating expenses for contractual services, procurement, operating equipment, supplies, and payments to outside agencies went up by \$212.7 million, and interest expenses were up by \$56.1 million due to higher interest rates.

Business-type Activities

The \$9.9 billion combined operating revenues of the City's six business-type activities were \$1.7 billion more than the \$8.2 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, 2023, the City's governmental funds reported combined fund balances of \$8.6 billion, an increase of \$1.2 billion from the previous fiscal year. Of the total fund balances, \$94.0 million were nonspendable associated with inventories, prepaid items and certain advances to other funds, \$4.8 billion were classified as restricted, \$2.0 billion were committed and \$400.3 million were assigned. The remaining balances of \$1.3 billion were classified as unassigned and mainly associated with the General Fund.

Governmental funds revenue totaled \$10.4 billion, while expenditures were \$9.9 billion. The revenues were \$438.6 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, 2023, the General Fund reported a total fund balance of \$1.9 billion, composed of \$69.9 million nonspendable primarily from inventories of \$49.6 million and advances to other funds of \$19.9 million; \$52.6 million committed; \$397.4 million assigned for general government purposes; and \$1.3 billion unassigned.

Annual Comprehensive Financial Report

Management's Discussion and Analysis (Unaudited)

The following table presents the summary of revenues and other financing sources and expenditures and other financing uses 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 2023	FY 2022	% Change	FY 2023	FY 2022	% Change
Revenues				Expenditures		
Property Taxes	\$ 2,658,390	\$ 2,492,320	6.7 %	General Government	\$ 1,585,693	\$ 1,573,832 0.8 %
Sales Taxes	704,915	694,218	1.5	Protection of Persons and Property	3,419,259	3,414,251 0.1
Utility Users Taxes	705,538	632,433	11.6	Public Works	259,554	201,042 29.1
Business Taxes	817,325	756,960	8.0	Health and Sanitation	210,706	164,898 27.8
Other Taxes	820,981	778,563	5.4	Transportation	125,186	139,871 (10.5)
Licenses and Permits	33,344	31,493	5.9	Cultural and Recreational Services	92,120	79,454 15.9
Intergovernmental	53,143	43,171	23.1	Community Development	163,922	108,209 51.5
Charges for Services	367,473	341,191	7.7	Capital Outlay	67,738	53,975 25.5
Services to Enterprise Funds	377,220	327,326	15.2	Debt Service - Principal	35,589	20,682 72.1
Fines	120,670	116,805	3.3	Debt Service - Interest	38,970	3,752 938.6
Special Assessments	2,592	2,691	(3.7)	Debt Service - Cost of Issuance	806	867 (7.0)
Investment Earnings	77,448	35,770	116.5	Total Expenditures	5,999,543	5,760,833 4.1
Change in Fair Value of Investments	(40,425)	(145,900)	72.3	Other Financing Uses		
Other	46,360	62,094	(25.3)	Transfers Out	864,763	1,060,079 (18.4)
Program Income	22	--	--	Total Expenditures and Other Financing Uses	\$ 6,864,306	\$ 6,820,912 0.6
Total Revenues	6,744,996	6,169,135	9.3			
Other Financing Sources						
Transfers In	460,094	910,652	(49.5)			
Lease and Subscription Liabilities Issued	15,102	14,842	1.8			
Total Revenues and Other Financing Sources	\$ 7,220,192	\$ 7,094,629	1.8			
Excess of Revenues Over Expenditures	\$ 745,453	\$ 408,302	82.6			
Net Change in Fund Balance	\$ 355,886	\$ 273,717	30.0			

Revenues and Other Financing Sources

The post-COVID-19 pandemic recovery, which started in the fiscal year 2022, continued through 2023 and resulted in robust growth in General Fund revenues for the City. With the City experiencing continued growth in most revenue sources, the City ended fiscal year 2023 with total General Fund revenues growing \$575.9 million or 9.3% above the previous fiscal year. Total taxes accounted for nearly \$5.7 billion or 84.6% of General Fund revenue. Overall, tax revenues grew by \$352.7 million or 6.6% from the prior year compared to an 11.9% increase in the fiscal year 2022.

Total Property Taxes, which represent 39.4% of General Fund revenue, increased by \$166.1 million or 6.7%, mainly due to growth in current secured property tax receipts of \$150.5 million and a combined increase of \$55.5 million from vehicle license fees (VLF) Replacement and Ex-Community Redevelopment Agency (CRA) tax increment receipts, and the increase offset by a decrease of \$45.8 million in prior secured property tax receipts.

Economy-sensitive revenues, including Sales, Business, and Utility Users taxes, reflected the steady improvements of the post-pandemic recovery and the City's solid fiscal position despite the ongoing economic pressures and inflation. Sales Tax revenues increased by \$10.7 million or 1.5% due to improvements in local economic activity. The increase in Business Tax revenues of \$60.4 million or 8.0% reflected the growth in non-cannabis business activity offset by a decrease in cannabis retail activity due to the impact of assessing the State excise tax at the point of sale, effectively reducing taxable gross receipts. Utility Users tax revenues, which consist of electric, gas, and communications users taxes, posted an increase of \$73.1 million or 11.6%. The rise comprised a growth of \$61.7 million in gas users tax and an increase of \$11.2 million in electrical users tax revenues attributed to increased energy prices and consumption. The flat receipt in Communications Users tax revenue reflects the slowing decline in the existing downward trend in phone service prices and landline usage.

Other tax revenues were up by \$42.4 million or 5.4%, mainly driven by the following tax revenues. Parking Occupancy Tax increased by \$21.4 million, proving slower to recover from pandemic-era lows. In contrast to Parking Occupancy Tax revenue, Transient Occupancy Tax, which experienced the most dramatic impact of the pandemic, recovered more quickly and posted a \$59.8 million increase. High natural gas prices contributed to the net \$63.6 million increase in franchise income. Offsetting the above increases, the reduction of \$100.4 million in Documentary Transfer Tax revenue is due to continued real estate sales volume and pricing declines.

Revenues for services provided to Enterprise Funds increased by \$49.9 million or 15.2%, primarily contributed by Power, Water, and Sewer funds. The revenues of service charges were \$26.3 million or 7.7% higher, mainly attributed to a \$33.4 million increase from Ground Emergency Medical Transportation for emergency services charges by the Fire department and partially offset by a decline in services provided to Los Angeles County Metropolitan Transportation Authority (LACMTA). Combined net investment earnings and other revenues were up \$131.4 million due to a total increase of \$147.2 million in investment earnings and a change in the fair value of investments resulting from the higher interest rates, and the positive changes partially offset by a \$15.7 million decrease from other revenues.

Expenditures and Other Financing Uses

Aligned with the growth rate of total General Fund revenues, the fiscal year 2023 total General Fund expenditures were \$6.0 billion, an increase of \$238.7 million or 4.1% 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 \$69.6 million or 1.9% compared to last year, mainly due to payments to certain labor organization members for deferred compensation adjustments and cash awards, and workers' compensation and liability payouts increased by \$49.4 million or 24.3%. In contrast, contributions to the LACERS and Pensions decreased by \$25.7 million or 3.6% compared to last year, primarily due to the lower covered payroll.

The total expenditures for contractual services, operating equipment, and supplies went up by \$86.2 million or 8.7%, 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 \$13.8 million or 25.5%, mainly attributed to the recognition of \$5.7 million in right-to-use (RTU) subscription contracts for GASB 96 implementation and a \$5.0 million increase in vehicle and transportation equipment acquisitions by Police and General Services Departments. Debt service payments increased by \$50.0 million, primarily attributed to the increase of \$34.9 million in Tax Revenue Anticipation Notes (TRAN) interest expenditures due to higher interest rates and \$12.2 million principal retirement for RTU subscription contracts.

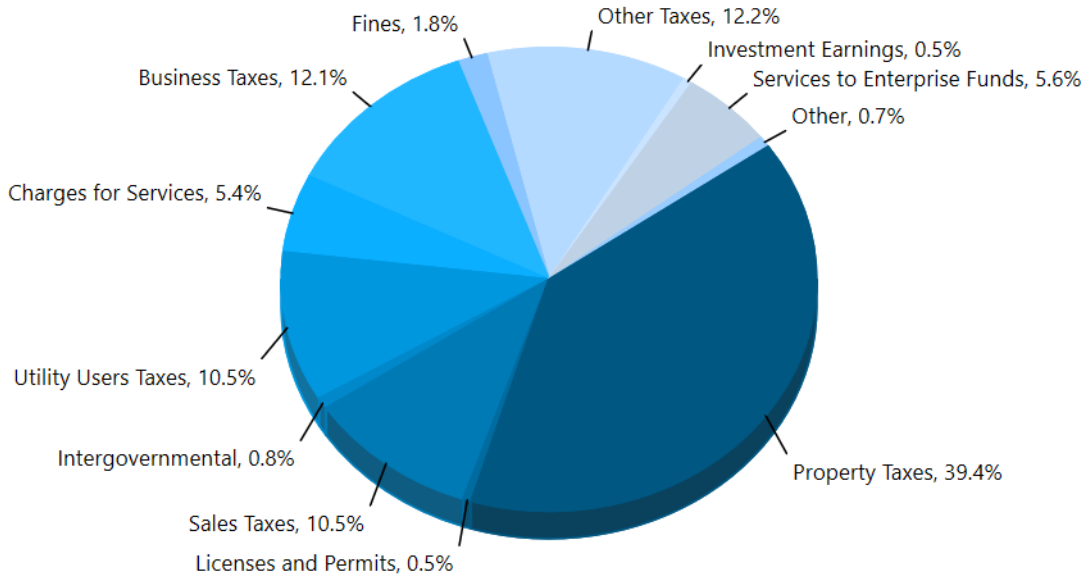
Overall, General Fund revenues exceeded expenditures by \$745.5 million, compared to \$408.3 million in the fiscal year 2022. Transfers in from other funds amounted to \$460.1 million, while transfers out amounted to \$864.8 million. The ARPA Fund transfer of \$197.2 million, Special Parking Revenue Fund of \$30.4 million, and the Power Enterprise Fund transfer of \$232.0 million largely accounted for most transfers in. The \$864.8 million transfers out included \$221.9 million for debt service obligations, \$278.7 million for parks and recreational operation and facilities, \$227.0 million for libraries, \$33.8 million for housing and community programs, \$3.5 million for public safety, \$43.3 million for public works, sanitation, and transportation, \$23.9 million for arts and cultural facilities, and \$32.7 million

for other departmental operations.

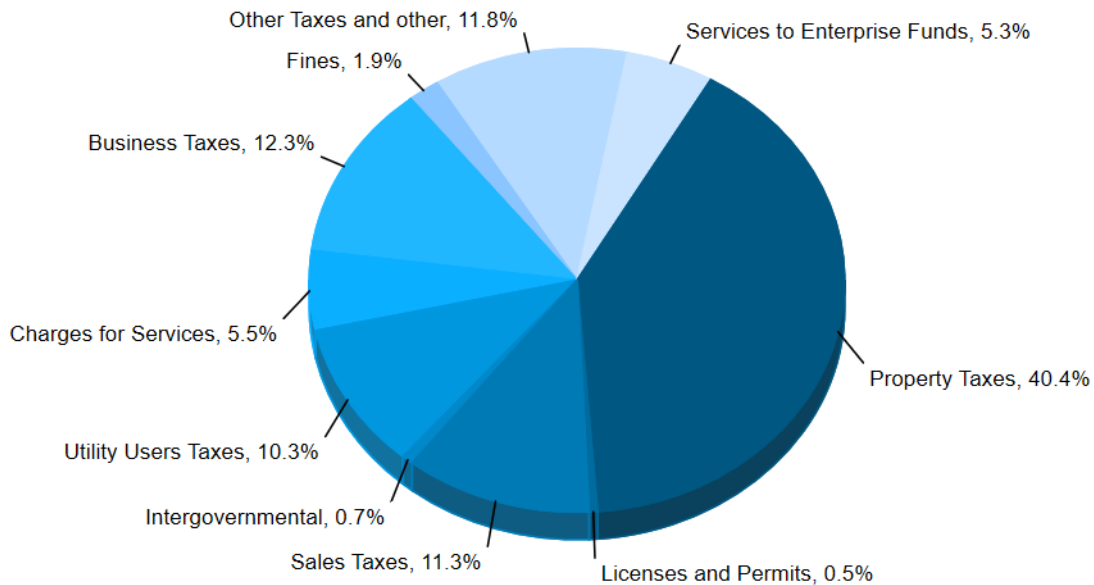
The net changes of the above items contributed to a year-end fund balance of \$1.9 billion, increasing \$355.9 million from the prior year's fund balance of \$1.5 billion.

The following charts are graphical comparisons between June 30, 2023 and 2022, for General Fund revenues by source and expenditures by function:

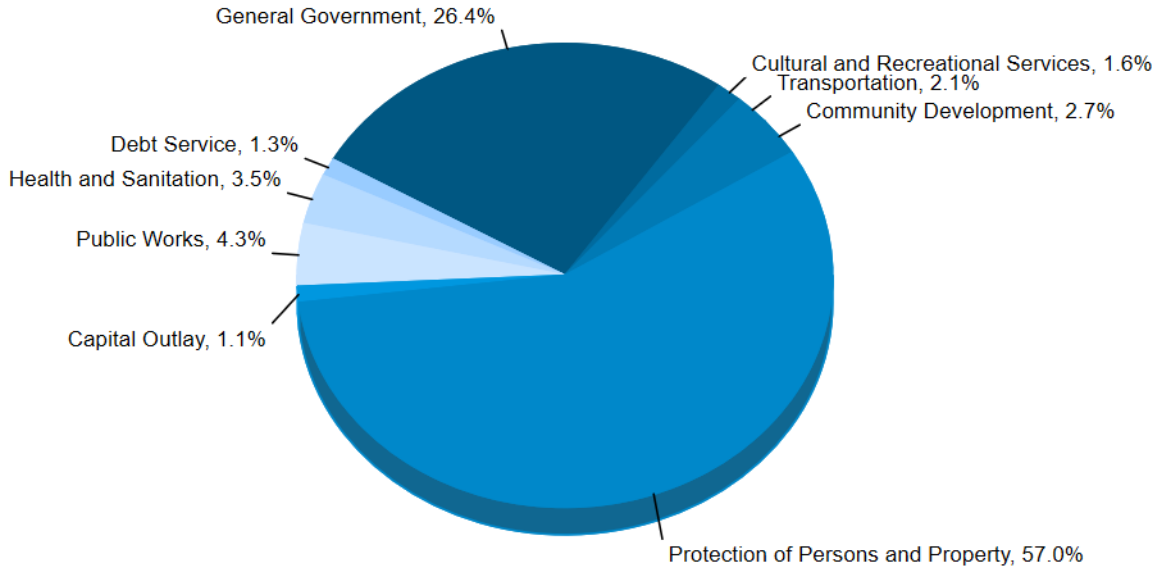
**General Fund Revenues by Source : \$6.7 Billion
Fiscal Year Ended June 30, 2023**



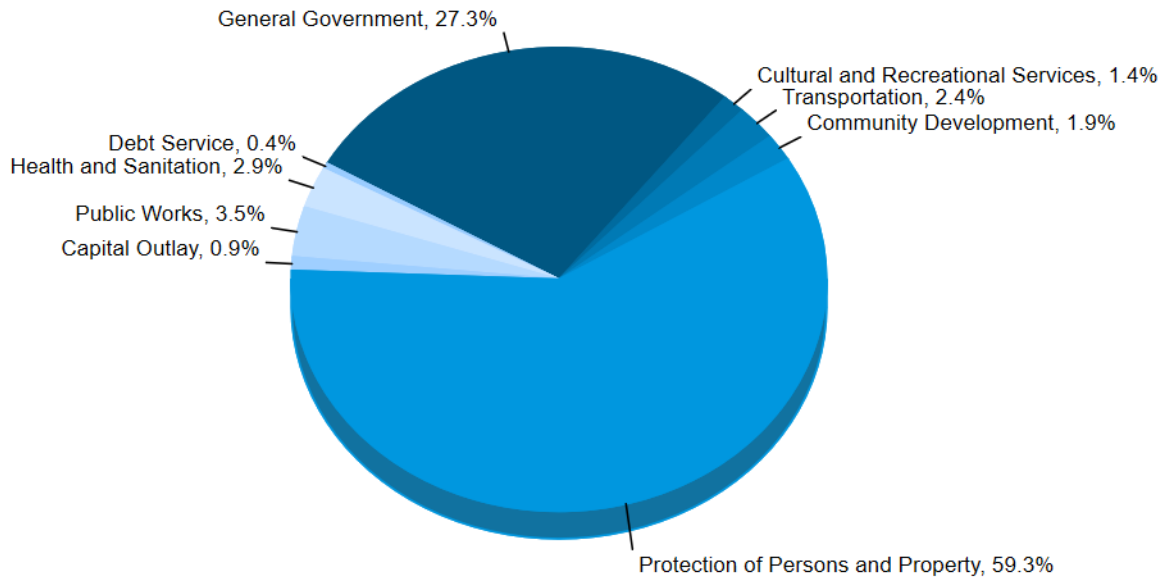
**General Fund Revenues by Source : \$6.2 Billion
Fiscal Year Ended June 30, 2022**



General Fund Expenditures by Function : \$6.0 Billion
Fiscal Year Ended June 30, 2023



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



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, 2023, the MICLA Special Revenue and Debt Service Funds reported a total restricted fund balance of \$132.6 million, composed of \$11.2 million in the special revenue fund and \$121.4 million in the debt service fund.

At June 30, 2023, the MICLA Special Revenue Fund reported a restricted fund balance of \$11.2 million, which decreased by \$6.8 million from the prior year. Total MICLA Special Revenue Fund revenues went up approximately by \$1.4 million, primarily due to a growth in the interest earnings and investment's fair value and total expenditures were up by \$46.6 million due to an increase in capital acquisitions. Although the total expenditures exceeded revenues by \$141.0 million, compared to \$95.8 million in the fiscal year 2022, the issuance of long-term debt of \$134.0 million from other financing sources bridged the gap.

At June 30, 2023, the MICLA Debt Service Fund reported a total restricted fund balance of \$121.4 million, which decreased by \$6.0 million from the prior year. Total MICLA Debt Service Fund revenues slightly went up by \$313.0 thousand, while total expenditures decreased by \$187.7 million, mainly attributed to a decrease of \$192.4 million in principal payments. Although total expenditures exceeded revenues by \$215.0 million, compared to \$403.0 million in the prior year, lease payments of \$209.1 million from the General Fund and certain Special Revenue Funds bridged the gap.

As a result of the above financial changes, the combined MICLA Funds' decrease in fund balances for the fiscal year 2023 amounted to \$12.9 million.

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:

**Business-type Activities
Change in Net Position
For the Fiscal Year Ended June 30, 2023
(amounts expressed in thousands)**

	Airports	Harbor	Power	Water	Sewer	Nonmajor Convention Center	Total
Operating Revenues	\$ 1,752,855	\$ 656,400	\$ 4,958,539	\$ 1,661,278	\$ 775,945	\$ 49,972	\$ 9,854,989
Operating Expenses	(1,550,604)	(494,289)	(4,216,363)	(1,243,239)	(634,984)	(55,917)	(8,195,396)
Operating Income (Loss)	202,251	162,111	742,176	418,039	140,961	(5,945)	1,659,593
Net Nonoperating Revenues (Expenses)	(182,776)	4,345	14,697	(197,624)	(121,807)	119	(483,046)
Capital Contributions	394,231	43,505	76,942	92,820	9,485	--	616,983
Transfers Out	--	--	(232,043)	--	--	--	(232,043)
Change in Net Position	\$ 413,706	\$ 209,961	\$ 601,772	\$ 313,235	\$ 28,639	\$ (5,826)	\$ 1,561,487

**Business-type Activities
Change in Net Position
For the Fiscal Year Ended June 30, 2022
(amounts expressed in thousands)**

	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

Note: FY 2022 figures have not been restated for the effect of GASB 96.

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 17,000 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 \$1.8 billion, a \$344.9 million or 24.5% increase from fiscal year 2022. Aviation revenue increased by \$261.1 million, and non-aviation revenue increased by \$83.8 million with a \$81.2 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 16.9% increase in passenger traffic. Landing fees increased by \$77.9 million, or 31.1%. Building rental revenues increased by \$174.0 million or 26.8%, mainly attributable to the increased costs of \$103.1 million or 17.7% due to the increased costs in improvements and refurbishments in the terminals recovered under the Terminal Rate Agreement, an increase in terminal use fees of \$73.2 million or 123.7% due to an increase of FIS Fees by 59.3% per deplaned international passenger and an increase of 63.0% in international passenger activity, offset by a decrease of \$2.2 million or 262.1% in building rental revenue. Land rental revenue increased by \$10.7 million mainly due to 5-year fair market adjustments, and 8.5% CPI adjustments effective July 1, 2022. The increase was offset by a decrease of \$1.6 million or 181.8% in land rental revenue recognized in accordance with GASB 87, Leases. Total revenue from concessions was higher by \$447.5 million or 22.2%, mainly a result of the 16.9% increase in passenger traffic.

Airports total operating expenses were \$1.6 billion, a \$177.5 million or 12.9% increase over the prior fiscal year. There was a \$77.7 million or 21.2% increase in salaries and benefits. Contractual services increased by \$24.3 million primarily across the board among all contractual expenses as a result of the increase in passenger traffic causing a higher demand for services. Materials and supplies increased by \$1.1 million mainly due to an increase of \$2.0 million in custodial supplies and services, an increase of \$1.5 million in electric maintenance materials, an increase of \$0.9 million in automotive equipment, an increase of \$0.7 million in air conditioning repair and materials, and an increase of \$0.6 million in field paint, supplies and services, offset by \$4.6 million decrease in materials and supplies expenses due to less leases. Utilities expenses increased by \$9.8 million. The increase was primarily driven by an increase of \$7.4 million in electricity, an increase of \$3.2 million in gas expenses, and an increase of \$0.5 million in telephone expenses, offset by a decrease in water charges of \$1.2 million. The increase in utilities was primarily a result of the increase in passenger traffic, in addition to the increase in utility rates in fiscal year 2023. Depreciation charges increased by \$61.8 million due to the capitalization of approximately \$2.3 billion in capital assets resulting in the addition of about \$49.7 million in depreciation of newly capitalized assets which include \$9.3 million of Terminal 1.5, \$7.9 million of Terminal 3, \$7.8 million of Terminal 2 and 3 Central Headhouse, \$7.7 million of Terminal 5, \$7.0 million of Terminal 2, \$4.4 million of Terminal 4, \$1.6 million of Terminal 4.5, \$1.5 million of Terminal 6 and \$5.6 million of others. The increase was partially offset by decrease in depreciation of fully depreciated and retired assets of \$3.1 million.

Airports nonoperating revenue increased by \$191.2 million due to a \$19.5 million increase in passenger facility charges, a \$5.5 million increase in customer facility charges, a \$11.4 million increase in other nonoperating revenue, a \$155.9 million increase in interest and investment income, offset by a \$1.1 million decrease in interest income from leases. Nonoperating expenses increased by \$130.2 million due to \$65.2 million increase in interest expense, and a \$65.0 million increase 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 2023 amounted to \$413.7 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 \$656.4 million, reflecting a 4.5% increase from the prior year's revenue of \$627.8 million. The increase was primarily due to higher rental revenues, higher clean truck program utilization, higher space assignment rates, and higher harbor maintenance tax receipts. Harbor derives its operating revenues mainly from shipping services, rentals, and fees from royalties, concessions, and other fees. Shipping services decreased by \$37.8 million mainly due to a \$36.9 million wharfage revenue decrease due to lower cargo volumes and a \$0.9 million decrease from dockage, demurrage and pilotage revenues, offset by an increase in assignment revenues.

Harbor's operating expenses, excluding depreciation, increased by \$45.5 million to \$299.4 million, or 17.9% increase compared to the prior fiscal year. Salaries and benefits expenses, including pension and OPEB expenses increased by \$19.3 million, or 15.8% higher than the prior year due to increases in pension and OPEB expenses offset by a decrease of \$2.0 million in salary and employee benefit expenses. Payments for City services increased by \$2.3 million due to higher fire service and City attorney services, partially offset by lower recreation and park services and City administrative office services. Outside services increased by \$5.4 million due to staffing shortage in construction and maintenance, price increases for parts and materials, higher spending in development activities related to the Port Optimizer project, environmental monitoring station, development activities for the Green Shipping Corridor, and regulatory support, and higher spending in other contractual services supporting Harbor's operations. Other operating expenses (including workers' compensation claims and settlement expenses and clean truck program expenses) increased by \$23.4 million due to higher provisioning for workers' compensation liabilities, higher provisioning for litigation and claim expenses, higher accrued subsidies for clean truck programs, higher container incentive payouts, higher cruise incentive payouts, higher insurance premiums, and higher pollution remediation expense offset by lower payouts on taxes, assessments, and other expenses.

Nonoperating revenues increased by \$12.0 million due to higher pass-through and noncapital grant revenues by \$12.4 million, higher income from an investment in the Intermodal Container Transfer Facility Joint Powers Authority by \$0.4 million and higher net investment income of \$4.5 million. These increases were partially offset by a lower other nonoperating revenues in settlement recovery by \$5.3 million. Nonoperating expenses decreased by \$62.7 million due to favorable variances with respect to net investment loss by \$47.7 million from investment value fluctuations, lower capital projects closed to expense by \$22.4 million, lower interest expenses and other miscellaneous costs by \$1.3 million. These decreases were partially offset by \$8.7 million from higher pass-through grant expenditures.

As a result of the above financial changes and capital contributions of \$43.5 million, the Harbor Enterprise Fund's change in net position for fiscal year 2023 was \$210.0 million, an increase of 25.0% compared to the change in net position for fiscal year 2022.

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 \$364.8 million or 7.9% from the prior fiscal year primarily due to an increase of \$153.4 million in total revenue from retail customers due to an overall increase in consumption, an increase of \$96.2 million in Sales for Resale, a \$5.8 million increase in other revenue, and a \$109.3 million decrease in uncollectible accounts.

Power's operating expenses were \$423.6 million higher as compared to fiscal year 2022, driven primarily by an increase of \$139.4 million maintenance and other operating expenses, a \$139.2 million increase in purchased power, a \$107.7 million increase in fuel for generation, and \$37.3 million increase in depreciation and amortization expense. The increase in maintenance and other operating expenses was mainly contributed by the \$57.3 million increase in maintenance expense for utility plant assets and increase of \$82.1 million in other operating expenses. The \$57.3 million maintenance costs increase include \$27.3 million higher year-over-year maintenance costs for distribution plant; \$13.0 million maintenance of transmission plant; \$10.0 million maintenance of steam plant; and \$7.0 million maintenance costs for hydraulic plant. The \$82.1 million increase in other operating expenses is mainly due to an increase of \$31.1 million in production expense, a \$21.0 million increase in distribution expense, a \$12.0 million in customer service expense, a \$7.0 million increase in transmission expense, an increase of \$6.0 million in administrative and general corporate expense, and a \$5.0 million increase in marketing expense. The \$139.2 million increase in purchased power costs can be primarily attributed to higher year-over-year costs of generating energy and California Independent System Operator energy purchases. The \$107.7 million increase in fuel for generation is primarily due to higher year-over-year natural gas prices. The \$37.3 million increase in the depreciation and amortization expense can mainly be attributed to year-over-year increases in depreciation for distribution plant, \$15.3 million; generation plant, \$5.0 million, general (corporate) plant, \$2.0 million; transmission plant, \$1.0 million; and amortization of intangible plant including software and regulatory assets; \$14.0 million.

The major nonoperating activities of Power for fiscal year 2023 included the transfer of \$232.0 million to the City's General Fund, grant revenues and corresponding grant expenses of \$76.1 million, \$345.6 million in other nonoperating income net of other nonoperating expenses, \$25.5 million in federal bond subsidies, investment income of \$42.7 million, and \$399.1 million in debt expenses. The \$160.8 million increase in investment income can be primarily attributed to the change in the fair value of the general pool investment between fiscal year 2022 and fiscal year 2023. The \$254.6 million increase in other nonoperating income is due mainly to an increase in revenue recognized for emissions reduction credits. The \$28.1 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 \$76.9 million, Power's change in net position for fiscal year 2023 amounted to \$601.8 million, which is 95.8% higher than the change in net position for fiscal year 2022.

Water

During fiscal year 2023, operating revenues increased by \$54.6 million, or 3.4%, from fiscal year 2022, primarily due to a higher multi-dwelling billing rate per unit (HCF) and accrued unbilled revenue that resulted from lower sales due to record rainfall.

Operating expenses for fiscal year 2023 were \$43.1 million higher, attributed to an increase of \$17.4 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 \$133.4 million higher as compared to the prior year. The increase is primarily comprised of an increase in total maintenance of \$37.9 million and other operating expenses of \$95.5 million. Other operating expenses included a net increase due to source of supply, distribution, purification, and administrative and general corporate expenses, offset by a 28% increase in water supplied by the aqueduct and runoff available from snowfall, which decreased the purchases for water.

Nonoperating revenues (expenses), net expenses was \$17.5 million lower than in fiscal year 2022. Although interest expense on debt was \$10.4 million higher in fiscal year 2023, it was offsetted by the \$27.9 million increase in nonoperating income which was primarily attributed to a \$47.3 million increase in investment income, offset by a decrease in overall other nonoperating income (expenses) of \$9.6 million, and a decrease in other nonoperating income of \$9.8 million.

As a result of the above financial changes and capital contributions of \$92.8 million, the Water Enterprise Fund's change in net position for the fiscal year 2023 was \$313.2 million, or 34.7% higher than the prior year's change in net position.

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 2023, Sewer generated total operating revenues of \$775.9 million, an increase of \$36.3 million or 4.9% from fiscal year 2022. Sewer Service Charges increased by \$16.2 million or 2.4% from fiscal year 2022, generating \$686.7 million or 88.5% of the total operating revenues.

Sewer's major operating expenses include operations, maintenance, and reimbursements to the General Fund for services rendered to Sewer. Sewer's operating expenses for the fiscal year 2023 were \$635.0 million, an increase of \$88.1 million or 16.1% as compared to fiscal year 2022 due to increases in reimbursements to the General Fund, and Special Purpose Fund expense. Operations and maintenance comprised 72.4% and depreciation expense was 27.6% of the total operating expenses.

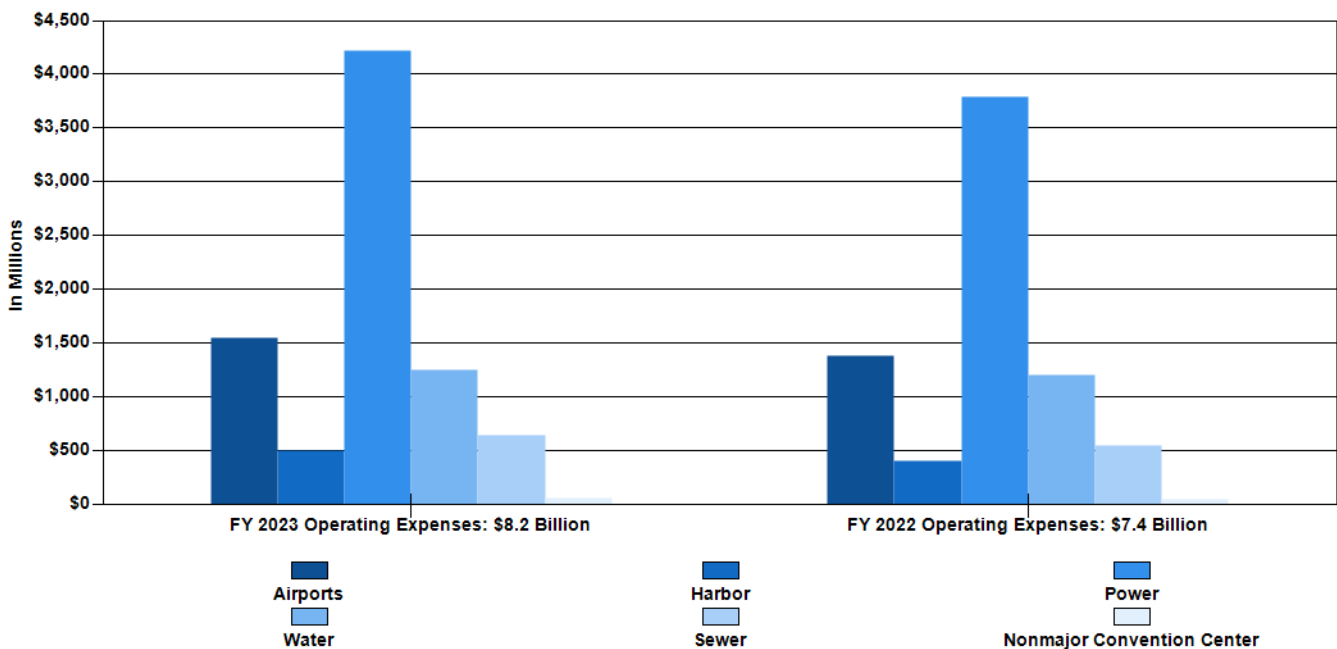
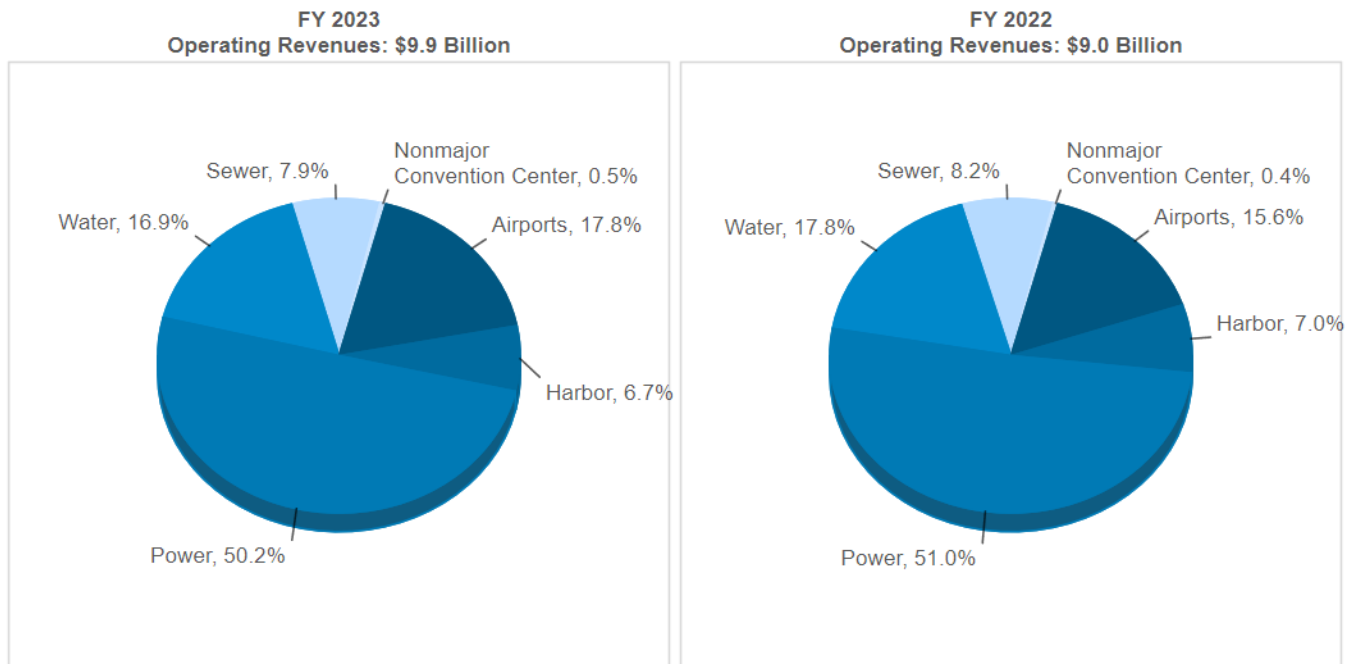
Major components of nonoperating revenues include investment income, lease and rentals, revenue from recycled water sales, non-recurring fees, and other nonoperating revenues. The interest rate on Sewer's investment pool reflects current economic trends and averaged 3.1% in fiscal year 2023, an increase of 2.6% from the fiscal year 2022. The Sewer's investment income for fiscal year 2023 increased by \$19.2 million or 499.9% due to higher interest rates and investments.

Major components of nonoperating expenses are interest, loss on abandonment of capital assets, litigation settlements, financial advisory, and bond expenses. Sewer's interest expense for fiscal year 2023 decreased by \$20.8 million or 17.1% as compared to 2022 driven primarily by a reduction in interest paid on Senior and Subordinate Bonds.

Management's Discussion and Analysis (Unaudited)

Total other nonoperating expenses were \$61.1 million higher than the \$4.1 million in 2022 mainly due to an increase in litigation expenses of which \$57.5 million were paid out for settlement of the Hoffman v. City class action lawsuit regarding the Dry Winter Compensation Factor (DWCF). Loss on Abandonment of Fixed Assets also contributed to the increase. As a result of the above financial changes, including capital contributions of \$9.5 million, Sewer's change in net position for fiscal year 2023 was \$28.6 million, which is 84.2% lower than the change in net position for fiscal year 2022.

The following charts are graphical comparisons between June 30, 2023 and 2022, 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."

2023 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, 2023
(amounts expressed in thousands)**

	Budgeted Amounts		Budgetary	Variance with
	Original	Final	Basis Actual Amounts	Final Budget Above (Below)
Revenues and Other Financing Sources				
Taxes	\$ 5,592,228	\$ 5,706,805	\$ 5,780,919	\$ 74,114
Licenses, Permits, Fees and Fines	1,402,944	1,358,615	1,340,360	(18,255)
Intergovernmental	125,983	137,170	110,474	(26,696)
Interest	36,610	53,000	59,911	6,911
Other	11,489	11,810	11,740	(70)
Total Revenues	7,169,254	7,267,400	7,303,404	36,004
Power Transfer	229,721	232,043	232,043	--
Transfers from Other Funds	1,342,011	1,928,419	1,658,843	(269,576)
Total Revenues and Other Financing Sources	8,740,986	9,427,862	9,194,290	(233,572)
Expenditures and Other Financing Uses				
General Government	2,285,042	2,549,093	2,134,830	(414,263)
Protection of Persons and Property	2,829,852	2,944,081	2,879,207	(64,874)
Public Works	477,292	571,177	515,486	(55,691)
Health and Sanitation	393,092	392,812	359,463	(33,349)
Transportation	203,722	206,184	188,229	(17,955)
Cultural and Recreational Services	54,535	61,335	49,316	(12,019)
Community Development	203,646	233,215	196,434	(36,781)
Pension and Retirement Contributions	2,429	2,656	2,656	--
Capital Outlay	153,641	141,407	36,841	(104,566)
Total Expenditures	6,603,251	7,101,960	6,362,462	(739,498)
Repayment of Loans from Other Funds	--	--	49,679	49,679
Loans to Other Funds	--	--	351	351
Transfers to Other Funds	2,242,281	2,325,902	2,300,890	(25,012)
Total Expenditures and Other Financing Uses	8,845,532	9,427,862	8,713,382	(714,480)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(104,546)	--	480,908	480,908
Fund Balance, July 1	104,546	104,546	--	(104,546)
Appropriation of Fund Balance and Carryforward Appropriations	--	(104,546)	--	104,546
Encumbrances Lapsed	--	--	41,898	41,898
Reversion to Reserve Fund	--	--	(522,806)	(522,806)
Fund Balance, June 30	\$ --	\$ --	\$ --	\$ --

General Fund Revenues and Other Financing Sources

In the fiscal year 2023, total actual revenues and other financing sources were below the final budget by \$233.6 million or 2.5%, primarily due to transfers from other funds finishing the year with \$269.6 million lower than projected. Total combined grant receipts, licenses, permits, fees and fines fell short of \$45.0 million from the budgeted amount, offset by higher-than-expected actual tax receipts of \$74.1 million and \$7.0 million in interest income.

Property taxes were \$18.9 million above the budget, primarily due to the higher-than-expected property tax receipts resulting from a steady growth in property assessed value. All other taxes remain strong compared to the budget estimates, except for sales tax, which shows a lower-than-expected sales revenue during the fiscal year.

Franchise Income and Utility tax were higher by \$22.9 million and \$7.0 million, respectively, compared to the budget due to an increase in energy and natural gas prices than projected. Transient occupancy tax revenue was also higher by \$2.2 million than anticipated due to higher hotel receipts, demonstrated by more robust travel and leisure activities.

Delayed cost reimbursement from the State resulted in a \$26.7 million lower than anticipated revenues from grant receipts. A shortfall of \$18.3 million in Licenses, Permits, Fees and Fines was the result of lower-than-anticipated related cost reimbursement from various funds during the fiscal year.

General Fund Expenditures and Other Financing Uses

The General Fund's actual expenditures were below budget by \$739.5 million or 10.4%. All categories of spending were lower than the final budget. The general government's actual expenditures were \$414.3 million lower than estimates, mainly due to the unexpended appropriations during the fiscal year, including unused and set-aside resources in salaries, contractual services, construction materials, climate equity fund programs, Covid-19 emergency response, homelessness emergency account, and other various City projects and programs.

The \$714.5 million lower expenditures and other financing uses and lapsed encumbrances of \$41.9 million were offset by a combined \$233.6 million lower budgeted revenues and other financing sources. As a result, a total of \$522.8 million was reverted from the General Fund to the Reserve Fund at fiscal year-end.

LONG-TERM DEBT

At June 30, 2023 the City's bonded indebtedness and long-term notes payable totaled \$39.2 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 2023	FY 2022	FY 2023	FY 2022	FY 2023	FY 2022
Debt Backed by the City						
General Obligation Bonds	\$ 1,054,340	\$ 751,697	\$ --	\$ --	\$ 1,054,340	\$ 751,697
Debt Secured by Specified Revenue Sources						
Lease Revenue Bonds	1,374,872	1,511,541	--	--	1,374,872	1,511,541
Direct Placements	40,133	50,341	--	--	40,133	50,341
Revenue Bonds and Notes Payable	460,782	374,604	36,189,656	34,558,909	36,650,438	34,933,513
Other Loan Obligations	49,915	69,213	--	--	49,915	69,213
Total	\$ 2,980,042	\$ 2,757,396	\$ 36,189,656	\$ 34,558,909	\$ 39,169,698	\$ 37,316,305

Significant new issuances during the year included the following:

- The City issued General Obligation Bonds (GOB) Series 2022-A Proposition HHH for \$389.4 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.
- Airports issued \$602.8 million of LAX senior revenue bonds 2022 Series G, \$373.7 million of LAX senior revenue bonds 2022 Series H, and \$206.8 million of LAX senior refunding and revenue bonds 2022 Series I to fund certain capital projects at LAX and refund a portion of the outstanding commercial paper notes. In addition, \$248.0 million of LAX subordinate refunding revenue bonds 2023 Series A and \$46.9 million of LAX subordinate refunding revenue bonds 2023 Series B to refund senior revenue bonds 2013 Series A, subordinate revenue bonds Series B and refund a portion of the outstanding commercial paper notes.
- Power issued \$28.5 million of Power System Revenue Bonds, 2022 Series D to refund a portion of the outstanding Power System Revenue Bonds, 2018 Series B, \$238.1 million of Power System Revenue Bonds, 2022 Series E to refund a portion of the outstanding Power System Revenue Bonds, 2013 Series A, \$308.0 million of Power System Revenue Bonds, 2023 Series A to refund a portion of the outstanding Power System Revenue Bonds, 2012 Series A, a portion of the outstanding Power System Revenue Bonds, 2013 Series A, and all of the outstanding Power System Revenue Bonds, 2013 Series B, \$100.0 million of Power System Revenue Bonds, 2023 Series B to pay for capital improvements, and \$350.0 million of Power System Variable Rate Demand Revenue Bonds, 2023 Series C to pay for capital improvements.
- Water issued \$399.7 million of Water System Revenue Bonds, 2022 Series D, to pay for budgeted capital improvements and refund all of the outstanding Water System Revenue Bonds, 2013 Series A, and \$495.5 million of Water System Revenue Bonds, 2023 Series A to pay for budgeted capital improvements and refund all of the outstanding Water System Revenue Bonds, 2013 Series B.
- Sewer issued four series of tax-exempt commercial paper notes totaling \$120.0 million.

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, 2023, 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
<u>Governmental Activities</u>				
General Obligation Bonds	Aa2	AA	AAA	AA+
MICLA Lease Revenue Obligations ¹	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
<u>Business-type Activities</u>				
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

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

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 2023, the ratios were 3.9% for overall debt and 2.4% for non-voter approved debt. As of June 30, 2023, the City had \$1.0 billion of General Obligation bonds outstanding, excluding unamortized bond premiums.

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, 2023, 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, 2023 amounted to \$59.6 billion, net of accumulated depreciation and amortization. This investment in capital assets, which accounts for 68.6% 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 2023	FY 2022	FY 2023	FY 2022	FY 2023	FY 2022
Not Depreciated / Amortized						
Land	\$ 918,719	\$ 900,643	\$ 3,044,823	\$ 3,004,806	\$ 3,963,542	\$ 3,905,449
Infrastructure	460,166	452,049	--	--	460,166	452,049
Construction in Progress	1,324,138	1,278,438	6,879,777	7,471,675	8,203,915	8,750,113
Subscription In Progress	46,322	--	--	--	46,322	--
Intangible Assets	26,477	53,158	60,585	60,144	87,062	113,302
Nuclear Fuel	--	--	40,039	40,291	40,039	40,291
Natural Gas Field	--	--	119,129	128,695	119,129	128,695
Subtotal	<u>2,775,822</u>	<u>2,684,288</u>	<u>10,144,353</u>	<u>10,705,611</u>	<u>12,920,175</u>	<u>13,389,899</u>
Depreciated / Amortized, Net						
Buildings, Facilities and Equipment	3,497,628	3,580,318	40,372,649	36,992,203	43,870,277	40,572,521
RTU Lease Assets	100,602	112,062	151,587	94,652	252,189	206,714
Infrastructure	2,215,992	2,219,653	--	--	2,215,992	2,219,653
RTU Subscription Assets	57,337	--	20,389	--	77,726	--
Intangible Assets	13,588	68,164	293,483	265,402	307,071	333,566
Subtotal	<u>5,885,147</u>	<u>5,980,197</u>	<u>40,838,108</u>	<u>37,352,257</u>	<u>46,723,255</u>	<u>43,332,454</u>
Total	<u>\$ 8,660,969</u>	<u>\$ 8,664,485</u>	<u>\$ 50,982,461</u>	<u>\$ 48,057,868</u>	<u>\$ 59,643,430</u>	<u>\$ 56,722,353</u>

Note: FY 2022 figures have not been restated for the effect of GASB 96.

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 \$94.0 million. These building projects included \$51.6 million for recreational, cultural and community centers, \$4.4 million for bridge housing, and \$38.0 million for transportation facilities.
- Capitalized charges for various projects under construction totaled \$158.3 million. These projects included \$9.6 million for recreational, cultural and community centers, \$11.9 million for municipal facilities projects, \$54.8 million for the Sixth Street Viaduct replacement, \$67.0 million for various public work projects, and \$15.0 million for transportation projects.
- Total capitalized infrastructure assets amounted to \$93.4 million.
- Acquisition of capitalized machinery and equipment totaled \$121.4 million, while those retired, salvaged, deleted, or sold amounted to \$114.4 million.
- Capitalized intangible assets, including net additions to work in progress, amounted to \$3.9 million while those deleted amounted to \$43.3 million.
- RTU lease assets of \$15.4 million and RTU subscription assets, including subscription in progress, amounted to \$28.1 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 \$1.1 million, and \$0.8 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 \$1.5 billion, or 10.2%. Major capital assets activities at LAX included \$1.1 billion for improvements at Terminals 1 to 8, \$699.8 million for construction of Consolidated Rental Car Facility (ConRAC), \$245.0 million for construction of Automated People Mover System (APM), \$60.5 million for construction of runways and taxiways, \$30.8 million Receiving Station Project (RS-X), and \$9.8 million for construction of Intermodal Transportation Facility at Bradley West. Airports adopted GASB Statement No. 87, Leases and No. 96 SBITA, and recognized net RTU assets of \$64.4 million.
- Harbor's net capital assets decreased by \$48.1 million or 1.3% 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. Right-to-use (RTU) subscription assets of \$3.0 million was recognized initially for the implementation of GASB Statement No. 96, "SBITA" at the beginning of fiscal year 2022. The major capital assets activities during the fiscal year were: \$40.2 million for expanding corridor storage tracks at Pier 400, including rail extension, additional railroad storage tracks, access roadway, as well as new crossovers, switches, and equipment, \$19.3 million for construction of the San Pedro and Wilmington waterfronts, \$13.8 million for various projects at berths with liquid bulk oil cargo handling facilities, \$9.0 million for various projects at buildings and facilities improvements, port pilot raid upgrade, and remodel projects, \$7.2 million for various transportation projects and various lighting and street improvements, \$3.9 million for various projects at the Pasha Terminal including electrical infrastructure improvement, wharf restoration, and building improvements, \$3.5 million for various projects at Outer Harbor Cruise Facility and World Cruise Center including passenger terminal gangway and pedestrian deck improvements, passenger terminal roof replacement, and cruise terminal development, \$3.4 million for various miscellaneous projects for parking/storage lot construction, barge landing ramp upgrade, building cover replacement, and dockside facility improvements and Port Worker Training Facility, \$3.3 million for redevelopment projects at the Everport Terminal, \$2.9 million for on-deck railyard expansion project at the Fenix terminal, \$2.6 million for various homeland security projects, \$2.4 million for environmental enhancement projects, and \$1.4 million for redevelopment projects at various terminals including wharf rehabilitation, facility expansion, and infrastructure improvements.
- Power's plant additions totaled \$954.2 million. Approximately \$413.9 million of the \$954.2 million in additions were construction work in progress (CWIP) expenditures and the remaining \$540.3 million were direct additions to utility plant categories. Major CWIP additions/expenditures during the year included \$72.0 million to install new 230kV line between Haskell Canyon Switching Station and Sylmar Switching Station, \$54.0 million for Scattergood-Olympic Cable B Install project, \$40.0 million for design and construction of a new Receiving Station to serve LAX, \$24.0 million for Victorville to Los Angeles Basin Power Injection Upgrade, \$23.0 million for re-expansion of Barren Ridge Switching Station, \$22.0 million for implementation support cost for new Enterprise Resource Planning (ERP) Software, \$20.0 million for the McCullough to Victorville Lines 1&2 Series Compensation upgrade project, \$11.0 million for Distribution Substations expansions, \$10.0 million for Distribution Automation System upgrade, and \$10.0 million to upgrade the 230kV transmission line between Barren Ridge Switching Station and Haskell Canyon Switching Station. \$178.4 million in CWIP projects were transferred from CWIP to plant accounts. Transfers from CWIP included \$30.0 million for the new Castaic Powerplant to Haskell Switching Station Line 3, \$28.0 million for the replacement of transformer banks at various Receiving Stations, \$22.0 million for tenant improvement costs for new office space facilities, and \$21.0 million for high-voltage transformer replacements.

Approximately \$703.0 million and \$14.0 million were direct additions to distribution and transmission plant accounts, respectively. Major direct additions included \$139.0 million for replacement of deteriorated poles and crossarms, \$97.0 million for new business line customer facilities, \$81.0 million for reliability replacement of 4.8 kV and 34.5 kV cables, \$28.0 million for installing, reinforcing, and modifying 4.8 kV and 34.5 kV circuits at various distributing stations. \$27.0 million to design and replace aging distribution infrastructure for customers, and \$22.0 million for customer stations design and construction.

- Water added utility plant cost with a total amount of \$911.2 million. Approximately \$476.7 million of the \$911.2 million in additions were construction work in progress (CWIP) expenditures and \$421.6 million represents direct additions by utility plant categories. Approximately \$309.2 million in CWIP projects were transferred from CWIP to plant accounts. Major CWIP additions/expenditures during the year included \$137.0 million for the Tujunga and North Hollywood centralized treatment to remove contamination, \$52.0 million for the River Supply Conduit Upper Reach Unit 7 project, \$34.0 million for the North Haiwee Dam #2 Seismic Improvement project, \$19.0 million for the North Hollywood West Wellhead Water Treatment project, \$17.0 million for the Headworks Flow Control Station project, \$12.0 million for the City Trunk Line North Unit #2 installation project, \$11.0 million for Coronado Trunk Line new regulator station, \$11.0 million for the City Trunk Line North Unit #1 replacement project, and \$10.0 million for the River Supply Conduit Lower Reach Unit 1 installation project. Approximately, \$267.8 million and \$22.8 million of additions were transferred from CWIP to distribution plant accounts and source of water supply accounts, respectively. Major projects transferred from CWIP included \$169.0 million for the Headworks Reservoir West, \$48.0 million for mainline replacement at various water districts, \$37.0 million to construct the Machado Lake Pipeline, and \$21.0 million for installation and remediation of monitoring well. Direct additions are mostly related to improvements in distribution infrastructure as part of the Water's reliability program. Many of the Water'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 \$253.4 million of the additions are for improvements to the distribution system. During fiscal year 2023, Water invested \$208.0 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 Water'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 \$251.9 million. Of this amount, \$54.4 million was a reduction from construction in progress, \$66.7 million was capitalized for collection system, \$50.0 million relates to treatment plants and equipment, \$148.8 million for pumping plants, and \$41.0 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 \$2.1 million, the Hyperion Water Reclamation Plant Digester Gas Utilization Plant Facility for \$0.4 million, and the North Outfall Sewer Rehabilitation for \$1.0 million. Additional CIP large projects capitalized during fiscal year 2023 are Venice Dual Force Main for \$153.8 million, the North Hollywood Sewer Maintenance Yard for \$23.7 million, the DAR 06 Northeast Los Angeles/Silver Lake/Boyle Heights for \$21.6 million, the HTP- Headworks Order Control Upgrade for \$19.9 million and the 74th Street Sewer Rehab Unit 1-Van Ness to Western for \$19.2 million.

Significant commitments that include construction contracts are discussed in Note 5C of the Notes to the Basic Financial Statements. As of June 30, 2023, the City's contractual commitments for various capital projects amounted to \$417.2 million for governmental activities and \$514.3 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 total budget for the fiscal year 2024 is \$13.1 billion. Of this amount, \$5.8 billion (44.3%) is appropriated for departmental expenditures. The remaining \$7.3 billion (55.7%) 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 \$7.9 billion in General Fund receipts, \$4.1 billion in special fund revenues, and \$1.1 billion in special fund available balances. The \$567.6 million estimated July 1 balance included in the fiscal year 2024 Reserve Fund budget represents 7.2% 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 2024 General Fund budgeted receipts of \$7.9 billion, projected an increase of \$320.6 million or (4.2%), higher than the 2023 receipts, as shown below (in millions):

	FY 2024 Budget	FY 2023 Receipts	Increase (Decrease)	
			Amount	Percentage
Taxes	\$ 5,818.9	\$ 5,780.9	\$ 38.0	0.7 %
Licenses, permits, fees and fines	1,478.3	1,340.4	137.9	10.3
Intergovernmental	113.2	110.5	2.7	2.4
Interest	77.0	59.9	17.1	28.5
Other	10.7	11.7	(1.0)	(8.5)
Transfers from other funds	405.2	279.3	125.9	45.1
Total	\$ 7,903.3	\$ 7,582.7	\$ 320.6	4.2 %

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

The economic recovery from COVID-19 pandemic continued through fiscal year 2023 and resulted in a robust growth of General Fund revenue for the City. The combination of strong revenues and reduced General Fund expenditure allowed the City to end fiscal year 2023 in a solid financial position, with the City starting fiscal year 2024 with the Reserve Fund balance of \$648.3 million, an all-time high.

The fiscal year 2024 Budget assumes the City will continue to see strong revenues. The Budget projected a robust 6.1% growth in General Fund revenue over fiscal year 2023, while making significant investments to reduce homelessness and improve public safety. Although the economic activities were largely stable during the first half of fiscal year 2024, General Fund revenues were below plan and there was overspending across many departments.

In its Second Financial Status Report (FSR), issued on November 30, 2023, the City Administrative Officer (CAO) reported that General Fund revenue through October was \$92.8 million below plan. The report stressed that documentary transfer tax receipts, one of the City's major General Fund revenue sources, continues to face significant downside risk due to declining sales and prices, as the average mortgage interest rate remains in the six to seven percent range. With the market still adjusting to the higher purchasing costs, the California Association of Realtors is predicting a higher decline in sales than assumed in the adopted Budget. However, given that the FSR was based only on four months of receipts, current trend may or may not be an indication of year-end receipts.

The FSR also raised significant concern about overspending across many departments. The report identified \$296.8 million in expenditure above plan, with \$97.1 million or 32.7% of the overspending due to a new salary agreement with the Los Angeles Police Protective League. There were also increased expenditures related to unbudgeted retirement payouts and overtime, increased costs of fuel, utility and liability claims, as well as the additional cost due to the delayed implementation of the Human Resources and Payroll project. In addition, the ongoing negotiations with the bargaining units that represent the City's civilian employees would have impact on spending. While the total impact of any salary increases from these negotiations is unknown at time of the report, they are likely to result in increase costs beyond what was anticipated in the Budget.

Management's Discussion and Analysis (Unaudited)

Another factor with significant Budget implication is the continued urgent need to fix the City's affordable housing and historic homelessness crisis. The fiscal year 2024 Homeless Budget includes \$150.0 million anticipated receipts from the new ULA tax. Measure ULA, which was passed by voters in November 2022 to help fund costs relating to addressing homelessness, is still being challenged in court. Although the recent dismissal of the litigation by the Los Angeles County Superior Court is good news for the City, this action is still pending an appeal by the plaintiffs. In the event the ULA special tax is invalidated, the General Fund may be at risk of repaying ULA tax receipts collected that have been expended.

Further, if the recommendations in the FSR to use the Reserve Fund to fill the Budget gap are implemented, the balance in the Reserve Fund would be reduced to \$555.2 million, approximately \$93.0 million lower than the July 1, 2023 balance. While the reduced balance still remains above the five percent Reserve Fund policy, the combination of significant overspending and downside revenue risks discussed above, as well as additional upcoming cost impact from civilian employee union negotiations may require further use of the Reserve Fund. It is incumbent on the policy makers to cautiously approach the use of the Reserve Fund to fund new programs and/or program expansions that would require ongoing commitment of General Fund resources.

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.

Basic Financial Statements

CITY OF LOS ANGELES
Statement of Net Position
June 30, 2023
(amounts expressed in thousands)

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Pooled Investments	\$ 7,461,036	\$ 5,428,298	\$ 12,889,334
Other Investments	305	16,487	16,792
Receivables, Net	4,132,040	1,848,170	5,980,210
Inventories	64,855	325,562	390,417
Prepaid Items and Other Assets	9,294	1,272,126	1,281,420
Restricted Assets	10,776	5,411,510	5,422,286
Investment in Joint Ventures	--	4,434	4,434
Properties Held for Housing Development	203,056	--	203,056
Regulatory Assets	--	1,030,957	1,030,957
Net OPEB Asset	--	18,310	18,310
Capital Assets			
Not Depreciated / Amortized	2,775,822	10,144,353	12,920,175
Depreciated / Amortized, Net	5,885,147	40,838,108	46,723,255
TOTAL ASSETS	20,542,331	66,338,315	86,880,646
DEFERRED OUTFLOWS OF RESOURCES			
Debt Refunding	34,204	81,130	115,334
Asset Retirement Obligation	--	34,495	34,495
Pensions	2,623,946	1,495,222	4,119,168
OPEB	609,163	313,429	922,592
TOTAL DEFERRED OUTFLOWS OF RESOURCES	3,267,313	1,924,276	5,191,589
LIABILITIES			
Accounts Payable and Accrued Expenses	743,786	1,028,719	1,772,505
Obligations Under Securities Lending Transactions	30,984	28,593	59,577
Accrued Interest Payable	33,055	463,251	496,306
Internal Balances	40,349	(40,349)	--
Unearned Revenue	188,604	--	188,604
Deposits and Advances	248,439	271,851	520,290
Other Liabilities	166,803	168,942	335,745
Long-term Liabilities			
Due Within One Year	898,414	1,599,106	2,497,520
Due In More Than One Year			
Bonds and Notes Payable (Net of Amount Due Within One Year)	2,707,059	34,885,856	37,592,915
Net Pension Liability	6,558,600	1,772,002	8,330,602
Net OPEB Liability	1,124,645	36,262	1,160,907
Asset Retirement Obligation	--	218,032	218,032
PPP Availability Payment Liabilities	--	584,131	584,131
Other (Net of amount due within one year)	3,841,413	1,187,729	5,029,142
TOTAL LIABILITIES	16,582,151	42,204,125	58,786,276
DEFERRED INFLOWS OF RESOURCES			
Regulated Business Activities	--	187,190	187,190
Derivative Instruments	--	14,608	14,608
Debt Refunding	5,603	254,233	259,836
Leases	14,319	476,354	490,673
Pensions	329,576	160,096	489,672
OPEB	868,196	387,974	1,256,170
TOTAL DEFERRED INFLOWS OF RESOURCES	1,217,694	1,480,455	2,698,149
NET POSITION			
Net Investment in Capital Assets	6,546,170	16,195,874	22,742,044
Restricted for:			
Capital Projects	315,377	--	315,377
Debt Service	307,232	987,294	1,294,526
Public Safety	198,204	--	198,204
Public Works and Sanitation	219,713	--	219,713
Transportation	676,872	--	676,872
Culture and Recreation	760,777	--	760,777
Community Development and Housing	2,212,758	--	2,212,758
Passenger/Customer Facility Charges	--	286,534	286,534
Other Purposes	--	909,114	909,114
Unrestricted (Deficit)	(5,227,304)	6,199,195	971,891
TOTAL NET POSITION	\$ 6,009,799	\$ 24,578,011	\$ 30,587,810

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, 2023
(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
GOVERNMENTAL ACTIVITIES							
General Government	\$ 2,331,602	\$ 302,757	\$ 237,390	\$ --	\$ (1,791,455)	\$ --	\$ (1,791,455)
Protection of Persons and Property	3,632,760	629,643	211,244	92	(2,791,781)	--	(2,791,781)
Public Works	642,030	261,685	234,841	56,907	(88,597)	--	(88,597)
Health and Sanitation	735,974	502,944	67,023	2,654	(163,353)	--	(163,353)
Transportation	641,789	120,712	406,872	41,926	(72,279)	--	(72,279)
Cultural and Recreational Services	822,487	246,746	36,142	34,678	(504,921)	--	(504,921)
Community Development	988,699	255,808	663,817	--	(69,074)	--	(69,074)
Interest on Long-Term Debt	154,114	--	--	--	(154,114)	--	(154,114)
TOTAL GOVERNMENTAL ACTIVITIES	9,949,455	2,320,295	1,857,329	136,257	(5,635,574)	--	(5,635,574)
BUSINESS-TYPE ACTIVITIES							
Airports	2,050,387	1,752,855	10,070	394,231	--	106,769	106,769
Harbor	539,951	656,400	32,925	43,505	--	192,879	192,879
Power	4,698,985	4,958,539	76,079	76,942	--	412,575	412,575
Water	1,476,345	1,661,278	--	92,820	--	277,753	277,753
Sewer	793,809	775,945	--	9,485	--	(8,379)	(8,379)
Convention Center	55,917	49,972	--	--	--	(5,945)	(5,945)
TOTAL BUSINESS-TYPE ACTIVITIES	9,615,394	9,854,989	119,074	616,983	--	975,652	975,652
TOTAL	\$ 19,564,849	\$ 12,175,284	\$ 1,976,403	\$ 753,240	(5,635,574)	975,652	(4,659,922)
GENERAL REVENUES							
Property Taxes					2,819,290	--	2,819,290
Utility Users Taxes					698,003	--	698,003
Business Taxes					626,620	--	626,620
Sales Taxes					704,815	--	704,815
Other Taxes							
Documentary Transfer					224,615	--	224,615
Transient Occupancy					360,684	--	360,684
Parking Occupancy					127,026	--	127,026
Franchise Income					214,634	--	214,634
Miscellaneous					8,446	--	8,446
Grants and Contributions Not Restricted to Specific Programs							
Other					49,341	--	49,341
Unrestricted Investment Earnings					36,818	154,710	191,528
Other					40,446	663,168	703,614
TRANSFERS					232,043	(232,043)	--
TOTAL GENERAL REVENUES AND TRANSFERS					6,142,781	585,835	6,728,616
CHANGE IN NET POSITION					507,207	1,561,487	2,068,694
NET POSITION JULY 1					5,532,877	23,016,237	28,549,114
CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE, GASB 96 IMPLEMENTATION					(30,285)	287	(29,998)
NET POSITION JULY 1, AS RESTATED					5,502,592	23,016,524	28,519,116
NET POSITION, JUNE 30					\$ 6,009,799	\$ 24,578,011	\$ 30,587,810

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

CITY OF LOS ANGELES

**Balance Sheet
Governmental Funds
June 30, 2023
(amounts expressed in thousands)**

	Municipal Improvement Corporation		
	General	Special Revenue	Debt Service
ASSETS			
Cash and Pooled Investments	\$ 2,160,051	\$ 27,651	\$ 29,215
Other Investments	305	--	--
Taxes Receivable (Net of Allowance for Uncollectibles of \$32,698)	874,789	--	--
Accounts Receivable (Net of Allowance for Uncollectibles of \$622,349)	178,284	--	--
Special Assessments Receivable	4,693	--	--
Investment Income Receivable	18,025	145	81
Intergovernmental Receivable	215,079	--	246
Leases Receivable	1,623	--	--
Loans Receivable (Net of Allowance for Uncollectibles of \$1,461,943)	1,417	--	--
Due from Other Funds	95,198	--	--
Inventories	49,643	--	--
Prepaid Items and Other Assets	430	--	--
Advances to Other Funds	19,863	--	91,897
Restricted Assets	--	--	--
Properties Held for Housing Development	15,438	--	--
TOTAL ASSETS	\$ 3,634,838	\$ 27,796	\$ 121,439
LIABILITIES			
Accounts, Contracts and Retainage Payable	\$ 278,353	\$ 13,395	\$ 61
Obligations Under Securities Lending Transactions	11,690	37	--
Accrued Salaries and Overtime Payable	160,568	--	--
Accrued Compensated Absences Payable	10,869	--	--
Claims and Judgments Payable	51,899	--	--
Intergovernmental Payable	948	--	--
Due to Other Funds	122,554	3,094	--
Unearned Revenue	105,235	--	--
Deposits and Advances	14,967	--	--
Interest Payable	--	--	--
Advances from Other Funds	6,451	--	--
Other Liabilities	78,502	91	--
Liability for Excess CRA Bond Proceeds	--	--	--
TOTAL LIABILITIES	842,036	16,617	61
DEFERRED INFLOWS OF RESOURCES			
Property Taxes	88,413	--	--
Taxes Other than Property	531,063	--	--
Receivables from Other Government Agencies	133,824	--	--
Interest Receivable on Loans and Others	184,500	--	--
Leases	1,422	--	--
TOTAL DEFERRED INFLOWS OF RESOURCES	939,222	--	--
FUND BALANCES			
Nonspendable	69,936	--	--
Restricted	--	11,179	121,378
Committed	52,600	--	--
Assigned	397,413	--	--
Unassigned	1,333,631	--	--
TOTAL FUND BALANCES	1,853,580	11,179	121,378
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 3,634,838	\$ 27,796	\$ 121,439

Continued...

CITY OF LOS ANGELES

Balance Sheet - (Continued)

Governmental Funds

June 30, 2023

(amounts expressed in thousands)

	Nonmajor Governmental Funds	Total
ASSETS		
Cash and Pooled Investments	\$ 5,244,119	\$ 7,461,036
Other Investments	--	305
Taxes Receivable (Net of Allowance for Uncollectibles of \$32,698)	16,500	891,289
Accounts Receivable (Net of Allowance for Uncollectibles of \$622,349)	122,516	300,800
Special Assessments Receivable	7,793	12,486
Investment Income Receivable	19,811	38,062
Intergovernmental Receivable	243,986	459,311
Leases Receivable	13,602	15,225
Loans Receivable (Net of Allowance for Uncollectibles of \$1,461,943)	2,413,450	2,414,867
Due from Other Funds	112,866	208,064
Inventories	15,212	64,855
Prepaid Items and Other Assets	8,864	9,294
Advances to Other Funds	66,732	178,492
Restricted Assets	10,776	10,776
Properties Held for Housing Development	187,618	203,056
TOTAL ASSETS	\$ 8,483,845	\$ 12,267,918
LIABILITIES		
Accounts, Contracts and Retainage Payable	\$ 269,815	\$ 561,624
Obligations Under Securities Lending Transactions	19,257	30,984
Accrued Salaries and Overtime Payable	18,464	179,032
Accrued Compensated Absences Payable	--	10,869
Claims and Judgments Payable	--	51,899
Intergovernmental Payable	3,730	4,678
Due to Other Funds	112,330	237,978
Unearned Revenue	83,369	188,604
Deposits and Advances	233,472	248,439
Interest Payable	247	247
Advances from Other Funds	182,476	188,927
Other Liabilities	52,364	130,957
Liability for Excess CRA Bond Proceeds	35,846	35,846
TOTAL LIABILITIES	1,011,370	1,870,084
DEFERRED INFLOWS OF RESOURCES		
Property Taxes	11,295	99,708
Taxes Other than Property	36	531,099
Receivables from Other Government Agencies	140,989	274,813
Interest Receivable on Loans and Others	742,910	927,410
Leases	12,897	14,319
TOTAL DEFERRED INFLOWS OF RESOURCES	908,127	1,847,349
FUND BALANCES		
Nonspendable	24,076	94,012
Restricted	4,689,355	4,821,912
Committed	1,910,869	1,963,469
Assigned	2,844	400,257
Unassigned	(62,796)	1,270,835
TOTAL FUND BALANCES	6,564,348	8,550,485
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 8,483,845	\$ 12,267,918

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

CITY OF LOS ANGELES

Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2023
(amounts expressed in thousands)

Total Fund Balances - Governmental Funds	\$ 8,550,485
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.	8,660,969
Deferred outflows of resources are reported in the statement of net position, but not recognized in the governmental funds.	3,267,313
Unavailable revenues are reported as deferred inflows of resources in the governmental funds, but are recognized as revenues when earned in governmental activities.	1,833,030
Deferred inflows of resources are reported in the statement of net position, but not recognized in the governmental funds.	(1,203,375)
Long-term liabilities, including 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>(15,098,623)</u>
Net Position of Governmental Activities	<u>\$ 6,009,799</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, 2023
(amounts expressed in thousands)**

	Municipal Improvement Corporation		
	General	Special Revenue	Debt Service
REVENUES			
Property Taxes	\$ 2,658,390	\$ --	\$ --
Sales Taxes	704,915	--	--
Utility Users Taxes	705,538	--	--
Business Taxes	817,325	--	--
Other Taxes	820,981	--	--
Licenses and Permits	33,344	--	--
Intergovernmental	53,143	--	600
Charges for Services	367,473	--	--
Services to Enterprise Funds	377,220	--	--
Fines	120,670	--	--
Special Assessments	2,592	--	--
Investment Earnings	77,448	1,058	480
Change in Fair Value of Investments	(40,425)	34	--
Program Income	22	--	--
Other	46,360	--	--
TOTAL REVENUES	6,744,996	1,092	1,080
EXPENDITURES			
Current			
General Government	1,585,693	--	2,038
Protection of Persons and Property	3,419,259	--	--
Public Works	259,554	--	--
Health and Sanitation	210,706	--	--
Transportation	125,186	--	--
Cultural and Recreational Services	92,120	--	--
Community Development	163,922	--	--
Capital Outlay	67,738	142,080	--
Debt Service			
Principal	35,589	--	152,303
Interest	38,970	--	61,767
Cost of Issuance	806	--	--
TOTAL EXPENDITURES	5,999,543	142,080	216,108
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	745,453	(140,988)	(215,028)
OTHER FINANCING SOURCES (USES)			
Transfers In	460,094	152	209,135
Transfers Out	(864,763)	--	(156)
Issuance of Long-Term Debt	--	134,000	--
Premium on Issuance of Long-Term Debt	--	--	--
Lease and Subscription Liabilities Issued	15,102	--	--
TOTAL OTHER FINANCING SOURCES (USES)	(389,567)	134,152	208,979
NET CHANGE IN FUND BALANCES	355,886	(6,836)	(6,049)
FUND BALANCES, JULY 1	1,497,694	18,015	127,427
FUND BALANCES, JUNE 30	\$ 1,853,580	\$ 11,179	\$ 121,378

Continued...

CITY OF LOS ANGELES

**Statement of Revenues, Expenditures
and Changes in Fund Balances - (Continued)
Governmental Funds
For the Fiscal Year Ended June 30, 2023
(amounts expressed in thousands)**

	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES		
Property Taxes	\$ 158,378	\$ 2,816,768
Sales Taxes	--	704,915
Utility Users Taxes	--	705,538
Business Taxes	--	817,325
Other Taxes	84,725	905,706
Licenses and Permits	58,226	91,570
Intergovernmental	1,882,030	1,935,773
Charges for Services	1,105,072	1,472,545
Services to Enterprise Funds	11,668	388,888
Fines	14,053	134,723
Special Assessments	169,609	172,201
Investment Earnings	102,032	181,018
Change in Fair Value of Investments	(81,507)	(121,898)
Program Income	33,728	33,750
Other	93,459	139,819
	<u>3,631,473</u>	<u>10,378,641</u>
TOTAL REVENUES		
EXPENDITURES		
Current		
General Government	144,083	1,731,814
Protection of Persons and Property	439,590	3,858,849
Public Works	287,026	546,580
Health and Sanitation	427,976	638,682
Transportation	432,075	557,261
Cultural and Recreational Services	649,724	741,844
Community Development	802,563	966,485
Capital Outlay	234,899	444,717
Debt Service		
Principal	129,415	317,307
Interest	33,714	134,451
Cost of Issuance	1,200	2,006
	<u>3,582,265</u>	<u>9,939,996</u>
TOTAL EXPENDITURES		
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>49,208</u>	<u>438,645</u>
OTHER FINANCING SOURCES (USES)		
Transfers In	779,145	1,448,526
Transfers Out	(351,564)	(1,216,483)
Issuance of Long-Term Debt	389,435	523,435
Premium on Issuance of Long-Term Debt	5,598	5,598
Lease and Subscription Liabilities Issued	5,586	20,688
	<u>828,200</u>	<u>781,764</u>
TOTAL OTHER FINANCING SOURCES (USES)		
NET CHANGE IN FUND BALANCES	877,408	1,220,409
FUND BALANCES, JULY 1	<u>5,686,940</u>	<u>7,330,076</u>
FUND BALANCES, JUNE 30	<u>\$ 6,564,348</u>	<u>\$ 8,550,485</u>

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

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, 2023
(amounts expressed in thousands)

Net Change in Fund Balances - Total Governmental Funds \$ 1,220,409

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. (18,427)

Amortization of gains (losses) on refunding of debt is reported as interest expense in governmental activities, but is not reported for governmental funds. (3,526)

Changes in unavailable revenues are reported as changes in deferred inflows of resources for governmental funds, but were recognized as revenues for governmental activities. (189,443)

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 \$ (14,684)

Net amortization of bond premiums and discounts 21,858

Total net interest expense and amortization of discount/premium 7,174

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. (226,780)

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. (738,611)

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. 456,411

Change in Net Position of Governmental Activities \$ 507,207

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, 2023
(amounts expressed in thousands)**

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary) Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 5,592,228	\$ 5,706,805	\$ 5,780,919	\$ 74,114
Licenses, Permits, Fees and Fines	1,402,944	1,358,615	1,340,360	(18,255)
Intergovernmental	125,983	137,170	110,474	(26,696)
Interest	36,610	53,000	59,911	6,911
Other	11,489	11,810	11,740	(70)
TOTAL REVENUES	<u>7,169,254</u>	<u>7,267,400</u>	<u>7,303,404</u>	<u>36,004</u>
EXPENDITURES				
Current				
General Government	2,285,042	2,549,093	2,134,830	414,263
Protection of Persons and Property	2,829,852	2,944,081	2,879,207	64,874
Public Works	477,292	571,177	515,486	55,691
Health and Sanitation	393,092	392,812	359,463	33,349
Transportation	203,722	206,184	188,229	17,955
Cultural and Recreational Services	54,535	61,335	49,316	12,019
Community Development	203,646	233,215	196,434	36,781
Pension and Retirement Contributions	2,429	2,656	2,656	--
Capital Outlay	153,641	141,407	36,841	104,566
TOTAL EXPENDITURES	<u>6,603,251</u>	<u>7,101,960</u>	<u>6,362,462</u>	<u>739,498</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>566,003</u>	<u>165,440</u>	<u>940,942</u>	<u>775,502</u>
OTHER FINANCING SOURCES (USES)				
Transfers from Other Funds	1,571,732	2,160,462	1,890,886	(269,576)
Repayment of Loans from Other Funds	--	--	(49,679)	(49,679)
Loans to Other Funds	--	--	(351)	(351)
Transfers to Other Funds	(2,242,281)	(2,325,902)	(2,300,890)	25,012
TOTAL OTHER FINANCING SOURCES (USES)	<u>(670,549)</u>	<u>(165,440)</u>	<u>(460,034)</u>	<u>(294,594)</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>(104,546)</u>	<u>--</u>	<u>480,908</u>	<u>480,908</u>
FUND BALANCE, JULY 1	<u>104,546</u>	<u>104,546</u>	<u>--</u>	<u>(104,546)</u>
Appropriation of Fund Balance and Carryforward Appropriations	--	(104,546)	--	104,546
Encumbrances Lapsed	--	--	41,898	41,898
Reversion to Reserve Fund	--	--	(522,806)	(522,806)
FUND BALANCE, JUNE 30	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

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, 2023
(amounts expressed in thousands)**

	Business-type Activities - Enterprise Funds			
	Airports	Harbor	Power	Water
ASSETS				
CURRENT ASSETS				
Cash, Pooled and Other Investments				
Unrestricted	\$ 1,857,402	\$ 1,281,573	\$ 1,494,067	\$ 467,930
Restricted	499,279	50,236	713,894	263,430
Investments Held by Escrow and Fiscal Agents				
Unrestricted	1,879	--	--	--
Restricted	2,172,009	--	--	--
Loans and Notes Receivable	--	--	6,308	--
Accounts Receivable				
(Net of Allowance for Uncollectibles of \$358,041)	24,736	52,225	735,644	166,910
Accrued Unbilled Revenue	45,298	--	--	--
Investment Income Receivable	10,257	6,368	5,177	1,191
Intergovernmental Receivable	17,643	8,795	4,804	2,655
Leases Receivable	38,895	29,673	--	--
Restricted Passenger/Customer Facility Charges Receivable	29,055	--	--	--
Due from Other Funds	--	--	67,260	--
Inventories	1,538	2,876	256,031	43,640
Prepaid Items and Other Assets	10,646	504	753,048	423,367
TOTAL CURRENT ASSETS	4,708,637	1,432,250	4,036,233	1,369,123
NONCURRENT ASSETS				
Restricted Assets				
Pooled Cash and Cash Equivalents, and Other Investments	--	10,311	500,467	189,848
Investments Held by Escrow and Fiscal Agents	--	37,105	666,278	54,092
Total Restricted Assets	--	47,416	1,166,745	243,940
Long-term Investment				
Investment in Joint Ventures	--	4,434	--	--
Capital Assets				
Land	1,290,867	1,106,805	250,072	216,629
Construction in Progress	2,580,348	395,881	1,131,332	2,292,130
Buildings, Facilities and Equipment	17,534,090	5,099,269	23,288,143	12,115,836
Natural Gas Field	--	--	119,129	--
Nuclear Fuel	--	--	40,039	--
Right-to-use Lease Assets	95,346	1,814	63,080	28,613
Right-to-use Subscription Assets	23,343	2,968	10,979	2,248
Intangible Assets	112,440	25,360	287,598	--
Accumulated Depreciation/Amortization	(5,128,638)	(2,996,201)	(10,370,150)	(3,872,881)
Total Capital Assets, Net	16,507,796	3,635,896	14,820,222	10,782,575
Other Noncurrent Assets				
Derivative Instruments	--	--	14,608	--
Advances to Other Funds	--	--	--	--
Regulatory Assets	--	--	865,469	165,488
Net OPEB Asset	--	773	11,772	5,765
Leases Receivable, Net of Current Portion	147,716	266,282	25,271	3,307
Prepaid Items and Other Assets	4,516	--	79,545	--
Total Other Noncurrent Assets	152,232	267,055	996,665	174,560
TOTAL NONCURRENT ASSETS	16,660,028	3,954,801	16,983,632	11,201,075
TOTAL ASSETS	21,368,665	5,387,051	21,019,865	12,570,198
DEFERRED OUTFLOWS OF RESOURCES				
Debt Refunding	36,789	8,833	7,540	987
Asset Retirement Obligation	--	--	34,495	--
Pensions	217,746	84,285	798,424	394,767
OPEB	34,247	13,391	176,848	88,943
TOTAL DEFERRED OUTFLOWS OF RESOURCES	288,782	106,509	1,017,307	484,697

Continued...

CITY OF LOS ANGELES
Statement of Net Position - (Continued)
Proprietary Funds
June 30, 2023
(amounts expressed in thousands)

	Business-type Activities - Enterprise Funds		
	Sewer	Nonmajor Convention Center	Total
ASSETS			
CURRENT ASSETS			
Cash, Pooled and Other Investments			
Unrestricted	\$ 301,955	\$ 25,371	\$ 5,428,298
Restricted	111,326	--	1,638,165
Investments Held by Escrow and Fiscal Agents			
Unrestricted	--	--	1,879
Restricted	--	--	2,172,009
Loans and Notes Receivable	--	--	6,308
Accounts Receivable			
(Net of Allowance for Uncollectibles of \$358,041)	198,203	3,744	1,181,462
Accrued Unbilled Revenue	45,428	--	90,726
Investment Income Receivable	1,640	--	24,633
Intergovernmental Receivable	--	--	33,897
Leases Receivable	--	--	68,568
Restricted Passenger/Customer Facility Charges Receivable	--	--	29,055
Due from Other Funds	29,950	--	97,210
Inventories	21,477	--	325,562
Prepaid Items and Other Assets	--	500	1,188,065
TOTAL CURRENT ASSETS	709,979	29,615	12,285,837
NONCURRENT ASSETS			
Restricted Assets			
Pooled Cash and Cash Equivalents, and Other Investments	106,064	--	806,690
Investments Held by Escrow and Fiscal Agents	8,116	--	765,591
Total Restricted Assets	114,180	--	1,572,281
Long-term Investment			
Investment in Joint Ventures	--	--	4,434
Capital Assets			
Land	40,859	139,591	3,044,823
Construction in Progress	480,086	--	6,879,777
Buildings, Facilities and Equipment	9,165,543	597,236	67,800,117
Natural Gas Field	--	--	119,129
Nuclear Fuel	--	--	40,039
Right-to-use Lease Assets	18,452	--	207,305
Right-to-use Subscription Assets	--	--	39,538
Intangible Assets	--	--	425,398
Accumulated Depreciation/Amortization	(4,839,969)	(365,826)	(27,573,665)
Total Capital Assets, Net	4,864,971	371,001	50,982,461
Other Noncurrent Assets			
Derivative Instruments	--	--	14,608
Advances to Other Funds	10,435	--	10,435
Regulatory Assets	--	--	1,030,957
Net OPEB Asset	--	--	18,310
Leases Receivable, Net of Current Portion	--	--	442,576
Prepaid Items and Other Assets	--	--	84,061
Total Other Noncurrent Assets	10,435	--	1,600,947
TOTAL NONCURRENT ASSETS	4,989,586	371,001	54,160,123
TOTAL ASSETS	5,699,565	400,616	66,445,960
DEFERRED OUTFLOWS OF RESOURCES			
Debt Refunding	26,981	--	81,130
Asset Retirement Obligation	--	--	34,495
Pensions	--	--	1,495,222
OPEB	--	--	313,429
TOTAL DEFERRED OUTFLOWS OF RESOURCES	26,981	--	1,924,276

Continued...

CITY OF LOS ANGELES
Statement of Net Position - (Continued)
Proprietary Funds
June 30, 2023
(amounts expressed in thousands)

	Business-type Activities - Enterprise Funds			
	Airports	Harbor	Power	Water
LIABILITIES				
CURRENT LIABILITIES				
Accounts, Contracts and Retainage Payable	\$ 354,410	\$ 50,774	\$ 293,594	\$ 112,581
Obligations Under Securities Lending Transactions	9,664	5,259	10,660	3,010
Accrued Salaries and Overtime Payable	20,337	8,026	74,733	52,766
Accrued Compensated Absences Payable	7,747	12,030	119,716	60,403
Due to Other Funds	--	--	--	67,260
Deposits and Advances	--	--	--	268,712
Accrued Interest Payable	67,645	10,932	247,655	126,524
Bonds and Notes Payable - Current Portion	432,791	43,355	328,210	180,899
Lease and Subscription Liabilities - Current Portion	10,681	--	13,599	5,930
PPP Availability Payment Liabilities - Current Portion	9,774	--	--	--
Other Current Liabilities	54,166	49,667	--	117,055
TOTAL CURRENT LIABILITIES	967,215	180,043	1,088,167	995,140
LONG-TERM LIABILITIES				
Bonds and Notes Payable - Noncurrent Portion (Net of Unamortized Premiums and Discounts of \$3,887,478)	12,528,171	539,059	12,117,868	7,158,875
Net Pension Liability	884,582	271,235	413,626	202,559
Net OPEB Liability	27,484	8,778	--	--
Asset Retirement Obligation	--	--	218,032	--
Lease Liabilities - Noncurrent Portion	52,942	1,279	42,327	18,416
Subscription Liabilities - Noncurrent Portion	2,218	1,546	6,524	1,577
PPP Availability Payment Liabilities - Noncurrent Portion	584,131	--	--	--
Other Long-term Liabilities	142,427	109,458	528,647	220,171
TOTAL LONG-TERM LIABILITIES	14,221,955	931,355	13,327,024	7,601,598
TOTAL LIABILITIES	15,189,170	1,111,398	14,415,191	8,596,738
DEFERRED INFLOWS OF RESOURCES				
Regulated Business Activities	--	--	187,190	--
Derivative Instruments	--	--	14,608	--
Debt Refunding	54,716	--	93,255	90,757
Pensions	64,073	13,390	57,075	25,558
OPEB	45,266	15,329	219,189	108,190
Leases	172,181	276,968	24,025	3,180
TOTAL DEFERRED INFLOWS OF RESOURCES	336,236	305,687	595,342	227,685
NET POSITION				
Net Investment in Capital Assets	4,978,799	3,057,698	2,226,453	3,461,826
Restricted for:				
Debt Service	--	37,105	793,610	134,788
Passenger/Customer Facility Charges	286,534	--	--	--
Other Purposes	234,368	39,215	518,876	57,187
Unrestricted	632,340	942,457	3,487,700	576,671
TOTAL NET POSITION	\$ 6,132,041	\$ 4,076,475	\$ 7,026,639	\$ 4,230,472

Continued..

CITY OF LOS ANGELES
Statement of Net Position - (Continued)
Proprietary Funds
June 30, 2023
(amounts expressed in thousands)

	Business-type Activities - Enterprise Funds		
	Sewer	Nonmajor Convention Center	Total
LIABILITIES			
CURRENT LIABILITIES			
Accounts, Contracts and Retainage Payable	\$ 57,201	\$ 3,432	\$ 871,992
Obligations Under Securities Lending Transactions	--	--	28,593
Accrued Salaries and Overtime Payable	--	865	156,727
Accrued Compensated Absences Payable	--	361	200,257
Due to Other Funds	36	--	67,296
Deposits and Advances	--	3,139	271,851
Accrued Interest Payable	10,495	--	463,251
Bonds and Notes Payable - Current Portion	318,545	--	1,303,800
Lease and Subscription Liabilities - Current Portion	--	--	30,210
PPP Availability Payment Liabilities - Current Portion	--	--	9,774
Other Current Liabilities	3,119	--	224,007
TOTAL CURRENT LIABILITIES	389,396	7,797	3,627,758
LONG-TERM LIABILITIES			
Bonds and Notes Payable - Noncurrent Portion (Net of Unamortized Premiums and Discounts of \$3,887,478)	2,541,883	--	34,885,856
Net Pension Liability	--	--	1,772,002
Net OPEB Liability	--	--	36,262
Asset Retirement Obligation	--	--	218,032
Lease Liabilities - Noncurrent Portion	15,487	--	130,451
Subscription Liabilities - Noncurrent Portion	--	--	11,865
PPP Availability Payment Liabilities - Noncurrent Portion	--	--	584,131
Other Long-term Liabilities	44,710	--	1,045,413
TOTAL LONG-TERM LIABILITIES	2,602,080	--	38,684,012
TOTAL LIABILITIES	2,991,476	7,797	42,311,770
DEFERRED INFLOWS OF RESOURCES			
Regulated Business Activities	--	--	187,190
Derivative Instruments	--	--	14,608
Debt Refunding	15,505	--	254,233
Pensions	--	--	160,096
OPEB	--	--	387,974
Leases	--	--	476,354
TOTAL DEFERRED INFLOWS OF RESOURCES	15,505	--	1,480,455
NET POSITION			
Net Investment in Capital Assets	2,100,097	371,001	16,195,874
Restricted for:			
Debt Service	21,791	--	987,294
Passenger/Customer Facility Charges	--	--	286,534
Other Purposes	59,468	--	909,114
Unrestricted	538,209	21,818	6,199,195
TOTAL NET POSITION	\$ 2,719,565	\$ 392,819	\$ 24,578,011

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, 2023
(amounts expressed in thousands)**

	Business-type Activities - Enterprise Funds			
	Airports	Harbor	Power	Water
OPERATING REVENUES				
Charges for Services	\$ 328,099	\$ 448,008	\$ 4,958,539	\$ 1,661,278
Rents, Concessions and Royalties	1,405,951	117,290	--	--
Other Operating Revenues	18,805	91,102	--	--
TOTAL OPERATING REVENUES	1,752,855	656,400	4,958,539	1,661,278
OPERATING EXPENSES				
Fuel for Generation	--	--	435,524	--
Purchased Power/Water	--	--	1,448,692	238,856
Maintenance and Repairs	--	--	466,439	506,032
Operating and Administrative	853,436	299,420	1,103,990	262,343
Depreciation and Amortization	697,168	194,869	761,718	236,008
TOTAL OPERATING EXPENSES	1,550,604	494,289	4,216,363	1,243,239
OPERATING INCOME (LOSS)	202,251	162,111	742,176	418,039
NONOPERATING REVENUES (EXPENSES)				
Investment Income	77,183	6,426	42,691	12,966
Interest Expense	(426,326)	(17,837)	(399,111)	(217,421)
Interest Income from Leases	6,861	10,155	--	--
Grant Revenues	10,070	32,925	76,079	--
Other Income (Expenses), Net	149,436	(27,324)	295,038	6,831
TOTAL NONOPERATING REVENUES (EXPENSES)	(182,776)	4,345	14,697	(197,624)
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	19,475	166,456	756,873	220,415
Capital Contributions	394,231	43,505	76,942	92,820
Transfers Out	--	--	(232,043)	--
CHANGE IN NET POSITION	413,706	209,961	601,772	313,235
NET POSITION, JULY 1, AS PREVIOUSLY REPORTED	5,718,408	3,866,154	6,424,867	3,917,237
Cumulative Effect of Change in Accounting Principle, GASB 96 Implementation	(73)	360	--	--
NET POSITION, JULY 1 RESTATED	5,718,335	3,866,514	6,424,867	3,917,237
NET POSITION, JUNE 30	\$ 6,132,041	\$ 4,076,475	\$ 7,026,639	\$ 4,230,472

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, 2023
(amounts expressed in thousands)

	Business-type Activities - Enterprise Funds		
	Sewer	Nonmajor Convention Center	Total
OPERATING REVENUES			
Charges for Services	\$ 751,918	\$ 3,662	\$ 8,151,504
Rents, Concessions and Royalties	--	27,925	1,551,166
Other Operating Revenues	24,027	18,385	152,319
TOTAL OPERATING REVENUES	775,945	49,972	9,854,989
OPERATING EXPENSES			
Fuel for Generation	--	--	435,524
Purchased Power/Water	--	--	1,687,548
Maintenance and Repairs	--	3,926	976,397
Operating and Administrative	443,764	39,780	3,002,733
Depreciation and Amortization	191,220	12,211	2,093,194
TOTAL OPERATING EXPENSES	634,984	55,917	8,195,396
OPERATING INCOME (LOSS)	140,961	(5,945)	1,659,593
NONOPERATING REVENUES (EXPENSES)			
Investment Income	15,325	119	154,710
Interest Expense	(101,325)	--	(1,162,020)
Interest Income from Leases	--	--	17,016
Grant Revenues	--	--	119,074
Other Income (Expenses), Net	(35,807)	--	388,174
TOTAL NONOPERATING REVENUES (EXPENSES)	(121,807)	119	(483,046)
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	19,154	(5,826)	1,176,547
Capital Contributions	9,485	--	616,983
Transfers Out	--	--	(232,043)
CHANGE IN NET POSITION	28,639	(5,826)	1,561,487
NET POSITION, JULY 1, AS PREVIOUSLY REPORTED	2,690,926	398,645	23,016,237
Cumulative Effect of Change in Accounting Principle, GASB 96 Implementation	--	--	287
NET POSITION, JULY 1 RESTATED	2,690,926	398,645	23,016,524
NET POSITION, JUNE 30	\$ 2,719,565	\$ 392,819	\$ 24,578,011

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, 2023
(amounts expressed in thousands)**

	Business-type Activities - Enterprise Funds			
	Airports	Harbor	Power	Water
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from Customers and Users	\$ 1,747,818	\$ 635,313	\$ 4,918,297	\$ 1,526,660
Receipts for Interfund Services	--	--	835,483	690,780
Payments to Suppliers	(192,389)	(120,721)	(2,563,034)	(481,931)
Payments to Employees	(441,781)	(139,015)	(984,857)	(454,876)
Payments for Interfund Services	(120,561)	(47,823)	(964,253)	(894,999)
Payments for Nonoperating Expenses	--	--	--	--
NET CASH PROVIDED BY OPERATING ACTIVITIES	993,087	327,754	1,241,636	385,634
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers Out	--	--	(232,043)	--
Cash Received from Noncapital Grants	10,069	5,658	76,079	--
Payments for Grant Expenses	--	--	(6,836)	--
Proceed from line of credit for operations	--	--	--	100,000
NET CASH PROVIDED BY (USED FOR) NONCAPITAL FINANCING ACTIVITIES	10,069	5,658	(162,800)	100,000
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and Construction of Capital Assets	(1,714,032)	(137,924)	(1,375,321)	(854,638)
Proceeds from Sales of Capital Assets	--	188	--	--
Receipts from Passenger/Customer Facility Charges	202,918	--	--	--
Proceeds from Sale of Bonds, Notes and Loans	1,695,161	--	464,953	661,465
Payments on Bonds, Notes and Loans - Interest	(525,642)	(27,267)	(541,492)	(254,067)
Payments on Bonds, Notes and Loans - Principal	(351,101)	(40,210)	(190,315)	(125,446)
Payments on Leases	(23,567)	(1,310)	--	--
Interest Received on Leases	7,015	10,155	--	--
Payments of Bonds and Notes Expenses	(113,778)	--	--	--
Capital Contributions/Grants Received	401,917	37,561	76,880	97,586
Federal Bond Subsidies	--	--	25,495	14,088
Proceeds from Insurance Recovery for Damage of Capital Assets	--	41	--	--
NET CASH USED FOR CAPITAL AND RELATED FINANCING ACTIVITIES	(421,109)	(158,766)	(1,539,800)	(461,012)
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment Income	73,736	29,724	35,583	13,694
Cash Collateral Paid Under Securities Lending Transactions	(17,848)	(10,737)	--	--
Purchase of Investment Securities	(301,789)	(17,813)	(10,737)	(563)
Proceeds from Notes Receivable	--	--	68,117	--
Receipts from Bond Reserve Fund	--	348	--	--
NET CASH PROVIDED BY (USED FOR) INVESTING ACTIVITIES	(245,901)	1,522	92,963	13,131

Continued...

CITY OF LOS ANGELES

**Statement of Cash Flows - (Continued)
Proprietary Funds
For the Fiscal Year Ended June 30, 2023
(amounts expressed in thousands)**

	Business-type Activities - Enterprise Funds		
	Sewer	Nonmajor Convention Center	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers and Users	\$ 739,841	\$ 49,578	\$ 9,617,507
Receipts for Interfund Services	--	--	1,526,263
Payments to Suppliers	(109,610)	(26,467)	(3,494,152)
Payments to Employees	--	(10,454)	(2,030,983)
Payments for Interfund Services	(313,306)	(5,122)	(2,346,064)
Payments for Nonoperating Expenses	(28,183)	--	(28,183)
NET CASH PROVIDED BY OPERATING ACTIVITIES	288,742	7,535	3,244,388
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers Out	--	--	(232,043)
Cash Received from Noncapital Grants	--	--	91,806
Payments for Grant Expenses	--	--	(6,836)
Proceed from line of credit for operations	--	--	100,000
NET CASH PROVIDED BY (USED FOR) NONCAPITAL FINANCING ACTIVITIES	--	--	(47,073)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and Construction of Capital Assets	(256,112)	(3)	(4,338,030)
Proceeds from Sales of Capital Assets	--	--	188
Receipts from Passenger/Customer Facility Charges	--	--	202,918
Proceeds from Sale of Bonds, Notes and Loans	120,000	--	2,941,579
Payments on Bonds, Notes and Loans - Interest	(130,800)	--	(1,479,268)
Payments on Bonds, Notes and Loans - Principal	(116,761)	--	(823,833)
Payments on Leases	--	--	(24,877)
Interest Received on Leases	--	--	17,170
Payments of Bonds and Notes Expenses	(1,017)	--	(114,795)
Capital Contributions/Grants Received	6,830	--	620,774
Federal Bond Subsidies	8,368	--	47,951
Proceeds from Insurance Recovery for Damage of Capital Assets	--	--	41
NET CASH USED FOR CAPITAL AND RELATED FINANCING ACTIVITIES	(369,492)	(3)	(2,950,182)
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment Income	14,109	119	166,965
Cash Collateral Paid Under Securities Lending Transactions	--	--	(28,585)
Purchase of Investment Securities	--	--	(330,902)
Proceeds from Notes Receivable	--	--	68,117
Receipts from Bond Reserve Fund	--	--	348
NET CASH PROVIDED BY (USED FOR) INVESTING ACTIVITIES	14,109	119	(124,057)

Continued...

CITY OF LOS ANGELES

**Statement of Cash Flows - (Continued)
Proprietary Funds
For the Fiscal Year Ended June 30, 2023
(amounts expressed in thousands)**

	Business-type Activities - Enterprise Funds			
	Airports	Harbor	Power	Water
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS				
CASH AND CASH EQUIVALENTS, JULY 1	\$ 336,146	\$ 176,168	\$ (368,001)	\$ 37,753
CASH AND CASH EQUIVALENTS, JUNE 30	\$ 3,883,695	\$ 1,155,641	\$ 3,076,429	\$ 883,455
	<u>\$ 4,219,841</u>	<u>\$ 1,331,809</u>	<u>\$ 2,708,428</u>	<u>\$ 921,208</u>
CASH AND CASH EQUIVALENTS COMPONENTS				
Unrestricted Cash, Pooled and Other Investments	\$ 1,857,402	\$ 1,281,573	\$ 1,494,067	\$ 467,930
Restricted Cash, Pooled and Other Investments	499,279	50,236	1,214,361	453,278
Unrestricted Investments, Held by Escrow and Fiscal Agents	1,879	--	--	--
Restricted Investments, Held by Escrow and Fiscal Agents	1,861,281	--	--	--
TOTAL CASH AND CASH EQUIVALENTS, JUNE 30	\$ 4,219,841	\$ 1,331,809	\$ 2,708,428	\$ 921,208
	<u>\$ 4,219,841</u>	<u>\$ 1,331,809</u>	<u>\$ 2,708,428</u>	<u>\$ 921,208</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Operating Income (Loss)	\$ 202,251	\$ 162,111	\$ 742,176	\$ 418,039
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided By Operating Activities:				
Depreciation and Amortization	697,168	194,869	761,718	236,008
Depletion	--	--	9,627	--
Amortization of Nuclear Fuel	--	--	10,592	--
Bad Debts Provision	31	937	3,276	1,737
Other Nonoperating (Expenses) Revenues	6,932	--	--	--
Changes in Assets, Liabilities, and Deferred Outflows and Inflows of Resources:				
Accounts Receivable	(2,747)	(15,759)	(234,240)	(52,630)
Accrued Unbilled Revenue	(43,199)	--	--	--
Leases receivable	55,411	12,991	(64)	(3,307)
Prepaid Items and Other Assets	(1,598)	(33)	(401,311)	(6,179)
Due from Other Funds	--	--	(13,509)	--
Inventories	--	(55)	(13,906)	(5,701)
Other Assets	--	--	(20,350)	(140,967)
Accounts, Contracts and Retainage Payable	130,915	6,208	(127,350)	(88,589)
Accrued Salaries and Overtime Payable	6,250	2,571	15,478	27,972
Accrued Compensated Absences Payable	2,182	--	10,316	--
Overrecovered Costs-Pension	--	--	212,452	99,267
Due to Other Funds	--	--	--	13,509
Deposits and Advances	--	--	--	21,425
Net Pension and OPEB Assets, Liabilities and Related Deferred Outflows and Inflows of Resources	(4,829)	147	292,659	(146,279)
Deferred Inflows Related to Leases	(57,166)	(19,257)	(734)	(29)
Other Liabilities	1,486	(16,976)	1,051	11,358
TOTAL ADJUSTMENTS	790,836	165,643	499,460	(32,405)
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 993,087	\$ 327,754	\$ 1,241,636	\$ 385,634
	<u>\$ 993,087</u>	<u>\$ 327,754</u>	<u>\$ 1,241,636</u>	<u>\$ 385,634</u>
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES				
Net Proceeds of Refunding Bonds Deposited with an Irrevocable Trust Account	\$ 214,475	\$ --	\$ 606,800	\$ 363,600
Defeased Debt and Costs Paid Through Escrow with Revenue Bonds	(214,475)	--	(606,400)	(363,500)
Acquisition of Capital Assets Included in Accounts and Contracts Payable	666,894	2,966	121,100	89,372
Changes in Contributions in Relation to Capital Assets	7,686	--	--	--
Write-Off (Loss) on Discontinued Construction Project	--	115	--	--
Sewage Disposal Contracts Capital Contributions	--	--	--	--

Continued..

CITY OF LOS ANGELES

**Statement of Cash Flows - (Continued)
Proprietary Funds
For the Fiscal Year Ended June 30, 2023
(amounts expressed in thousands)**

	Business-type Activities - Enterprise Funds		
	Sewer	Nonmajor Convention Center	Total
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	\$ (66,641)	\$ 7,651	\$ 123,076
CASH AND CASH EQUIVALENTS, JULY 1	585,986	17,720	9,602,926
CASH AND CASH EQUIVALENTS, JUNE 30	<u>\$ 519,345</u>	<u>\$ 25,371</u>	<u>\$ 9,726,002</u>
CASH AND CASH EQUIVALENTS COMPONENTS			
Unrestricted Cash, Pooled and Other Investments	\$ 301,955	\$ 25,371	\$ 5,428,298
Restricted Cash, Pooled and Other Investments	217,390	--	2,434,544
Unrestricted Investments, Held by Escrow and Fiscal Agents	--	--	1,879
Restricted Investments, Held by Escrow and Fiscal Agents	--	--	1,861,281
TOTAL CASH AND CASH EQUIVALENTS, JUNE 30	<u>\$ 519,345</u>	<u>\$ 25,371</u>	<u>\$ 9,726,002</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Operating Income (Loss)	\$ 140,961	\$ (5,945)	\$ 1,659,593
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided By Operating Activities:			
Depreciation and Amortization	191,220	12,211	2,093,194
Depletion	--	--	9,627
Amortization of Nuclear Fuel	--	--	10,592
Bad Debts Provision	774	--	6,755
Other Nonoperating (Expenses) Revenues	(28,183)	--	(21,251)
Changes in Assets, Liabilities, and Deferred Outflows and Inflows of Resources:			
Accounts Receivable	(36,878)	(393)	(342,647)
Accrued Unbilled Revenue	--	--	(43,199)
Leases receivable	--	--	65,031
Prepaid Items and Other Assets	--	(143)	(409,264)
Due from Other Funds	--	--	(13,509)
Inventories	(1,151)	--	(20,813)
Other Assets	--	--	(161,317)
Accounts, Contracts and Retainage Payable	(317)	1,019	(78,114)
Accrued Salaries and Overtime Payable	--	288	52,559
Accrued Compensated Absences Payable	--	59	12,557
Overrecovered Costs-Pension	--	--	311,719
Due to Other Funds	22,316	--	35,825
Deposits and Advances	--	439	21,864
Net Pension and OPEB Assets, Liabilities and Related Deferred Outflows and Inflows of Resources	--	--	141,698
Deferred Inflows Related to Leases	--	--	(77,186)
Other Liabilities	--	--	(3,081)
TOTAL ADJUSTMENTS	<u>147,781</u>	<u>13,480</u>	<u>1,584,795</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 288,742</u>	<u>\$ 7,535</u>	<u>\$ 3,244,388</u>
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES			
Net Proceeds of Refunding Bonds Deposited with an Irrevocable Trust Account	\$ --	\$ --	\$ 1,184,875
Deceased Debt and Costs Paid Through Escrow with Revenue Bonds	--	--	(1,184,375)
Acquisition of Capital Assets Included in Accounts and Contracts Payable	33,185	--	913,517
Changes in Contributions in Relation to Capital Assets	--	--	7,686
Write-Off (Loss) on Discontinued Construction Project	4,210	--	4,325
Sewage Disposal Contracts Capital Contributions	2,247	--	2,247

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, 2023
(amounts expressed in thousands)**

	Pension and Other Postemployment Benefits Trust Funds	Custodial Funds
ASSETS		
Cash and Pooled Investments	\$ 91,178	\$ 24,905
Accounts Receivable	107,297	--
Special Assessments Receivable	--	270
Investment Income Receivable	252,081	37
Advance to Other Entities	1,000,994	--
Investments		
Short-term Investments	1,779,393	--
U.S. and Other Government Obligations	6,847,115	--
Domestic Stocks and Bonds	24,871,034	--
International Stocks and Bonds	15,817,604	--
Real Estate	4,731,600	--
Alternative Investments	14,272,577	--
Securities Lending Collateral	2,086,364	--
Fixed Income and Other Investments	2,500,797	--
Prepaid Expense	53	--
Prepaid Health Subsidy	13,123	--
Capital Assets (Net of Accumulated Depreciation/Amortization of \$17,140)	82,657	--
	74,453,867	25,212
TOTAL ASSETS		
LIABILITIES		
Accounts Payable and Accrued Expenses	216,540	--
Benefits in Process of Payment	35,415	--
Due to Brokers	1,450,230	--
Fiduciary Liabilities	--	190
Obligations Under Securities Lending Transactions	2,086,364	41
Due to Other Entities	--	4,341
Mortgage Loan Payable - Current Portion	13,593	--
Mortgage Loan Payable - Noncurrent Portion	173,398	--
Deposits and Advances	27	6,513
	3,975,567	11,085
TOTAL LIABILITIES		
DEFERRED INFLOWS OF RESOURCES		
Leases	1,279	--
	1,279	--
TOTAL DEFERRED INFLOWS OF RESOURCES		
NET POSITION		
Restricted for:		
Pension Plans	60,910,977	--
Disability Plan	41,256	--
Death Benefit Plan	46,533	--
Postemployment Healthcare Plans	9,478,255	--
Individuals, Organizations and Other Governments	--	14,127
	70,477,021	14,127
TOTAL NET POSITION		

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, 2023
(amounts expressed in thousands)

	Pension and Other Postemployment Benefits Trust Funds	Custodial Funds
ADDITIONS		
Contributions		
Employer	\$ 1,943,485	\$ --
Plan Member	557,544	--
Total Contributions	2,501,029	--
Self-Funded Insurance Premium	12,809	--
Health Insurance Premium Reserve	1,423	--
Tax Collections from Community Facilities Districts	--	9,499
Collections for Clean Fuel Rewards Program	--	169,689
Investment Income		
Net Appreciation (Depreciation) in Fair Value of Investments	3,794,025	(232)
Interest Income	619,531	18
Income from Alternative Investments	59,096	--
Dividend Income	725,103	--
Securities Lending Income	49,685	--
Other Investment Income	70,415	--
Income from Real Estate Investments	98,533	--
Investment Income (Loss)	5,416,388	(214)
Investment Expense	(347,991)	--
Securities Lending Expense	(37,067)	--
Net Investment Income (Loss)	5,031,330	(214)
Other Income	560	--
TOTAL ADDITIONS	7,547,151	178,974
DEDUCTIONS		
Benefits Payments	3,763,559	--
Refunds of Member Contributions	32,796	--
Administrative Expenses	68,877	--
Payments for Clean Fuel Rewards Program	--	175,689
Debt Service Payments for Community Facilities Districts	--	7,123
TOTAL DEDUCTIONS	3,865,232	182,812
CHANGE IN NET POSITION		
Pension Plans	3,032,184	--
Disability Plan	(3,594)	--
Death Benefit Plan	6,008	--
Postemployment Healthcare Plans	647,321	--
Individuals, Organizations and Other Governments	--	(3,838)
TOTAL CHANGE IN NET POSITION	3,681,919	(3,838)
NET POSITION, JULY 1	66,795,102	17,965
NET POSITION, JUNE 30	\$ 70,477,021	\$ 14,127

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., 10th 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.

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 \$2.4 billion includes net interest receivable of \$646.6 million at June 30, 2023.

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 \$10.8 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 \$5.4 billion include amounts restricted for accumulated resources for bond proceeds to be used for capital expenditures, 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, Harbor Restoration Fund, and various other miscellaneous purposes.

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 and subscriptions, is computed using the straight-line method over the estimated useful or service lives of the related assets, except as noted below. Lease and subscription assets are amortized over the lease/subscription term or the life of the asset, whichever is less. See Note 4M for details regarding the City's lease and subscription 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 2023, Power recorded \$9.6 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.

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 1,200 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 100% of the excess over the maximum accumulated 1,632 hours, depending on the duty assignment, at full pay in the subsequent calendar

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year. For Police sworn employees, the City pays 100% of the excess over the maximum accumulated 800 hour 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 Deferred Inflows of Resources

Regulatory assets and deferred inflows of resources 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. Prepaid Items and Other Assets

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in government-wide and fund financial statements. Prepaids are amortized on a consumption basis. Since these amounts are not available for appropriation, the fund balances in the governmental fund types have been classified as nonspendable for amounts equal to the prepaid items in the fund-level statements. For governmental activities and funds, assets of \$9.3 million are classified as prepaid items and other assets, including prepaid expenses and deferred charges by departments and real estate owned under several special revenue funds related to home investment partnership programs and community development projects.

Business-type activities' and proprietary funds' prepaid items and other assets of \$1.3 billion mainly include other assets of Power and Water totaling \$886.0 million as of June 30, 2023, represent the current portion of underrecovered costs, which are the net amount of the balancing accounts required by Power and Water System Rate Ordinances to record differences between specific costs incurred and amounts billed through rates to recover those costs.

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 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 4I of the Notes to the Basic Financial Statements.

11. Leases and Subscription-Based Information Technology Arrangements

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 (IBRs) 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. See Note 4M.1 for additional information.

Subscription-Based Information Technology Arrangements (SBITA)

A SBITA is a contract that conveys control of the right to use a third-party's information technology software. SBITAs with the maximum possible term under the SBITA contract of 12 months or less are considered short-term SBITA and recognized as outflows of resources.

The City recognized a subscription liability and an intangible right-to-use (RTU) subscription asset at the commencement of the contract unless the SBITA is considered a short-term SBITA or the contract is considered a transfer ownership of the underlying assets. The subscription liability is measured at the present value of subscription payments expected to be made during the subscription term using the City's IBRs. A subscription asset is initially recorded at the initial measurement of the subscription liability, plus subscription payments made at the commencement of the subscription term, less any incentives received from the SBITA vendor at or before the commencement of the subscription term. The subscription term begins when the City has obtained control of the right to use the underlying subscription assets and the subscription asset is placed into service.

A subscription asset is amortized on a straight-line basis over the shorter of the subscription term or the useful life of the underlying subscription asset. Remeasurement of the subscription liability occurs when there is a change in the subscription term and/or other changes that are likely to impact the subscription liability significantly.

The City calculates the amortization of the discount on the subscription liability and reports that amount as outflows of resources. SBITAs that do not have implicit interest rates, the IBRs are used. IBRs are estimated rates the City would be charged for borrowing the payment amounts during the subscription term. Payments are allocated first to accrued interest and then to the lease liability. Variable payments based on the usage of the underlying assets are not included in the subscription liability calculations but are recognized as outflows of resources when the obligation was incurred. See Note 4M for additional information.

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.

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 20th 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.

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Fund balances for all the major and nonmajor governmental funds as of June 30, 2023, were distributed as follows (in thousands):

	MICLA			Nonmajor Governmental Funds	Total
	General	Special Revenue	Debt Service		
NONSPENDABLE					
Advances to Other Funds	\$ 19,863	\$ --	\$ --	\$ --	\$ 19,863
Inventories	49,643	--	--	15,212	64,855
Prepaid Items and Other Assets	430	--	--	8,864	9,294
	<u>69,936</u>	<u>--</u>	<u>--</u>	<u>24,076</u>	<u>94,012</u>
RESTRICTED					
Affordable Housing, Community Development and Services	--	--	--	2,534,628	2,534,628
Debt Service	--	--	121,378	174,512	295,890
Fee Supported Programs	--	--	--	8,416	8,416
Fire and Crime Prevention and Emergency Services	--	--	--	68,728	68,728
Fire and Police Facilities	--	--	--	6,694	6,694
Governmental Functions and Services	--	--	--	13,384	13,384
Library and Cultural Activities	--	--	--	134,240	134,240
Other Capital Projects and Improvements	--	11,179	--	3,882	15,061
Recreation and Parks	--	--	--	861,513	861,513
Stormwater and Sanitation Projects and Services	--	--	--	201,311	201,311
Street Projects and Maintenance	--	--	--	30,764	30,764
Transit Projects and Services	--	--	--	651,283	651,283
	<u>--</u>	<u>11,179</u>	<u>121,378</u>	<u>4,689,355</u>	<u>4,821,912</u>
COMMITTED					
Affordable Housing, Community Development and Services	48,083	--	--	459,687	507,770
Fee Supported Programs	--	--	--	820,606	820,606
Fire and Crime Prevention and Emergency Services	4,262	--	--	12,634	16,896
Street Projects and Maintenance	--	--	--	235,372	235,372
Governmental Functions and Services	255	--	--	96,128	96,383
Library and Cultural Activities	--	--	--	46,194	46,194
Other Capital Projects and Improvements	--	--	--	2,490	2,490
Recreation and Parks	--	--	--	44,934	44,934
Stormwater and Sanitation Projects and Services	--	--	--	116,825	116,825
Transit Projects and Services	--	--	--	75,999	75,999
	<u>52,600</u>	<u>--</u>	<u>--</u>	<u>1,910,869</u>	<u>1,963,469</u>
ASSIGNED					
Affordable Housing, Community Development and Services	1,831	--	--	2,844	4,675
Fire and Crime Prevention and Emergency Services	9,331	--	--	--	9,331
Governmental Functions and Services	179,365	--	--	--	179,365
Library and Cultural Activities	5,737	--	--	--	5,737
Other Capital Projects and Improvements	23,260	--	--	--	23,260
Community and Economic Development	12,588	--	--	--	12,588
Health and Sanitation	14,072	--	--	--	14,072
Public Safety	86,312	--	--	--	86,312
Public Works and Transportation	64,917	--	--	--	64,917
	<u>397,413</u>	<u>--</u>	<u>--</u>	<u>2,844</u>	<u>400,257</u>
UNASSIGNED					
Reserve, Emergency and Contingency	1,147,596	--	--	--	1,147,596
Economic Stabilization	186,035	--	--	--	186,035
Unassigned	--	--	--	(62,796)	(62,796)
	<u>1,333,631</u>	<u>--</u>	<u>--</u>	<u>(62,796)</u>	<u>1,270,835</u>
	<u>\$ 1,853,580</u>	<u>\$ 11,179</u>	<u>\$ 121,378</u>	<u>\$ 6,564,348</u>	<u>\$ 8,550,485</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, 2023, the City's Reserve fund balance was \$1.1 billion.

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, 2023, the BSF's fund balance was \$186.0 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.

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For purposes of measuring the net pension and OPEB 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, 2022. 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, 2023, 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, 2023, 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, 2023, the governmental activities restricted net position totaled \$4.7 billion, of which \$1.2 billion is restricted by enabling legislation. Business-type activities' restricted net position totaled \$2.2 billion, of which \$550.9 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 2023:

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 City implemented this statement at the beginning of the fiscal year 2023 without material impact.

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 City implemented this statement at the beginning of the fiscal year 2023. Airports have Public-Private Partnership (PPP) agreements for Automated People Mover System (APM) and Consolidated Rental Car Facility (ConRAC) projects with an aggregate liability balance of \$593.9 million as of June 30, 2023. Additional disclosures of the Airports' implementation for GASB Statement No. 94 are included in Notes 4I.2 Long-Term Liabilities Business-type Activities.

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. Effective July 1, 2022, the City adopted GASB's Statement No. 96 – "Subscription-Based Information Technology Arrangements," using the facts and circumstances that existed at the beginning of the period of implementation. As a result of adoption, the governmental activities financial statements as of July 1, 2022, were restated by the cumulative effect of \$(30.3) million, while business-type activities' were restated by \$0.3 million, shown below in Note 1E.21. Additional SBITA assets and liability disclosures of the City's implementation for GASB Statement No. 96 are included in Notes 4F Capital Assets, 4I Long-Term Liabilities, and 4M Leases and Subscription-Based Information Technology Arrangements.

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 City implemented the requirements related to leases, PPPs, and SBITAs at the beginning of the fiscal year 2023 without 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. 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 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.

GASB Statement No. 102, "Certain Risk Disclosures." Issued in December 2023, the statement provides users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. 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. 96 as a restatement of the beginning net position. As a result, adjustments to the beginning net position of \$(30.3) million and \$0.3 million for governmental and business-type activities, respectively, were recognized as summarized below.

	Beginning of Year (amounts expressed in thousands)		
	July 1, 2022 As Previously Reported	Cumulative Effect of Change in Accounting Principle	July 1, 2022 As Restated
Governmental Activities			
Capital assets not depreciated/amortized	\$ 2,684,288	\$ (2,295)	\$ 2,681,993
Capital assets depreciated/amortized, net	5,980,197	17,206	5,997,403
Lease liabilities	114,405	(260)	114,145
Subscription liabilities	--	45,456	45,456
Net Position	5,532,877	(30,285)	5,502,592
Business-type Activities			
Airports			
Subscription assets amortized, net	\$ 52,309	\$ 11,105	\$ 63,414
Subscription liabilities	--	10,913	10,913
Accrued interest payable, current	5,179	265	5,444
Net position	5,718,408	(73)	5,718,335
Harbor			
Subscription assets amortized, net	\$ --	\$ 2,671	\$ 2,671
Subscription liabilities	--	2,277	2,277
Accrued interest payable	11,735	34	11,769
Net position	3,866,154	360	3,866,514
Power			
Subscription assets amortized, net	\$ --	\$ 3,575	\$ 3,575
Subscription liabilities	--	3,575	3,575
Water			
Subscription assets amortized, net	\$ --	\$ 2,248	\$ 2,248
Subscription liabilities	--	2,248	2,248

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 and bonds payable, are not due and payable in the current period and therefore are not reported in the funds. The details of this \$15.1 billion difference are as follows (in thousands):

Direct Placements	\$ 40,133
Bonds and Notes	2,724,006
Add: Issuance Premium/Discount (to be amortized as interest expense)	165,988
Loans Payable to HUD	31,798
Financed Purchase Obligations	18,117
Lease and Subscription Liabilities	141,877
Accrued Interest Payable	32,808
Accrued Compensated Absences	977,601
Claims and Judgments Payable	3,227,348
Landfill Liability	42,458
Estimated Pollution Remediation Liability	13,244
Net Pension Liability	6,558,600
Net OPEB Liability	<u>1,124,645</u>
Net adjustments to reduce governmental fund balances to arrive at governmental activities net position	<u>\$ 15,098,623</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 \$18.4 million difference are as follows (in thousands):

Capital Outlays	\$ 444,717
Capital Outlays Not Capitalized	(31,205)
Donated Capital Assets	6,512
Depreciation Expense	<u>(438,451)</u>
Net adjustments to decrease net change in fund balances of governmental funds to arrive at change in net position of governmental activities	<u>\$ (18,427)</u>

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 \$226.8 million difference are as follows (in thousands):

Debt Issued or Incurred	
General Obligation Bonds	\$ (389,435)
MICLA Commercial Paper Notes	(134,000)
Lease and Subscription Liabilities	(20,688)
Principal Repayments	
General Obligation Bonds	88,770
Lease Revenue Bonds	125,303
Revenue Bonds	18,560
MICLA Commercial Paper Notes	27,000
Financed Purchase Obligations	12,432
Lease and Subscription Liabilities	38,412
HUD Loans	<u>6,866</u>
Net adjustments to decrease net change in fund balances of governmental funds to arrive at change in net position of governmental activities	<u>\$ (226,780)</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 \$(738.6) million difference are as follows (in thousands):

Increase in Accrued Compensated Absences	\$ (202,157)
Increase in Estimated Claims and Judgments	(533,770)
Increase in Accrued Landfill Liability	(900)
Increase in Pollution Remediation Liability	<u>(1,784)</u>
Net adjustments to decrease net change in fund balances of governmental funds to arrive at change in net position of governmental activities	<u>\$ (738,611)</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, CASp Certification and Training Fund, CIFD Miscellaneous Grants and Awards Fund, City Attorney Consumer Protection Fund, Climate Equity 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, Equestrian Trails 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, Repair and Demolition Fund, SB 2 Permanent Local Housing Allocation Fund, Short-term Rental 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, 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 combining budgetary comparison schedule for the above funds, including Low and Moderate Income Housing Fund, can be found on page 314.

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:

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

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 \$63,888 or 1% of the budget for the receiving account, 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 \$212.5 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 transactions and are excluded in the separate budget and actual schedules.

Notes to the Basic Financial 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, 2023 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	\$ 480,908
Basis Differences	
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.	43,742
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).	50,030
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	590,313
Prior year encumbrances expended in current year	(420,851)
Perspective Difference	
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.	(386,239)
Additional Budgeted Funds included as General category but Reported in Nonmajor Special Revenue Funds	
Department of Neighborhood Empowerment	471
City Ethics Commission	(128)
Accessible Housing Fund	(2,360)
	<u>355,886</u>
Net Change in Fund Balance - GAAP Basis	<u>\$ 355,886</u>

C. Deficit Fund Balance

The Workforce Innovation Opportunity Act Fund (WIOA) reported a deficit fund balance of \$2.1 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, 2023, 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	\$ 7,461,036	\$ 5,428,298	\$ 91,178	\$ 24,905	\$ 13,005,417
Other investments with Escrow and Fiscal Agents	305	16,487	-	-	16,792
Restricted Assets					
Cash and Pooled Investments	10,776	2,444,855	-	-	2,455,631
Cash and Investments with Escrow and Fiscal Agents	-	2,937,600	-	-	2,937,600
Investments of Retirement Systems	-	-	72,906,484	-	72,906,484
Total Deposits and Investments	<u>\$ 7,472,117</u>	<u>\$ 10,827,240</u>	<u>\$ 72,997,662</u>	<u>\$ 24,905</u>	<u>\$ 91,321,924</u>
Cash on hand					\$ 290
Deposits					119,400
Investments					
Pooled					15,274,819
Other					75,927,415
Total Deposits and Investments					<u>\$ 91,321,924</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 are 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, 2023, the book balance of the City's deposits was \$119.4 million and the balance per various financial institutions was \$119.3 million. The difference of \$0.1 million represents primarily deposits in transit and other reconciling items. Of the bank balance, \$15.0 million was covered by Federal Deposit Insurance Corporation (FDIC) and \$104.3 million was uninsured. The uninsured deposits of \$104.3 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 is 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 Treasurer shall render to the Council a statement of investment policy (the Policy) annually. Council File No. 21-1494 was adopted on September 23, 2022, 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, 2023, Council File No. 23-0357 (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 Treasurer further reports that the current policy allows for the purchase of Bonds issues by a local agency, United States Treasury obligations and Federal agency or United States government-sponsored enterprises with maturities up to thirty (30) years.

Notes to the Basic Financial Statements

At June 30, 2023, 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 Maturities				
		1 to 30 Days	31 to 60 Days	61 to 365 Days	366 Days to 5 Years	Over 5 Years
U.S. Treasury Bills	\$ 558,991	\$ 235,507	\$ 136,504	\$ 186,980	\$ -	\$ -
U.S. Treasury Notes	8,380,155	5,759	89,828	1,464,562	4,439,151	2,380,855
U.S. Agencies Securities	1,918,910	817,308	345,795	205,873	439,416	110,518
Medium-Term Notes	1,709,101	29,977	9,951	242,071	1,427,102	-
Commercial Paper	987,939	782,876	184,037	21,026	-	-
Asset-Backed Securities	305,709	-	-	132	305,577	-
Supranational Obligations	219,575	-	-	78,351	141,224	-
Short-Term Investment Funds	1,134,771	1,134,771	-	-	-	-
Securities Lending Short-Term Repurchase Agreements	59,668	59,668	-	-	-	-
Total General and Special Pools	\$ 15,274,819	\$ 3,065,866	\$ 766,115	\$ 2,198,995	\$ 6,752,470	\$ 2,491,373

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, 2023, 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	\$ 8,380,155	\$ 144,560	\$ 8,235,595
U.S. Agencies Securities	628,748	-	628,748
Medium-Term Notes	1,709,101	-	1,709,101
Asset-Backed Securities	305,709	-	305,709
Supranational Obligations	219,575	-	219,575
Total Investments Subject to Fair Value Hierarchy	\$ 11,243,288	\$ 144,560	\$ 11,098,728
Investments Not Subject to Fair Value Hierarchy			
Short-Term Investment Funds *	\$ 1,134,771		
U.S. Treasury Bills *	558,991		
U.S. Agencies Securities *	1,290,162		
Commercial Paper *	987,939		
Securities Lending Short-Term Repurchase Agreement **	59,668		
Total Investments not Subject to Fair Value Hierarchy	4,031,531		
Total Investments	\$ 15,274,819		

* 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 \$144.6 million, are valued using observable unadjusted quoted prices in an active market.

Investments classified in Level 2, totaling \$11.1 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 five years for the U.S. Treasury, U.S. Agency obligations, medium-term notes, CD placement service, negotiable certificates of deposit, collateralized bank deposits, mortgage pass-through 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. Agencies (U.S. government sponsored enterprises) Obligations. The City's \$1.9 billion investments in U.S. government sponsored enterprises consist of securities issued by the Federal Home Loan Bank - \$1.3 billion, Federal National Mortgage Association (Fannie Mae) - \$389.8 million, Federal Home Loan Mortgage Corporation (Freddie Mac) - \$34.0 million, Federal Farm Credit Bank - \$172.3 million, and Tennessee Valley Authority - \$27.1 million. Of the City's \$1.9 billion investments in U.S. Agencies securities, \$628.7 million were rated AA+ by S&P and Aaa by Moody's while the remaining \$1.3 billion 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 investments in medium-term notes of \$1.7 billion were rated A3 or better by Moody's. Of this amount, \$1.5 billion were A or better with only \$0.2 billion rated at BBB+ by S&P as of June 30, 2023.

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 \$987.9 million were rated P-1 by Moody's and rated A-1+/A-1 by S&P.

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, 2023.

Municipal bonds have no minimum rating requirement. The City did not have any investments in Municipal bonds as of June 30, 2023.

Supranational obligations must have a minimum of AA rating or its equivalent or better. The City's \$219.6 million investments in supranational obligations were rated AAA by S&P and Aaa by Moody's.

Investments in asset-backed securities of \$65.4 million were rated AAA by S&P and Aaa by Moody's, \$128.3 million were rated AAA by S&P and not rated by Moody's, and the remaining \$112.0 million were not rated by S&P but were rated Aaa by Moody's.

Notes to the Basic Financial Statements

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 pass-through and asset-backed 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, 2023, 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, 2023:

Investment Type	Maximum Maturity	Maximum Specified % of Portfolio	Minimum Credit Quality Requirements
Local Agency Bonds	5 Years	None	None
U.S. Treasury Obligations	5 Years	None	None
State Obligations: CA and Others	5 Years	None	None
CA Local Agency Obligations	5 Years	None	None
U.S. Agency Obligations	5 Years	None	None
Bankers' Acceptances	180 Days	40% ^A	None
Commercial Paper - Non-Pooled Funds (min. \$100,000,000 of Investments) ^B	270 Days or less	25% of the agency's money ^C	Highest letter and number rating by NRSRO ^D
Commercial Paper - Non-Pooled Funds (min. \$100,000,000 of Investments)	270 Days or less	40% of the agency's money ^C	Highest letter and number rating by NRSRO ^D
Commercial Paper - Pooled Funds ^E	270 Days or less	40% of the agency's money ^C	Highest letter and number rating by NRSRO ^D
Negotiable Certificates of Deposit	5 Years	30% ^F	None
Non-Negotiable Certificates of Deposits	5 Years	None	None
Placement Service Deposits	5 Years	50% ^G	None
Placement Service Certificates of Deposit	5 Years	50% ^G	None
Repurchase Agreements	1 Year	None	None
Reverse Repo/Securities Lending Agreements	92 Days ^H	20% of the base value of the portfolio	None ^I
Medium-Term Notes ^J	5 Years or less	30% ^C	A rating category or its equivalent or better
Money Market and Money Market Mutual Funds	N/A	20% ^K	Multiple ^{L, M}
Collateralized Bank Deposits ^N	5 Years	None	None
Mortgage Pass-through and Asset-Backed Securities	5 Years or less	20%	AA rating category or its equivalent or better
County Pooled Investments Funds	N/A	None	None
Joint Powers Authority Pool	N/A	None	Multiple ^O
Voluntary Investment Program Fund ^P	N/A	None	None
Supranational Obligations ^Q	5 Years or less	30%	AA rating category or its equivalent or better
Local Agency Investment Fund (LAIF)	N/A	None	None
Public Bank Obligations	5 Years	None	None

Other restrictions on investments are summarized as follows:

- ^A No more than 30 percent of the agency's money may be in bankers' acceptances of any one commercial bank.
- ^B Includes agencies defined as a city, a district, or other local agency that do not pool money in deposits or investment with other local agencies, other than local agencies that have the same governing body.

- C Local agencies, other than counties or a city and county, may purchase no more than 10 percent of the outstanding commercial paper and medium-term notes of any single issuer.
- D Issuing corporation must be 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, or the issuing corporation must be organized within the U.S. 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.
- E Includes agencies defined as a county, a city and county, or other local agency that pools money in deposits or investments with other local agencies, including local agencies that have the same governing body. Local agencies that pool exclusively with other local agencies that have the same governing body must adhere to the limits set forth in Section 53601(h)(2)(C).
- F No more than 30 percent of the agency's money may be in negotiable certificates of deposit that are authorized under Section 53601(i).
- G Effective January 1, 2020, no more than 50 percent of the agency's money may be invested in deposits, including certificates of deposit, through a placement service as authorized under 53601.8 (excludes negotiable certificates of deposit authorized under Section 53601(i)). On January 1, 2026, the maximum percentage of the portfolio reverts back to 30 percent. Investments made pursuant to 53635.8 remain subject to a maximum of 30 percent of the portfolio.
- H Reverse repurchase agreements or securities lending agreements may exceed the 92-day term if the agreement includes a written codicil guaranteeing a minimum earning or spread for the entire period between the sale of a security using a reverse repurchase agreement or securities lending agreement and the final maturity dates of the same security.
- I 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.
- J 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."
- K No more than 10 percent invested in any one mutual fund. This limitation does not apply to money market mutual funds.
- L 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 Sections 53601 and 53635.
- M A money market mutual fund must receive the highest ranking by not less than two nationally 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.
- N Investments in notes, bonds, or other obligations 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.

- A joint powers authority pool 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, subdivisions (a) to (o).
- ᵀ 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.
- ᶀ 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 Program (SLP) is permitted and limited under provisions of California Government Code Section 53601. The City Treasurer is authorized to engage contractors to perform securities lending activities or to permit custodian banks to subcontract for securities lending services as delineated in the securities lending authorization agreement dated November 13, 2017. 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 2023, 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, 2023 (in thousands):

Type of Investments Lent		
For Cash Collateral		
U.S. Treasury Notes	\$	9,773
U.S. Agencies Securities		8,827
Medium-Term Notes		39,738
Total Cash Collateral		<u>58,338</u>
For Non-Cash Collateral		
U.S. Treasury Notes		246,245
Total Fair Value of Securities Lent	\$	<u>304,583</u>
Type of Collateral Received		
Cash Collateral *	\$	59,668
Non-Cash Collateral **		
For Lent U.S. Treasury Notes		251,217
Total Collateral Received	\$	<u>310,885</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 2023.

** 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 and 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.

The City's other investments as of June 30, 2023 are as follows (in thousands):

DWP	\$	734,978
Pensions		30,897,042
LACERS		21,784,781
DWP Plans		20,224,661
Others		2,285,953
Total	\$	<u>75,927,415</u>

Notes to the Basic Financial Statements

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, 2023, 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	\$ 54,364	\$ 4,991	\$ 994	\$ 33,876	\$ 10,111	\$ 4,392
U.S. Agencies Securities	271,618	4,993	10,930	136,671	114,472	4,552
Supranational Obligations	21,905	-	-	15,817	6,088	-
Medium-Term Notes	147,498	1	-	62,579	84,918	-
Commercial Paper	7,872	-	-	7,872	-	-
Negotiable Certificates of Deposit	49,551	26,273	4,195	19,083	-	-
California Local Agency Bonds	80,168	1,500	27,168	8,299	43,201	-
California State Bonds	8,566	-	-	4,610	3,956	-
Other State Bonds	46,930	1,000	1,288	21,306	23,336	-
Money Market Funds	31,898	31,898	-	-	-	-
Total	\$ 720,370	\$ 70,656	\$ 44,575	\$ 310,113	\$ 286,082	\$ 8,944

*Excluded investment derivative instruments of \$14.6 million.

DWP holds investment derivative instruments that are measured at fair value in the amount of \$14.6 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.

At June 30, 2023, DWP's summary of the fair value hierarchy of investments are as follows (in thousands):

Investments by Fair Value Level	Amount*	Fair Value Measurements Using			Not Classified
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Debt Securities					
U.S. Government Securities	\$ 54,364	\$ 54,364	\$ -	\$ -	-
U.S. Agencies Securities	271,618	-	271,618	-	-
Supranational Obligations	21,905	-	21,905	-	-
Medium-Term Notes	147,498	-	147,498	-	-
California Local Agency Bonds	80,168	-	80,168	-	-
California State Bonds	8,566	-	8,566	-	-
Other State Bonds	46,930	-	46,930	-	-
Total Debt Securities	631,049	54,364	576,685	-	-
Other					
Commercial Paper	7,872	-	7,872	-	-
Negotiable Certificates of Deposit	49,551	-	49,551	-	-
Money Market Funds	31,898	-	-	-	31,898
Total Other	89,321	-	57,423	-	31,898
Total Investments by Fair Value Level	\$ 720,370	\$ 54,364	\$ 634,108	\$ -	\$ 31,898

*Excluded investment derivative instruments of \$14.6 million.

Notes to the Basic Financial Statements

Debt and other securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for identical 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 investor 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, \$54.4 million as of June 30, 2023 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, 2023, \$258.9 million (95.3%) was rated with AAA or AA credit ratings by the NRSROs that rated them and \$12.7 million (4.7%) was not rated.

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, 2023, 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, 2023, \$21.5 million (14.6%) was rated in the category of AAA, \$39.0 million (26.4%) was rated in the category of AA, \$87.0 million (59.0%) 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, 2023, 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, 2023, DWP's investments in certificates of deposits included \$49.6 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, 2023, 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.

Notes to the Basic Financial Statements

DWP's investment policy specifies that California Local Agency bonds, which include municipal bonds, 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, 2023, \$10.0 million (12.5%) was rated in the category of AAA and \$70.2 million (87.5%) was rated in the category of AA. All of DWP's investments in California Local Agency bond were 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, 2023, \$0.9 million (10.4%) was rated in the category of AAA, and \$7.7 million (89.6%) was rated in the category of AA. All of DWP's investments in California State bonds were as 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, 2023, \$10.5 million (22.3%) was rated in the category of AAA, \$35.3 million (75.2%) was rated in the category of AA, \$1.2 million (2.5%) 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, 2023, 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, 2023, \$45.4 million (6.3%) was invested in securities issued by the Federal Farm Credit Bank, \$40.7 million (5.6%) was invested in securities issued by the Federal Home Loan Mortgage Corporation, \$147.1 million (20.4%) was invested in securities issued by the Federal Home Loan Bank, \$25.7 (3.6%) million was invested in securities issued by the Federal National Mortgage Association, and \$12.7 million (1.8%) was invested in securities issued by the Federal Agricultural Mortgage Corporation.

Fire and Police Pension and Health Subsidy Plans (Pensions)

At June 30, 2023, the Pensions' investments are as follows (in thousands):

Investment Type	Health Subsidy		Total
	Pensions Plan	Plan	
Short-Term Investments	\$ 698,991	\$ 78,060	\$ 777,051
U.S. Government Obligations	2,645,966	295,488	2,941,454
Domestic Corporate Bonds	2,753,588	307,507	3,061,095
International Bonds	114,639	12,802	127,441
Domestic Stocks	9,257,101	1,033,785	10,290,886
International Stocks	4,846,294	541,209	5,387,503
Real Estate	1,558,524	174,048	1,732,572
Alternative Investments	5,023,902	561,044	5,584,946
Securities Lending Collateral	894,231	99,863	994,094
Total	<u>\$ 27,793,236</u>	<u>\$ 3,103,806</u>	<u>\$ 30,897,042</u>

Notes to the Basic Financial Statements

At June 30, 2023, Pensions has the following recurring fair value measurements (in thousands):

	Amount	Fair Value Measurements Using		
		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)
Investments by Fair Value Level				
Debt Securities				
U.S. Treasuries	\$ 2,241,681	\$ -	\$ 2,241,681	\$ -
U.S. Agencies	680,304	-	679,806	498
Municipal/Provincial Bonds	13,242	-	13,242	-
Collateralized Debt Obligations	595,227	-	593,887	1,340
Commercial Paper	153,755	-	153,755	-
Corporate Bonds	2,398,652	-	2,397,564	1,088
Total Debt Securities	6,082,861	-	6,079,935	2,926
Equity Securities				
Common Stock	15,580,963	15,566,235	1,768	12,960
Preferred Stock	97,389	93,116	-	4,273
Other	37	1	-	36
Total Equity Securities	15,678,389	15,659,352	1,768	17,269
Real Estate	630,011	151,854	-	478,157
Derivatives	10,906	-	10,906	-
Total Investments by Fair Value Level	\$ 22,402,167	\$ 15,811,206	\$ 6,092,609	\$ 498,352
Investments Measured at the Net Asset Value (NAV)				
Private Equity Partnerships	\$ 5,574,039			
Real Estate	1,102,561			
Corporate Debt Securities	47,130			
Total Investments Measured at NAV	\$ 6,723,730			

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.

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. 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,, 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.

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 Partnerships	\$ 5,574,039	\$ 2,536,216	N/A	--
Real Estate ⁽¹⁾	1,102,561	561,528	Quarterly	90-179 days
Corporate Debt Securities	47,130	--	Anytime	--
Total Investments Measured at NAV	\$ 6,723,730	\$ 3,097,744		

⁽¹⁾ This type of investment includes \$713.3 million of commingled real estate committed and funded that can be redeemed quarterly with 90 to 179 days redemption notice period.

Notes to the Basic Financial Statements

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 US Aggregate Bond Index for core fixed income investments, (2) the Bloomberg US Mortgage Backed Securities Index for mortgage backed investments, (3) the Bloomberg US Government/Credit Long-Term Bond Index for long duration investments, (4) the B of A ML High Yield Master II Index for high yield investments (5) the Bloomberg US Government Inflation-Linked Bond Index for inflation-linked investments, and (6) a blend of the Bloomberg Global Aggregate Credit Index USD, ICE B of A ML Developed Markets High Yield Index USD, JP Morgan Emerging Markets Bond Index Global Diversified USD and Credit Suisse Leveraged Loan Index for global credit investments. The longer the duration, the greater the sensitivity to interest rate changes. Information about the sensitivity of the Pensions' investments to interest rate fluctuations is provided in the following table that shows the weighted average maturity of the System's fixed income investments by investment type:

Investment Type	Amount (in thousands)	Weighted Average Maturity (in years)
Asset-Backed Securities	\$ 337,189	7.59
Bank Loans	154,750	4.45
Commercial Mortgage-Backed	117,156	22.27
Corporate Bonds	2,157,613	9.47
Corporate Convertible Bonds	24,431	4.33
Government Agencies Bonds	90,242	8.03
Government Bonds	1,108,658	11.76
Government Mortgage-Backed Securities	647,406	24.55
Government Issued Commercial Mortgage-Backed	1,599	32.84
Index Linked Government Bonds	1,287,276	7.85
Municipal/Provincial Bonds	14,082	32.89
Non-Government Backed Collateralized Mortgage Obligations	140,882	29.96
Sukuk	1,577	9.16
Asset/Mortgage-Backed Securities/Other Fixed Income Funds	47,130	N/A
Total	\$ 6,129,991	

Investments that are highly sensitive to interest rate risk at June 30, 2023 are as follows (in thousands):

Investment Type	Amount
Asset-Backed Securities	\$ 337,189
Commercial Mortgage-Backed	117,156
Government Agencies Bonds	90,242
Government Mortgage-Backed Securities	647,406
Non-Government Backed Collateralized Mortgage Obligations	140,882
Total	\$ 1,332,875

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.

Notes to the Basic Financial Statements

As of June 30, 2023, the quality ratings of Pensions' fixed income investments in U.S. Government obligations, domestic corporate and foreign bonds are as follows:

Credit Rating	Amount (in thousands)	Percentage
AAA	\$ 2,500,754	46.41 %
AA	91,149	1.69
A	598,716	11.11
BBB	769,624	14.28
BB	442,741	8.22
B	430,787	8.00
CCC	67,137	1.25
CC	490	0.01
C	561	0.01
Not Rated	486,168	9.02
Subtotal	5,388,127	100.00 %
U.S. Government Issued or Guaranteed Securities	741,864	
Total Fixed Income Investments	\$ 6,129,991	

Concentration of Credit Risk. As of June 30, 2023, 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, 2023, Pensions' exposure to custodial credit risk comprised of foreign currencies held outside the custodial bank amounted to \$14.1 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, 2023, the 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 the Pensions' name. As of June 30, 2023, the private equity of \$5.6 billion, and commingled real estate funds of \$1.1 billion, were exposed to custodial credit risk. As of June 30, 2023, the Pensions no longer maintains any hedge fund investments, in accordance with the Board's decision to terminate the hedge fund program. Consequently, custodial credit risk associated with hedge fund investments has been eliminated.

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. In addition, fixed income, real estate, and private equity managers may hold non-U.S. investments depending on their individual investment strategies. Pensions' foreign investment holdings, including foreign currencies in temporary investments at June 30, 2023, are as follows (in thousands):

Foreign Currency	Fair Value
Australian Dollar	\$ 140,634
Brazilian Real	141,355
British Pound Sterling	593,844
Canadian Dollar	109,380
Chilean Peso	10,133
Chinese Yuan Renminbi	76
Colombian Peso	8,016
Czech Koruna	3,242
Danish Krone	102,297
Euro	1,589,591
HK Offshore Chinese Yuan Renminbi	85,311
Hong Kong Dollar	423,918
Hungarian Forint	1,593
Indian Rupee	230,251
Indonesian Rupiah	42,592
Japanese Yen	800,204
Kenyan Shilling	2,241
Kuwaiti Dinar	853
Malaysian Ringgit	11,667
Mexican Peso	71,643
New Israeli Shekel	6,381
New Taiwan Dollar	256,387
New Zealand Dollar	3,340
Norwegian Krone	15,888
Philippine Peso	6,480
Polish Zloty	16,559
Qatari Riyal	7,873
Saudi Riyal	25,913
Singapore Dollar	37,092
South African Rand	49,011
South Korean Won	240,751
Swedish Krona	107,374
Swiss Franc	322,444
Thai Baht	17,691
Turkish Lira	6,562
United Arab Emirates Dirham	22,814
Total	\$ 5,511,401

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, 2023 was 7.78%. The source for the rate of return was the June 30, 2023 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, 2023, 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, 2023, \$994.1 million was cash collateral and \$687.1 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, 2023:

Securities Lent	Cash	Non-Cash	Total Collateral Securities
U.S. Government and Agency Securities	\$ 332,585	\$ 20,634	\$ 353,219
Domestic Corporate Fixed Income Securities	242,663	49,019	291,682
Domestic Equities	366,646	542,013	908,659
International Fixed Income Securities	581	2,496	3,077
International Equities	51,619	72,943	124,562
	\$ 994,094	\$ 687,105	\$ 1,681,199

Fair value of loaned securities as of June 30, 2023:

Securities Lent	Cash	Non-Cash	Total Loaned Securities
U.S. Government and Agency Securities	\$ 326,946	\$ 20,202	\$ 347,148
Domestic Corporate Fixed Income Securities	238,554	48,001	286,555
Domestic Equities	359,680	533,234	892,914
International Fixed Income Securities	545	2,313	2,858
International Equities	48,907	68,832	117,739
	\$ 974,632	\$ 672,582	\$ 1,647,214

For fiscal year ended June 30, 2023, securities lending income amounted to \$6.1 million, while securities lending expenses amounted to \$0.9 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, 2023, 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, 2023		Notional Amount
	Classification	Amount	Classification	Amount	
Investment Derivatives:					
Futures - Shorts	N/A	\$ --	Investment	\$ --	(134,595)
Futures - Longs	Investment Revenue	7,688	Investment	--	452,855
Forwards	Investment Loss	(5,158)	Investment	(2,596)	--
Options	Investment Loss	(448)	Investment	(2)	--
Rights/Warrants	Investment Loss	(338)	Investment	37	--
Swaps	Investment Revenue	21,184	Investment	10,908	--

Notes to the Basic Financial Statements

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

At June 30, 2023, LACERS' investments are as follows (in thousands):

Investment Type	Retirement Plan	Postemployment Health Care Plan	Total
Short-Term Investments	\$ 351,781	\$ 69,004	\$ 420,785
U.S. Government Obligations	1,375,416	269,795	1,645,211
Municipal Bonds	12,071	2,368	14,439
Domestic Corporate Bonds	746,441	146,418	892,859
International Bonds	884,175	173,436	1,057,611
Other Fixed Income	597,234	117,151	714,385
Bank Loans	87,803	17,223	105,026
Opportunistic Debts	392,553	77,001	469,554
Domestic Stocks	4,679,367	917,884	5,597,251
International Stocks	3,808,020	746,964	4,554,984
Mortgage-Backed Securities	564,991	110,826	675,817
Government Agencies	9,289	1,822	11,111
Derivative Instruments	(1,576)	(310)	(1,886)
Real Estate	1,055,373	207,017	1,262,390
Alternative Investments	3,473,159	681,279	4,154,438
Securities Lending Collateral	176,236	34,570	210,806
Total	\$ 18,212,333	\$ 3,572,448	\$ 21,784,781

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 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, 2023, LACERS had no specific plans to sell investments at amounts different from NAV. These investments are disclosed in the Investments Measured at the NAV.

Notes to the Basic Financial Statements

LACERS has the following recurring fair value measurements as of June 30, 2023 (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)
Investments by Fair Value				
Debt Securities				
Government Bonds	\$ 2,316,554	\$ -	\$ 2,294,826	\$ 21,728
Government Agencies	65,423	-	65,423	-
Municipal/Provincial Bonds	15,418	-	15,418	-
Corporate Bonds	1,223,837	-	1,217,360	6,477
Bank Loans	105,025	-	105,025	-
Government Mortgage Bonds	595,507	-	595,507	-
Commercial Mortgage Bonds	80,310	-	80,310	-
Opportunistic Debts	117,485	-	-	117,485
Funds - Fixed Income ETF	2,434	2,434	-	-
Total Debt Securities	4,521,993	2,434	4,373,869	145,690
Equity Securities				
Common Stock				
Basic Industries	1,367,168	1,367,051	22	95
Capital Good Industries	482,384	482,233	-	151
Consumer and Services	2,098,659	2,097,432	1,137	90
Energy	593,938	593,579	-	359
Financial Services	1,409,830	1,409,626	-	204
Health Care	964,819	964,481	-	338
Information Technology	1,600,283	1,600,154	-	129
Real Estate	730,387	730,005	-	382
Other Funds - Common Stock	846,647	-	846,647	-
Miscellaneous	14,095	11,905	18	2,172
Total Common Stock	10,108,210	9,256,466	847,824	3,920
Preferred Stock	37,617	37,617	-	-
Stapled Securities	5,906	5,906	-	-
Convertible Equity	502	487	15	-
Total Equity Securities	10,152,235	9,300,476	847,839	3,920
Real Estate Funds	392,378	-	-	392,378
Total Investments by Fair Value Level	15,066,606	\$ 9,302,910	\$ 5,221,708	\$ 541,988

Investments Measured at the Net Asset Value (NAV)

Common Fund Assets	711,951
Private Equity Funds	4,154,438
Real Estate Funds	870,012
Opportunistic Debts	352,069
Total Investments Measured at NAV	6,088,470
Total Investments Measured at Fair Value ⁽¹⁾	\$ 21,155,076

Investment Derivative Instruments

Future Contracts (Liabilities)	\$ 154	\$ 154	\$ -	\$ -
Foreign Exchange Contracts (Liabilities)	1,219	-	1,219	-
Rights/Warrants/Options/Swaps	(3,259)	(1,920)	(1,358)	19
Total Investment Derivative Instruments	\$ (1,886)	\$ (1,766)	\$ (139)	\$ 19

⁽¹⁾ Excluded \$(1.9) million of investment derivative instruments and \$210.8 million of securities lending collateral.

Investments Measured at NAV (in thousands):

	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Common Fund Assets (1)	\$ 711,951	\$ -	Daily	2 days
Private Equity Funds (2)	4,154,438	1,650,990	N/A	N/A
Real Estate Funds (3)	870,012	31,571	Daily, Quarterly	1-90 days
Opportunistic Debts (4)	352,069	-	Monthly	30 days
Total Investments Measured at NAV	\$ 6,088,470	\$ 1,682,561		

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 319 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). Nine investments, representing approximately 85.5% 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. Thirteen investments, representing approximately 14.5% 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 99.8% of the value of this investment type, can be redeemed monthly. The distressed investment fund, representing approximately 0.2% 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.

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, 2023 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	\$ 78,407	3.04
Bank Loans	105,026	(0.08)
Commercial Mortgage-Backed Securities	80,310	2.79
Corporate Bonds	1,110,916	5.01
Government Agencies	65,423	7.16
Government Bonds	1,358,092	7.59
Government Mortgage-Backed Securities	595,507	7.42
Index Linked Government Bonds	958,463	4.45
Municipal/Provincial Bonds	15,418	5.57
Non-Government Backed Collateralized Mortgage Obligations (C.M.O.s)	34,515	3.96
Opportunistic Debts	469,554	0.12
Other Fixed Income (Funds)	714,385	6.29
Derivative Instruments	21	98.47
Total	<u>\$ 5,586,037</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, 2023, are as follows:

S&P Ratings	Fair Value (in thousands)	Percentage
AAA	\$ 45,771	1.38 %
AA+	5,768	0.17
AA	735,835	22.13
AA-	18,631	0.56
A+	36,614	1.10
A	58,999	1.78
A-	179,586	5.40
BBB+	236,435	7.11
BBB	190,802	5.74
BBB-	171,859	5.17
BB+	86,811	2.61
BB	115,777	3.48
BB-	122,928	3.70
B+	57,952	1.74
B	71,442	2.15
B-	78,442	2.36
CCC+	76,840	2.31
CCC	63,419	1.91
CCC-	12,268	0.37
CC	158	--
D	7,626	0.23
Not Rated	951,085	28.60
	<u>3,325,048</u>	<u>100.00 %</u>
U.S. Government Guaranteed Securities *	2,260,965	
Total Fixed Income Investments	<u>\$ 5,586,013</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, 2023, 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, 2023, LACERS has exposure to such risk in the amount of \$28.1 million, or 0.4% of the fair value of total international investments. The amount represents non-invested cash denominated in foreign currencies, managed by 13 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, 2023, 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 24% 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, 2023, which represent 24.01% of the fair value of total investments, are as follows (in thousands):

Foreign Currency	Fair Value
Australian Dollar	\$ 114,335
Brazilian Real	114,726
British Pound Sterling	500,528
Canadian Dollar	290,852
Chilean Peso	1,505
Chinese Yuan Renminbi	77,794
Colombian Peso	37,650
Czech Koruna	24,263
Danish Krone	104,232
Egyptian Pound	1,329
Euro	1,451,302
Hong Kong Dollar	250,794
Hungarian Forint	22,510
Indian Rupee	210,186
Indonesian Rupiah	71,280
Israeli New Shekel	27,842
Japanese Yen	650,669
Kazakhstan Tenge	860
Malaysian Ringgit	56,514
Mexican Peso	103,545
New Romanian Leu	19,532
New Taiwan Dollar	222,339
New Zealand Dollar	3,858
Norwegian Krone	43,343
Peruvian Nuevo Sol	12,793
Philippine Peso	10,419
Polish Zloty	40,574
Qatari Riyal	4,439
Russian Ruble	650
Singapore Dollar	39,370
South African Rand	77,107
South Korean Won	106,467
Swedish Krona	121,431
Swiss Franc	241,828
Thai Baht	55,816
Turkish Lira	4,832
United Arab Emirates Dirham	11,574
Uruguayan Peso Uruguayo	941
Total	<u>\$ 5,130,029</u>

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	\$ 78,407
Commercial Mortgage-Backed Securities	80,310
Government Agencies	65,423
Government Mortgage-Backed Securities	595,507
Non-Government Backed C.M.O.s	34,515
Total	<u>\$ 854,162</u>

Money-Weighted Rate of Return. For the fiscal year ended June 30, 2023, the aggregate annual money-weighted rate of return on LACERS investments, net of investment expenses was 7.4%. 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, 2023, are as follows (in thousands):

Derivative Type	Notional Amount	Fair Value	Change in Fair Value
Future Contracts:			
Equity Index	\$ 23,689	\$ 133	\$ 370
Interest Rate	(13,364)	21	57
Currency Forward Contracts	627,263	1,219	2,077
Currency Options	N/A	(1,358)	(1,339)
Right / Warrants	N/A	48	2
Swaps-Interest Rate	N/A	(2,388)	227
Swaps-Credit Contracts	N/A	439	(2,028)
Total Value		<u>\$ (1,886)</u>	<u>\$ (634)</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, 2023, without respect to netting arrangements, LACERS maximum income on derivative instruments subject to credit risk, namely currency forward contracts, is \$5.2 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 103% of the fair value of the borrowed U.S. securities and 105% 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.

During the reporting period, LACERS had no losses on securities lending transactions resulting from default of a borrower or lending agent. Due to the nature of the securities lending program and the custodian bank's collateralization of loans at amounts greater than the fair value of the loaned securities, it is deemed that there were no material credit risks to LACERS as defined in GASB Statement No. 28 and GASB Statement No. 40 by its participation in the securities lending program. However, similar to any other investment portfolio, there is risk associated with investing cash collateral in securities. The value of the invested collateral may fall below the value of the cash collateral pledged by the borrowers and may impair LACERS ability to return cash collateral to the borrowers upon the redemption of loans. If this scenario were to occur, LACERS would be required to make up the deficiency in collateral and would incur a loss.

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. LACERS cannot pledge or sell non-cash collateral unless the borrower defaults.

The following table represents the fair value of securities on loan, corresponding cash collateral received and cash reinvestment value as of June 30, 2023 (in thousands):

Securities on Loan	Fair Value of Securities on Loan	Cash Collateral Received
U.S. Government and Agency Securities	\$ 9,436	\$ 9,652
Domestic Corporate Fixed Income Securities	86,842	88,630
International Fixed Income Securities	29,719	31,888
Domestic Stocks	64,418	65,696
International Stocks	14,001	14,940
	<u>\$ 204,416</u>	<u>\$ 210,806</u>

The fair value of cash collateral is reported in the statement of fiduciary net position. However, the non-cash collateral, which LACERS does not have the ability to sell unless the borrower defaults, is not reported in the statement of fiduciary net position.

Notes to the Basic Financial Statements

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

At June 30, 2023, DWP Plans' investments are as follows (in thousands):

Investment Type	Retirement and Disability Benefit Plans	Retirees Health and Death Benefit Plans	Total
Domestic Stocks	\$ 3,354,125	\$ 626,469	\$ 3,980,594
International Stocks	3,294,138	615,265	3,909,403
Mortgage-Backed Securities	236,036	44,086	280,122
Domestic Corporate Bonds	883,359	164,990	1,048,349
International Bonds	657,801	122,861	780,662
Private Credit	199,872	37,331	237,203
Alternative Investments	3,841,183	692,010	4,533,193
Real Estate	1,464,571	272,067	1,736,638
U.S. Treasuries	880,381	164,434	1,044,815
U.S. Agency Notes	1,014,955	189,569	1,204,524
Municipal Bonds	5,171	966	6,137
Short-Term Investments	490,031	91,526	581,557
Securities Lending Collateral	710,878	170,586	881,464
Total	\$ 17,032,501	\$ 3,192,160	\$ 20,224,661

DWP Plans has the following recurring fair value measurements as of June 30, 2023 (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	\$ 3,980,594	\$ -	\$ -	\$ 3,980,594
International Equities	3,909,403	-	-	3,909,403
Preferred Securities	16,113	-	-	16,113
Fixed Income Securities				
U.S. Treasuries	-	1,044,815	-	1,044,815
U.S. Agencies	-	1,204,524	-	1,204,524
Mortgage and Asset-Backed Securities	-	280,122	-	280,122
Corporate Debt - Domestic	-	1,032,236	-	1,032,236
Corporate Debt - International	-	507,443	-	507,443
Government Debt - International	-	273,219	-	273,219
Municipal / Provincial Bonds	-	6,137	-	6,137
Total Investments by Fair Value	\$ 7,906,110	\$ 4,348,496	\$ -	\$ 12,254,606

* Mutual funds of \$581.6 million and Security Lending Short-Term Investments of \$881.5 million are not included in fair value hierarchy. Investments measured at NAV are also not included within the fair value hierarchy.

Equity and preferred 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 based on evaluated quotes provided by independent pricing services and matrix pricing techniques. 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.

Notes to the Basic Financial Statements

Fair Value of Investments Measured at the Net Asset Value (NAV). Below is a summary of the DWP Plans' investments at June 30, 2023 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	\$ 1,972,587	\$ 723,696	Not Eligible	Not Eligible
Fund of Funds	534,628	337,645	Not Eligible	Not Eligible
Private Credit				
Open Ended	179,225	66,972	Annually*	90 days
Close Ended	57,978	68,297	Not Eligible	Not Eligible
Real Estate				
Open Ended	957,082	112,500	Quarterly	45-90 days
Close Ended	779,556	721,095	Not Eligible	Not Eligible
Real Return				
Commodities	262,039	-	Daily	2 days
Timberland	39,438	-	Not Eligible	Not Eligible
Short Duration TIPS	652,859	-	Daily	3 days
Hedge Fund				
Fund of Funds	1,071,642	-	Daily	60 days
Total Investments Measured at NAV	<u>\$ 6,507,034</u>	<u>\$ 2,030,205</u>		

* Certain investment has five and a half years lock before eligible for redemption.

DWP Plans' private equity portfolio consists of ventured 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.

DWP Plans' private credit portfolio includes asset-backed, opportunistic, stressed, special situations and direct lending investments. These investments are in both open ended and closed ended funds/partnerships. Open ended funds/partnerships can be redeemed subject to their redemption schedule. Closed 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 5 to 8 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 investor" standards. Investments are made with care, skill, prudence, and diligence under the circumstances then prevailing that a prudent investor 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.

Notes to the Basic Financial Statements

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, 2023 are as follows:

Credit Rating	Amount (in thousands)	Percentage
AAA	\$ 206,829	7.05 %
A or Better	179,885	6.13
B or Better	1,319,114	44.95
C or Better	204,359	6.97
Not Rated	1,023,843	34.90
Subtotal	2,934,030	100.00 %
U.S. Government Issued or Guaranteed Securities	2,249,339	
Total Fixed Income Investments	\$ 5,183,369	

Custodial Credit Risk. As of June 30, 2023, 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, 2023, 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.

Interest Rate Risk. As of June 30, 2023, DWP Plans' exposure to interest rate risk is as follows:

Investment Type	Amount (in thousands)	Weighted Average Maturity (Years)
U.S. Treasuries	\$ 1,044,815	5.08
U.S. Agency Notes	1,204,524	22.13
Preferred Securities	16,113	--
Mortgage and Asset-Backed Securities	280,122	15.34
Corporate Debt - Domestic	1,032,236	8.02
Corporate Debt - International	507,443	7.89
Government Debt - International	273,219	12.01
Municipal / Provincial Bonds	6,137	16.10
Mutual Funds	581,557	--
Total*	\$ 4,946,166	10.50

* Not included are private credit investments of \$237.2 million with average redemption periods ranging 5 to 8 years.

Notes to the Basic Financial Statements

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, 2023, DWP Plans' exposure to foreign currency risk is 14.8% of the fair value of total investments, as follows (in thousands):

Foreign Currency	Fair Value
Australian Dollar	\$ 60,618
Brazilian Real	53,532
British Pound Sterling	330,112
Canadian Dollar	176,651
Chinese Yuan Renminbi	4,517
HK Offshore Chinese Yuan	23,786
Chilean Peso	1,710
Colombian Peso	8,149
Czech Koruna	2,856
Danish Krone	37,293
Dominican Peso	1,345
Euro Currency Unit	1,138,958
Hong Kong Dollar	119,451
Hungarian Forint	2,752
Indonesian Rupiah	22,056
Indian Rupee	1,366
Japanese Yen	434,719
Kazakhstani Tenge	1,110
Malaysian Ringgit	8,375
Mexican New Peso	39,585
New Taiwan Dollar	103,868
New Zealand Dollar	3,709
Norwegian Krone	3,470
Peruvian Nuevo Sol	2,323
Philippine Peso	5,331
Polish Zloty	3,957
Russian Ruble	4,774
Singapore Dollar	25,665
South African Rand	25,112
South Korea Won	79,422
Swedish Krona	54,375
Swiss Franc	168,201
Thailand Baht	22,434
Turkish Lira	4,367
Ukrainian Hryvnia	278
United Arab Emirates Dirham	13,649
Total	\$ 2,989,876

Money-Weighted Rate of Return. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for changing amounts actually invested. For the fiscal year ended June 30, 2023, the annual money-weighted rate of return on DWP Plans' fund investments for retirement, health and death benefits, net of investment expense, were 7.5%, 7.6% and -0.60% respectively.

Derivative Instruments. The fair value balances and notional amounts of derivative instruments outstanding at June 30, 2023, 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/ (Loss)	\$ (6,671)	Investment	\$ (22)	\$ 1,187,014

At June 30, 2023, 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, 2023, 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 73 days as of June 30, 2023.

The fair values of the underlying securities on loan, collateralized by cash and securities as of June 30, 2023 are (in thousands):

Securities on Loan	Amount
Global Agencies	\$ 1,048
Global Equities	190,965
Global Corporate Fixed	31,348
Global Government Fixed	139,731
U.S. Agency Notes	7,819
U.S. Corporate Fixed	239,946
U.S. Equities	344,862
U.S. Government Fixed	494,431
Total	<u>\$ 1,450,150</u>

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, 2023, other investments are as follows (in thousands):

Investment Type	Amount	Investment Maturities			
		1 to 30 Days	31 to 60 Days	61 to 365 Days	366 Days to 5 Years
U.S. Government Securities	\$ 831,152	\$ 11,512	\$ -	\$ 794,068	\$ 25,572
Common Stock	238	238	-	-	-
State of California LAIF	6	-	-	6	-
Short-Term Investments	1,454,557	76,344	1,378,213	-	-
Total	<u>\$ 2,285,953</u>	<u>\$ 88,094</u>	<u>\$ 1,378,213</u>	<u>\$ 794,074</u>	<u>\$ 25,572</u>

Credit Risk. At June 30, 2023, The \$1.4 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 .

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.

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, 2023, the City had no investment holdings of more than 10% in any one issuer.

At June 30, 2023, 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)
Investments Subject to Fair Value Hierarchy			
U.S. Government Securities	\$ 831,152	\$ 831,152	\$ -
Common Stock	238	238	-
Total Investments Subject to Fair Value Hierarchy	<u>\$ 831,390</u>	<u>\$ 831,390</u>	<u>\$ -</u>
Investments Not Subject to Fair Value Hierarchy			
State of California LAIF	\$ 6		
Short-Term Investments	1,454,557		
Total Investments not Subject to Fair Value Hierarchy	<u>1,454,563</u>		
Total Investments Measured at Fair Value	<u>\$ 2,285,953</u>		

B. Receivables

1. Primary Government

The primary government's net receivables at June 30, 2023 are as follows (in thousands):

	Governmental Activities	Business-type Activities
Gross Receivables		
Taxes	\$ 923,987	\$ --
Accounts	923,149	1,630,229
Special Assessments	12,486	--
Investment Income	38,062	24,633
Intergovernmental	459,311	33,897
Leases	15,225	511,144
Loans and Notes	3,876,810	6,308
Total	<u>6,249,030</u>	<u>2,206,211</u>
Allowance for Uncollectibles		
Taxes	(32,698)	--
Accounts	(622,349)	(358,041)
Loans and Notes	(1,461,943)	--
Total	<u>(2,116,990)</u>	<u>(358,041)</u>
Net Receivables	<u>\$ 4,132,040</u>	<u>\$ 1,848,170</u>
Net Receivables not Scheduled for Collection During the Subsequent Year:		
Loans, Notes, Leases, and Intergovernmental	\$ 2,553,454	\$ 442,576

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 \$2.4 billion includes net interest receivable of \$646.6 million at June 30, 2023.

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, 2023 (in thousands):

	Governmental Activities	Business-type Activities
Cash and Investments		
Pooled Cash and Cash Equivalents, and Other Investments	\$ 10,776	\$ 2,444,855
Investments Held by Escrow and Fiscal Agents	--	2,937,600
Subtotal	10,776	5,382,455
Other Restricted Assets		
Restricted Passenger/Customer Facility Charge Receivable	--	29,055
Total (Refer to Note 1E.4)	<u>\$ 10,776</u>	<u>\$ 5,411,510</u>

D. Regulatory Assets and Deferred Inflows of Resources

Regulatory assets and deferred inflows of resources 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 deferred inflows of resources at June 30, 2023 (in thousands):

Description	Balance June 30, 2022	Additions	Deductions	Balance June 30, 2023
Assets				
Underrecovered Costs - Long-Term	\$ 5,734	\$ --	\$ (5,734)	\$ --
Regulatory Assets - Legal Settlements	32,000	--	(16,000)	16,000
Regulatory Assets - Solar Incentive Program	163,920	--	(13,545)	150,375
Regulatory Assets- Energy Efficiency Program	651,953	110,550	(113,410)	649,093
Regulatory Assets - Customer Care and Billing System	22,475	--	(3,042)	19,433
Regulatory Assets - Other	870,348	110,550	(145,997)	834,901
Regulatory Assets - OPEB	132,286	--	(101,718)	30,568
Total Regulatory Assets - noncurrent	1,008,368	110,550	(253,449)	865,469
Underrecovered Costs - current	217,973	47,875	--	265,848
Total Regulatory Assets	<u>\$ 1,226,341</u>	<u>\$ 158,425</u>	<u>\$ (253,449)</u>	<u>\$ 1,131,317</u>
Deferred Inflows of Resources				
Deferred Inflows from Regulated Business Activities	187,190	--	--	187,190
Total Deferred Inflows of Resources	<u>\$ 187,190</u>	<u>\$ --</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 20-year period. Effective July 2011, customers' bills include a charge, for energy efficiency programs to be collected over a 5 to 15 year period, depending on the program. At June 30, 2023, 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 OPEB regulatory asset was established in connection with the implementation of GASB Statement No. 75.

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 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.

Notes to the Basic Financial Statements

Deferred inflows from regulated 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, 2023, Power did not recognize any of this revenue.

There were no underrecovered costs shown as other noncurrent assets in the statement of net position at June 30, 2023.

2. Water Enterprise Fund

Below is the summary of Water’s regulatory assets at June 30, 2023 (in thousands):

Description	Balance June 30, 2022	Additions	Deductions	Balance June 30, 2023
Assets				
Regulatory Assets - Water Conservation Rebates	\$ 99,548	\$ 10,579	\$ (12,373)	\$ 97,754
Regulatory Assets - Stormwater Capture Program	47,031	253	(1,611)	45,673
Regulatory Assets - Customer Care and Billing System	9,945	--	(1,366)	8,579
Regulatory Assets - Other	156,524	10,832	(15,350)	152,006
Regulatory Assets - OPEB	60,495	--	(47,013)	13,482
Underrecovered Costs	89,979	269,362	(89,979)	269,362
Total	\$ 306,998	\$ 280,194	\$ (152,342)	\$ 434,850

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 the useful life of the program, ranging from 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 OPEB regulatory asset was established in connection with the implementation of GASB Statement No. 75.

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, 2023, underrecovered costs of \$269.4 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, 2023, 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, 2023 was \$4.4 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 POLB, and downtown Los Angeles.

Harbor has no share of the ACTA's net position and income at June 30, 2023, 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, 2023 is as follows (in thousands):

	Balance July 1, 2022 Restated*	Additions / Transfers	Deductions / Transfers	Balance June 30, 2023
Capital Assets not Depreciated / Amortized				
Land	\$ 900,643	\$ 18,076	\$ --	\$ 918,719
Infrastructure	452,049	8,117	--	460,166
Construction in Progress	1,278,438	158,295	(112,595)	1,324,138
Subscription in Progress*	26,116	20,206	--	46,322
Intangible Assets*	24,747	1,860	(130)	26,477
Total Capital Assets not Depreciated / Amortized	2,681,993	206,554	(112,725)	2,775,822
Capital Assets Depreciated / Amortized				
Buildings and Improvements	5,575,421	94,044	--	5,669,465
RTU Buildings, Facilities, and Improvements*	133,501	7,423	--	140,924
Machinery, Furniture and Equipment	1,933,405	121,411	(114,433)	1,940,383
RTU Machinery, Furniture and Equipment	2,246	7,947	--	10,193
Infrastructure	4,055,908	85,249	(3,568)	4,137,589
RTU Subscription Assets*	62,925	7,902	--	70,827
Intangible Assets*	158,761	2,219	(43,335)	117,645
Total Capital Assets Depreciated / Amortized	11,922,167	326,195	(161,336)	12,087,026
Less: Accumulated Depreciation / Amortization				
Buildings and Improvements	(2,442,850)	(137,938)	--	(2,580,788)
RTU Buildings, Facilities, and Improvements	(22,911)	(24,396)	--	(47,307)
Machinery, Furniture and Equipment	(1,485,658)	(160,207)	114,433	(1,531,432)
RTU Machinery, Furniture and Equipment	(1,034)	(2,174)	--	(3,208)
Infrastructure	(1,836,255)	(88,910)	3,568	(1,921,597)
RTU Subscription Assets*	--	(13,490)	--	(13,490)
Intangible Assets*	(136,056)	(11,336)	43,335	(104,057)
Total Accumulated Depreciation / Amortization	(5,924,764)	(438,451)	161,336	(6,201,879)
Total Capital Assets Depreciated / Amortized, Net	5,997,403	(112,256)	--	5,885,147
Governmental Activities Capital Assets, Net	\$ 8,679,396	\$ 94,298	\$ (112,725)	\$ 8,660,969

*The beginning balance of \$14.9 million has been restated (see Note 1E.21) for the adoption of GASB Statement No. 96, "SBITA." New asset categories, including Subscription in progress, RTU Subscription assets, and 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	\$ 38,729
Protection of Persons and Property	97,686
Public Works	72,346
Health and Sanitation	77,955
Transportation	73,008
Cultural and Recreational Services	65,074
Community Development	13,653
Total Depreciation/Amortization Expense - Governmental Activities	\$ 438,451

Notes to the Basic Financial Statements

Beginning balances have been restated for the adoption of GASB Statement No. 96, "SBITA." Detailed information can be found in Note 1E.21. New asset categories, including subscription in progress, RTU subscription assets, and the related accumulated amortization, have been added due to the implementation of the pronouncement.

RTU lease and subscription assets by major class of underlying assets consist of the following (in thousands):

Right-to-use Asset Class	Balance June 30, 2023	Accumulated Amortization	Net Balance June 30, 2023
Land	\$ 5,387	\$ (1,126)	\$ 4,261
Buildings and Facilities	135,537	(46,181)	89,356
Buildings, Facilities, and Improvements	140,924	(47,307)	93,617
Machinery, Furniture and Equipment	10,193	(3,208)	6,985
Subscription Assets	70,827	(13,490)	57,337
Total lease and subscription assets	<u>\$ 221,944</u>	<u>\$ (64,005)</u>	<u>\$ 157,939</u>

In accordance with GASB Nos. 87 and 96, the City recognized \$40.1 million of amortization expense as of June 30, 2023.

2. Business-type Activities

Capital asset activity for business-type activities for the fiscal year ended June 30, 2023 is as follows (in thousands):

	Balance July 1, 2022 Restated*	Additions / Transfers	Deductions / Transfers	Balance June 30, 2023
Capital Assets not Depreciated / Amortized				
Land	\$ 3,004,806	\$ 40,017	\$ --	\$ 3,044,823
Construction in Progress	7,471,675	3,470,286	(4,062,184)	6,879,777
Intangible Assets	60,144	441	--	60,585
Nuclear Fuel	40,291	10,340	(10,592)	40,039
Natural Gas Field	128,695	61	(9,627)	119,129
Total Capital Assets not Depreciated / Amortized	<u>10,705,611</u>	<u>3,521,145</u>	<u>(4,082,403)</u>	<u>10,144,353</u>
Capital Assets Depreciated / Amortized				
Buildings, Facilities and Equipment	62,695,168	5,342,075	(237,126)	67,800,117
RTU Buildings, Facilities, and Improvements	101,615	52,374	(983)	153,006
RTU Machinery, Furniture and Equipment	28,358	26,714	(773)	54,299
RTU Subscription Assets*	27,014	12,524	--	39,538
Intangible Assets	327,451	37,362	--	364,813
Total Capital Assets Depreciated / Amortized	<u>63,179,606</u>	<u>5,471,049</u>	<u>(238,882)</u>	<u>68,411,773</u>
Less: Accumulated Depreciation / Amortization				
Buildings, Facilities and Equipment	(25,708,788)	(1,873,488)	154,808	(27,427,468)
RTU Buildings, Facilities, and Improvements	(15,276)	(11,972)	983	(26,265)
RTU Machinery, Furniture and Equipment	(20,045)	(10,181)	773	(29,453)
RTU Subscription Assets*	(7,415)	(11,734)	--	(19,149)
Intangible Assets	(62,049)	(9,281)	--	(71,330)
Total Accumulated Depreciation / Amortization	<u>(25,813,573)</u>	<u>(1,916,656)</u>	<u>156,564</u>	<u>(27,573,665)</u>
Total Capital Assets Depreciated / Amortized, Net	<u>37,366,033</u>	<u>3,554,393</u>	<u>(82,318)</u>	<u>40,838,108</u>
Business-type Activities Capital Assets, Net	<u>\$ 48,071,644</u>	<u>\$ 7,075,538</u>	<u>\$ (4,164,721)</u>	<u>\$ 50,982,461</u>

*The beginning balance of \$19.6 million has been restated (see Note 1E.21) for the adoption of GASB Statement No. 96, "SBITA." New asset categories RTU Subscription Assets and the related accumulated amortization, have been added due to the implementation of the pronouncement.

Notes to the Basic Financial Statements

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

Depreciation and Amortization Expense by Functions of Business-type Activities:	Amount
Airport	\$ 697,168
Harbor	194,869
Power	761,718
Water	236,008
Sewer	191,220
Convention Center	12,211
Total	\$ 2,093,194

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

RTU lease and subscription assets by major class of underlying assets consist of the following (in thousands):

Right-to-use Asset Class	Airports	Harbor	Power	Water	Sewer
Land	\$ 45,911	\$ --	\$ 1,251	\$ 645	\$ --
Buildings, Facilities and Improvements	8,688	620	53,822	23,899	18,170
Machinery, Furniture and Equipment	40,747	1,194	8,007	4,069	282
Subscription Assets	23,343	2,968	10,979	2,248	--
Total lease and subscription assets	118,689	4,782	74,059	30,861	18,452
Accumulated Amortization	(54,254)	(1,149)	(10,982)	(4,791)	(3,691)
Total	\$ 64,435	\$ 3,633	\$ 63,077	\$ 26,070	\$ 14,761

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, 2023:

	Ownership Interest	Share of Capacity (megawatts)	Utility Plant in Service (in thousands)	
			Cost	Accumulated Depreciation
Palo Verde Nuclear Generating Station	5.7 %	224	\$ 682,392	\$ 453,940
Mojave Generating Station	30.0	--	3,409	229
Pacific Intertie DC Transmission Line	40.0	1,240	339,792	110,444
Other Transmission Systems	--	Various	130,695	78,795
Total			\$ 1,156,288	\$ 643,408

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.

Notes to the Basic Financial Statements

This fiscal year, LACERS occupied its headquarters building located at 977 N. Broadway in Los Angeles, California purchased in October 2019 in the amount of \$33.8 million. This cost 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. Acquisition cost of \$0.2 million and associated building improvements cost with a total of \$19.3 million were capitalized as part of the building cost. The building and improvements total capitalized cost of \$49.2 million is being depreciated over its estimated useful life of 25 years using the straight-line method.

G. Interfund Receivables, Payables, and Transfers

The following tables are summaries of the City’s interfund balances at June 30, 2023 (in thousands):

1. Due From/To Other Funds

Receivable Fund	Payable Fund	Amount
General	MICLA Special Revenue	\$ 3,094
	Nonmajor Governmental	92,104
		<u>95,198</u>
Nonmajor Governmental	General	92,700
	Nonmajor Governmental	20,130
	Sewer	36
		<u>112,866</u>
Power	Water	67,260
Sewer	General	29,854
	Nonmajor Governmental	96
		<u>29,950</u>
Total		<u>\$ 305,274</u>

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, 2023.

2. Advances To/From Other Funds

Receivable Fund	Payable Fund	Amount
General	Nonmajor Governmental	\$ 19,863
MICLA Debt Service	Nonmajor Governmental	91,897
Nonmajor Governmental	General	359
	Nonmajor Governmental	66,373
		<u>66,732</u>
Sewer	General	6,092
	Nonmajor Governmental	4,343
		<u>10,435</u>
Total		<u>\$ 188,927</u>

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 \$91.9 million MICLA Debt Service advances to other funds represent loans for redeeming Special Parking Revenue Fund bonds, Sixth Street Viaduct Improvement 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	MICLA Debt Service	\$ 4
	Nonmajor Governmental	228,047
	Power Revenue	232,043
		<u>460,094</u>
MICLA Debt Service	General	209,135
	MICLA Debt Service	152
		<u>209,287</u>
Nonmajor Governmental	General	655,628
	Nonmajor Governmental	123,517
		<u>779,145</u>
Total		<u>\$ 1,448,526</u>

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 2023, significant transfers include the following: 1) \$232.0 million from Power to the General Fund; 2) \$209.1 million from General Fund for the purpose of debt requirement obligations; and 3) \$655.6 million budget allocation from the General Fund to finance various departmental programs including \$274.2 million to the Recreation and Parks, \$227.0 million for Library Department, and \$17.8 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, 2023 are broken down as follows (in thousands):

	Governmental Activities	Business-type Activities
Accounts, Contracts and Retainage Payable	\$ 560,076	\$ 871,992
Accrued Salaries and Overtime Payable	179,032	156,727
Intergovernmental Payable	4,678	--
Total	<u>\$ 743,786</u>	<u>\$ 1,028,719</u>

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, 2023 are as follows (in thousands):

	Balance July 1, 2022 Restated*	Additions	Deductions	Balance June 30, 2023	Due Within One Year
General Obligation Bonds	\$ 739,015	\$ 389,435	\$ (88,770)	\$ 1,039,680	\$ 91,070
Lease Revenue Bonds	1,348,366	--	(115,095)	1,233,271	102,315
Direct Placements	50,341	--	(10,208)	40,133	10,423
Commercial Paper Notes	215,600	134,000	(27,000)	322,600	--
Revenue Bonds	147,015	--	(18,560)	128,455	19,260
Subtotal Bonds and Notes	2,500,337	523,435	(259,633)	2,764,139	223,068
Add: Unamortized Premiums and Discounts	187,846	5,598	(27,456)	165,988	--
Total Bonds and Notes	2,688,183	529,033	(287,089)	2,930,127	223,068
Claims and Judgments	2,735,936	952,932	(409,621)	3,279,247	411,975
Loans Payable to HUD	38,664	--	(6,866)	31,798	3,296
Financed Purchase Obligations	30,549	--	(12,432)	18,117	8,997
Lease Liabilities*	114,145	15,369	(24,646)	104,868	21,228
Subscription Liabilities*	45,456	5,319	(12,218)	38,557	14,144
Compensated Absences	780,829	623,455	(415,814)	988,470	205,583
Landfill Liability	41,558	900	--	42,458	--
Estimated Pollution Remediation Liability	11,460	20,340	(18,556)	13,244	10,123
Total Other Liabilities	3,798,597	1,618,315	(900,153)	4,516,759	675,346
Net Pension Liability	3,649,863	2,908,737	--	6,558,600	--
Net OPEB Liability	906,744	217,901	--	1,124,645	--
Governmental Activities Long-term Liabilities	<u>\$ 11,043,387</u>	<u>\$ 5,273,986</u>	<u>\$ (1,187,242)</u>	<u>\$ 15,130,131</u>	<u>\$ 898,414</u>

*The beginning balance of \$45.2 million has been restated (see Note 1E.21) for the adoption of GASB Statement No. 96, "SBITA."

General Obligation Bonds (GO Bonds)

The following summarizes the various voter authorizations for GO Bonds that were outstanding as of June 30, 2023 (in thousands):

Election Date	Project	Amount Authorized	Amount Issued as of June 30, 2023	Amount Authorized But Unissued
November 2000	Fire, Paramedic, Helicopter and Animal Shelter Projects	\$ 532,648	\$ 532,648	\$ --
March 2002	Emergency Operations, Fire Dispatch and Police Facilities	600,000	600,000	--
November 2004	Stormwater Projects	500,000	439,500	60,500
November 2016	Homelessness Reduction and Prevention and Housing Projects	1,200,000	963,985	236,015
Total		<u>\$ 2,832,648</u>	<u>\$ 2,536,133</u>	<u>\$ 296,515</u>

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, 2023 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	\$ 71,055
Series 2017-A	9/1/37	1.470% - 3.500%	86,370	64,770
Series 2017-B, Refunding	9/1/27	5.000%	81,895	17,985
Series 2018-A	9/1/38	2.900% - 4.000%	276,240	220,980
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	201,340
Series 2021-B, Refunding	9/1/25	4.000% - 5.000%	65,490	29,015
Series 2022-A	9/1/42	4.375% - 5.000%	389,435	389,435
Total			<u>\$ 1,300,285</u>	<u>\$ 1,039,680</u>

On September 28, 2022, the City issued the General Obligation Bonds (GOB) Series 2022-A for \$389.4 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.

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

Fiscal Year	Principal	Interest	Total
2024	\$ 91,070	\$ 46,946	\$ 138,016
2025	73,845	35,623	109,468
2026	66,790	32,827	99,617
2027	66,020	30,159	96,179
2028	64,560	27,623	92,183
2029 - 2033	282,905	103,583	386,488
2034 - 2038	240,950	56,006	296,956
2039 - 2043	153,540	14,709	168,249
Subtotal	1,039,680	347,476	1,387,156
Unamortized Premiums and Discounts	14,660	--	14,660
Total	<u>\$ 1,054,340</u>	<u>\$ 347,476</u>	<u>\$ 1,401,816</u>

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, 2023 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	\$ 14,855
Project 2016-A	11/1/26	2.000% - 5.000%	125,235	57,955
Project 2016-B	11/1/39	2.000% - 5.000%	685,270	531,430
Project 2018-A	11/1/27	5.000%	54,430	30,950
Project 2018-B	11/1/37	5.000%	31,270	26,405
Project 2018-C	11/1/27	2.020% - 3.417%	25,630	13,910
Project 2020-A	11/1/30	5.000%	84,725	70,990
Project 2020-B	11/1/40	5.000%	80,850	58,720
Project 2020-C	11/1/41	0.415% - 2.863%	102,265	68,275
Project 2021-A	11/1/38	0.269% - 2.924%	177,470	152,840
Project 2021-B	11/1/38	5.000%	60,481	60,481
Project 2021-C	11/1/41	5.000%	154,205	146,460
Subtotal Lease Revenue Bonds			<u>1,600,001</u>	<u>1,233,271</u>
Project 2016 Streetlights	4/1/24	1.890% - 2.100%	26,369	3,521
Project 2017 Streetlights	6/1/27	2.460%	39,298	16,929
Project 2019 Streetlights	6/1/29	2.010%	17,845	12,250
Project 2020 Streetlights	6/1/31	1.470%	9,088	7,433
Subtotal Direct Placements			<u>92,600</u>	<u>40,133</u>
Total			<u>\$ 1,692,601</u>	<u>\$ 1,273,404</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 2023 totaled \$214.1 million, while revenue from leases received (reported as transfers in from other funds in the MICLA Debt Service Fund) and investment earnings totaled \$209.6 million.

The lease revenue bonds of \$1.2 billion in 2023 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 \$40.1 million in 2023 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.

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	
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	88,479	34,161	3,038	128	125,806
2029 - 2033	363,281	118,053	5,035	107	486,476
2034 - 2038	300,474	46,116	--	--	346,590
2039 - 2042	66,601	4,900	--	--	71,501
Subtotal	1,233,271	381,009	40,133	2,305	1,656,718
Unamortized Premiums and Discounts	141,601	--	--	--	141,601
Total	\$ 1,374,872	\$ 381,009	\$ 40,133	\$ 2,305	\$ 1,798,319

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. The notes are secured by irrevocable letters of credit issued by three commercial banks. The City and MICLA entered into certain agreements with these commercial banks and a trustee on which, on behalf of the noteholders, have a security interest and lien on certain capital assets with a carrying net book value of \$86.8 million and estimated fair value of \$497.2 million as of June 30, 2023.

In 2015, 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.

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	\$ 19,700	0.280 %	06/30/2025
Series A-1/B-1	150,000	100,100	0.290 %	06/30/2025
Series A-2/B-2	100,000	66,800	0.290 %	06/30/2025
Series A-3/B-3	175,000	136,000	0.290 %	06/30/2025
	<u>\$ 525,000</u>	<u>\$ 322,600</u>		

For the fiscal year ended June 30, 2023, MICLA paid \$1.5 million of the LOC fees for the general commercial paper and the Los Angeles Convention Center commercial paper programs. During the year, MICLA issued \$134.0 million of commercial paper notes for the acquisition of capital assets. At June 30, 2023, outstanding commercial paper notes amounted to \$322.6 million with interest rates ranging from 2.75% to 5.37%.

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% of the interest due to bondholders from the United States Treasury for "Recovery Zone Economic Development Bonds". For the fiscal year ended June 30, 2023, 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 2023 (October 1 - September 30).

Revenue Bonds

The revenue bonds outstanding at June 30, 2023 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 \$	33,860
2013-B Series, Refunding	2/01/29	2.000% - 5.000%	78,780	5,685
2015 Series, Refunding	2/01/24	2.000% - 5.500%	76,670	4,810
2018-A Series	2/01/33	3.000% - 5.000%	110,530	84,100
Total			<u>\$ 339,645</u>	<u>\$ 128,455</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.

Notes to the Basic Financial Statements

Principal and interest paid for the current year and total solid waste resources revenue were \$24.2 million and \$299.1 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
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	9,115	2,510	11,625
2029 - 2033	48,110	5,890	54,000
Subtotal	128,455	24,497	152,952
Unamortized Premiums	9,727	--	9,727
Total	\$ 138,182	\$ 24,497	\$ 162,679

Loans Payable to HUD

The Loans Payable to HUD consist of \$13.2 million fixed-rate loans and \$18.6 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
2024	\$ 3,296	\$ 1,400	\$ 4,696
2025	4,222	1,228	5,450
2026	1,961	1,108	3,069
2027	2,022	1,019	3,041
2028	2,119	924	3,043
2029 - 2033	18,178	1,694	19,872
Total	\$ 31,798	\$ 7,373	\$ 39,171

The interest rates on the fixed-rate loans of \$13.2 million range from 2.620% to 7.210% and have maturity dates through 2033. The interim financing loans of \$18.6 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 5.250% + 0.350%) as of June 30, 2023 of 5.600% 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
2024	\$ 8,997	\$ 217	\$ 9,214
2025	9,120	94	9,214
Total	\$ 18,117	\$ 311	\$ 18,428

Notes to the Basic Financial Statements

In fiscal year 2023, the City's financing agreement with JPMorgan for the acquisition of vehicles was paid off while its financing agreement with Motorola for the acquisition of radios will mature in fiscal year 2025.

The City grants to Motorola 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 lease payment to Motorola within 60 days from the due date, the lease payment will bear interest at a rate of six percent (6%) per annum from such lease payment due date until paid.

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

2. Business-type ActivitiesChanges in Long-term Liabilities

The changes in the business-type activities long-term liabilities for the fiscal year ended June 30, 2023 are as follows (in thousands):

	Balance July 1, 2022 Restated*	Additions	Deductions	Balance June 30, 2023	Due Within One Year
Airports Revenue Bonds and Notes	\$ 10,248,761	\$ 1,768,031	\$ (679,566)	\$ 11,337,226	\$ 432,791
Harbor Revenue Bonds	577,335	--	(40,210)	537,125	43,355
Power System Revenue Bonds and Revenue Certificates	10,939,980	1,024,570	(826,680)	11,137,870	328,210
Water System Revenue Bonds and Loans	6,204,462	916,625	(488,951)	6,632,136	180,899
Wastewater System Revenue Bonds, Notes, and Loans	2,654,583	120,000	(116,762)	2,657,821	318,545
Subtotal Revenue Bonds, Notes, and Loans	30,625,121	3,829,226	(2,152,169)	32,302,178	1,303,800
Add (Less):					
Net Unamortized Premiums and Discounts	3,933,788	344,914	(391,224)	3,887,478	--
Net Revenue Bonds, Notes, and Loans	34,558,909	4,174,140	(2,543,393)	36,189,656	1,303,800
Compensated Absences	279,579	84,746	(61,659)	302,666	200,257
Claims and Judgments	209,903	49,509	(30,684)	228,728	35,332
Lease Liabilities	97,684	76,925	(17,869)	156,740	26,289
Subscription Liabilities*	19,013	8,152	(11,379)	15,786	3,921
PPP Availability Payment Liabilities	--	593,905	--	593,905	9,774
Estimated Pollution Remediation Liability	164,190	7,096	(7,227)	164,059	19,733
Other Liabilities	292,906	313,096	(720)	605,282	--
Subtotal	35,622,184	5,307,569	(2,672,931)	38,256,822	1,599,106
Net Pension Liability	713,786	1,058,216	--	1,772,002	--
Net OPEB Liability	--	36,262	--	36,262	--
Asset Retirement Obligation	224,277	6,493	(12,738)	218,032	--
Total	\$ 36,560,247	\$ 6,408,540	\$ (2,685,669)	\$ 40,283,118	\$ 1,599,106

*The beginning balance of \$19.0 million has been restated (see Note 1E.21) for the adoption of GASB Statement No. 96, "SBITA."

Airports Revenue Bonds and Notes

Bonds issued by Airports are payable solely from revenues of Airports and are not general obligations of the City. 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.

Revenue bonds, revenue refunding bonds, and commercial paper notes outstanding at June 30, 2023, and the original amounts issued are as follows (in thousands):

	Final Maturity	Interest Rates	Original Amount	Outstanding Balance
Fixed Rate Revenue Bonds	2052	0.264% - 7.053%	\$ 12,012,405	\$ 11,107,685
Commercial Paper Notes	--		229,541	229,541
Subtotal			\$ 12,241,946	11,337,226
Net Unamortized Bond Premiums and Discounts				1,623,736
Net Revenue Bonds and Notes				\$ 12,960,962

Notes to the Basic Financial Statements

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 April 11, 2023, Airports issued \$248.0 million of LAX subordinate refunding revenue bonds Series 2023A with a premium of \$23.3 million and \$46.9 million of LAX subordinate refunding revenue bonds Series 2023B with a premium of \$7.9 million. The Series 2023AB bonds were issued to refund senior revenue bonds Series 2013A, subordinate revenue bonds Series B and refund a portion of the outstanding commercial paper notes. These transactions resulted in cash flow savings of \$25.1 million, an economic gain of \$5.9 million; and a net loss for accounting purposes of \$6.2 million, which is included in deferred outflows of resources and is being amortized over the life of the bonds.

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 Automated People Mover (APM) System, Tom Bradley International Terminal (TBIT) Renovations, Bradley West projects and Terminal 6 improvements. The Board of Airport Commissioners authorized the amount of \$129.9 million for debt service in fiscal year 2023. In fiscal year 2023, Airports Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) grants in the amount of \$54.7 million was used for payment of LAX maintenance and operation expenses. American Rescue Plan Act (ARPA) grant reimbursement of \$267.0 million was received in fiscal year 2023 for the eligible operation and maintenance and debt service expenses incurred since March 2021.

The total principal and interest remaining to be paid on the bonds is \$18.6 billion as of June 30, 2023. Principal and interest paid in fiscal year 2023 and the net pledged revenues, after application of the \$129.9 million PFCs funds and CRRSAA and ARPA grants were \$657.0 million and \$1.2 billion, 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.

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

Fiscal Year	Principal	Interest	Total
2024	\$ 432,791	\$ 530,618	\$ 963,409
2025	259,970	520,422	780,392
2026	312,985	507,710	820,695
2027	328,265	492,516	820,781
2028	343,930	476,827	820,757
2029-2033	2,095,030	2,109,976	4,205,006
2034-2038	2,549,660	1,555,396	4,105,056
2039-2043	2,519,585	919,149	3,438,734
2044-2048	2,181,170	355,281	2,536,451
2049-2052	313,840	22,253	336,093
Subtotal	11,337,226	7,490,148	18,827,374
Net Unamortized Bond Premiums and Discounts	1,623,736	--	1,623,736
Total	\$ 12,960,962	\$ 7,490,148	\$ 20,451,110

As of June 30, 2023, Airports had outstanding commercial paper (CP) notes of \$229.5 million. The average interest rate in effect as of June 30, 2023 is 3.19%. The CP notes mature no more than 270 days from the date of issuance and were issued as a means of interim financing for certain capital expenditures and redemption of certain bond issues.

Notes to the Basic Financial Statements

As of June 30, 2023, 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 \$327.0 million to expire on August 24, 2026; Bank of America, N.A. for \$109.0 million, to expire on August 24, 2026; and PNC Bank, National Association (PNC) for \$109.0 million, to expire on August 24, 2027.

As of June 30, 2023, Airports had undrawn LOC balances of \$239.3 million from Barclays, \$8.3 million from PNC, and \$66.1 million from Bank of America.

In fiscal year 2023, Airports paid the LOC banks an annual commitment fee ranging from 0.29% and 0.32% on the stated amount of the LOC. LOC fees of \$1.6 million were paid for fiscal year 2023.

Airports had the following CP activities during fiscal year 2023 (in thousands):

	Balance June 30, 2022	Additions	Deductions	Balance June 30, 2023
Series A	\$ 79,876	\$ 51,544	\$ (54,512)	\$ 76,908
Series B	50,927	237,122	(135,927)	152,122
Series C	23,113	1,100	(23,702)	511
	<u>\$ 153,916</u>	<u>\$ 289,766</u>	<u>\$ (214,141)</u>	<u>\$ 229,541</u>

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") reduced the subsidy by 5.7%, the sequestration rate for federal fiscal year 2023 ending in September 30, 2023. The subsidy is recorded as a non-capital grant, a component of other nonoperating revenue.

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.

Public-Private and Public-Public Partnerships and Availability Payment Arrangements

According to GASB Statement No. 94, "Public-Private and Public-Public Partnerships and Availability Payment Arrangements", public-private and public-public partnerships, collectively referred to as PPPs, comprise a wide variety of arrangements between a government and another party that are engaged in providing services to a government's constituents. Availability payment arrangements (APAs) also have been used in practice to procure governmental services. Airports has Public-Private Partnership (PPP) agreements for APM and ConRAC projects.

Automated People Mover System (APM)

On April 11, 2018, Airports and LAX Integrated Express Solutions, LLC (APM Developer) entered into a design-build-finance-operate-maintain agreement, as amended (APM Agreement), for the purposes of developing, financing, operating and maintaining the approximately 2.25-mile elevated, grade-separated APM System that will generally run from the ConRAC to the Central Terminal Area (CTA). The APM System will include six stations: (i) one in the ConRAC; (ii) one to be located at the multi-modal/transit facility located at 96th Street and Aviation Boulevard, which facility will also contain a connection to the Los Angeles County Metropolitan Transportation Authority's light rail system; (iii) one to be located at the multi-modal/transit facility located north of 96th Avenue between Jetway Boulevard and Airport Boulevard; and (iv) three stations to be located in the CTA. Under the APM Agreement, Airports has granted the APM Developer the exclusive right, during a 30-year term, to design, build, finance, operate and maintain the APM System. Construction of the APM System is continuing and, based on the APM Developer's current projections, Airports currently estimates that the APM Passenger Service Availability date will occur in the second half of calendar year 2024.

The APM Developer has indicated that it expects to incur costs for the planning, development, design, construction and financing of the APM System of approximately \$2.72 billion. Under the terms of the APM Agreement, the APM Developer is solely responsible for obtaining and repaying, at its own cost and risk and without recourse to the City or Airports, all financing necessary for its share of the costs of the design and construction of the APM System.

The APM Agreement provides that beginning on the APM Passenger Service Availability (PSA) date, where the current contractual date is June 30, 2024, Airports must make monthly payments to the APM Developer (APM Availability Payments). The APM Availability Payments are intended to compensate the APM Developer for the costs of designing, building and financing the APM System not otherwise paid from the APM Milestone Payments, as well as the costs of operating and maintaining the APM System over the term of the APM Agreement. Under the APM Agreement, Airports' obligation to make the APM Availability Payments is subject to certain deductions for performance deficiencies and inflation-based increases tied to agreed-upon indices. The original contractual PSA date of March 31, 2023 has been extended under various change orders and is now June 30, 2024. For the extended period, Airports has agreed to make stepped-down Availability Payments to cover the APM Developer's financing costs. The Operations and Maintenance period of 25 years has been reduced by the same duration as the extended PSA date.

Total payments (including soft costs, costs under the APM Agreement, and change orders) of approximately \$1.3 billion were made through fiscal year 2023. For the components of the APM Availability Payments that are related to the design, construction, and financing of the APM in which ownership of the APM belongs to Airports, all future payments for these components will be reported as a financed purchase of the APM by Airports. For the components of the APM Availability Payments that are related to providing services for the operation or maintenance of the APM, future payments for these components will be accounted for as outflows of resources in the period to which the payments relate by Airports.

Consolidated Rental Car Facility (ConRAC)

On November 6, 2018, Airports and LA Gateway Partners, LLC (ConRAC Developer) entered into a design-build-finance-operate-maintain agreement for the ConRAC (ConRAC Agreement). The ConRAC Developer is comprised of Fengate Capital Management Ltd., PCL Investments USA, LLC, Johnson Controls, and MVI Finance LLC. Under the ConRAC Agreement, subject to certain limitations, Airports granted to the ConRAC Developer the exclusive right, during the term of the ConRAC Agreement, to design, build, finance, operate and maintain the ConRAC. As of June 30, 2023, the ConRAC buildings are substantially completed and portions of the roadway and utility work, which is the responsibility of the ConRAC Developer, is still under construction.

The ConRAC Developer has indicated that it expects to incur costs for the design, construction and equipping of the ConRAC of approximately \$1.3 billion (not including the exclusive use spaces that are the responsibility of the rental car companies that have entered into a Rental Car Concession Lease Agreements).

The ConRAC Agreement (as adjusted in accordance with the settlement of certain claims, as described below) further provides that, commencing on March 31, 2023, payments will be made to the ConRAC Developer to compensate the ConRAC Developer for the costs of designing, building and financing a portion of the ConRAC (ConRAC Capital Availability Payments), for the cost of operating and maintaining certain portions of the ConRAC (ConRAC Operations and Maintenance Availability Payments), and for the costs of renewing the ConRAC (ConRAC Renewal Availability Payments, and collectively with ConRAC Capital Availability Payments and ConRAC Operations and Maintenance Availability Payments, the ConRAC Availability Payments). Airports expects to make the ConRAC Capital Availability Payments and the ConRAC Renewal Availability Payments from CFC revenues, subject to the prior payment of the principal of and interest on the LAX CFC Bonds and the other deposits required to be made to the funds and accounts established and maintained pursuant to the trust indenture entered into with respect to the LAX CFC Bonds.

For the components of the ConRAC Capital Availability Payments that are related to the design, construction, and financing of the ConRAC in which ownership of the ConRAC belongs to Airports, all future payments for these components is reported as a financed purchase of the ConRAC by Airports. For the components of the ConRAC Operations and Maintenance Availability Payments that are related to providing services for the operation or maintenance of the ConRAC, future payments for these components will be accounted for as outflows of resources in the period to which the payments relate by Airports. For the components of the ConRAC Renewal Availability Payments that are related to the renewal of the capital assets for ConRAC in which ownership of the ConRAC belongs to Airports, all future payments for these components is reported as a financed purchase of the ConRAC by Airports.

As construction of the ConRAC was substantially completed in fiscal year 2023, the ConRAC is currently in an Operation Readiness Phase. The total cumulative costs (including all soft costs and costs under the ConRAC Agreement) for the ConRAC project incurred through June 30, 2023 was approximately \$1.5 billion. Airports has capitalized ConRAC for approximately \$1.5 billion on June 30, 2023, with depreciation starting from July 2023. The capitalization costs included three elements: Periodic Payments, Milestones Payments and Change Orders, Capital Availability Payments, and Capital Renewal Payments.

ConRAC	Amount (in millions)
Periodic and Milestone Payments, Change Orders, etc.	\$ 905
Capital Availability Payment (Note)	525
Capital Renewal Payment	70
	<u>\$ 1,500</u>

Note: The Capital Availability Payment includes payments of \$0.8 million recognized in fiscal year 2023 and future payments of \$524.4 million through fiscal year 2047.

Notes to the Basic Financial Statements

Capital Availability Payment of \$525.2 million was computed based on the present value of future payments of \$892.5 million with discount rate of 4.71%. Capital Renewal Payment of \$69.6 million was computed based on the present value of future payments of \$120.9 million with discount rate of 4.71%. In connection with this transaction, Airports recognized noncurrent liabilities of \$584.1 million, current liabilities of \$9.8 million, and interest expense of \$2.2 million in fiscal year 2023. Future ConRAC Operations and Maintenance Availability Payment of approximately \$129.7 million was computed based on the present value of future payments of \$222.9 million with discount rate of 4.71%. This amount will be accounted for as outflows of resources in the period to which the payments relate by Airports.

Subject to any limitations and exceptions expressly provided in the ConRAC Agreement, Annual Availability Payments (covering the ConRAC Capital Availability Payments, ConRAC Operations and Maintenance Availability Payments, and ConRAC Renewal Availability Payments) shall be paid to Developer in monthly installments. Each month, the Maximum Monthly Payment shall be calculated as the sum of (a) the monthly amount of the annual maximum availability payment, plus (b) the amount of Variable O&M Costs projected to be paid by Developer in the immediately subsequent month, plus (c) for the Month immediately following the end of each Quarter, a Utility Rate Risk Share calculated pursuant to the terms of the ConRAC Agreement.

Principal and interest payments to be made related to the Capital Availability Payment for each of the next five years and in five-year increments thereafter are as follows (in thousands):

Fiscal Year	Principal	Interest	Total
2024	\$ 9,000	\$ 24,506	\$ 33,506
2025	9,775	24,066	33,841
2026	10,592	23,588	34,180
2027	11,451	23,071	34,522
2028	12,355	22,512	34,867
2029-2033	77,060	102,573	179,633
2034-2038	107,777	81,019	188,796
2039-2043	147,159	51,268	198,427
2044-2047	139,201	12,716	151,917
Total	\$ 524,370	\$ 365,319	\$ 889,689

Principal and interest payments to be made related to the Capital Renewal Payment for each of the next five years and in five-year increments thereafter are as follows (in thousands):

Fiscal Year	Principal	Interest	Total
2024	\$ 774	\$ 3,259	\$ 4,033
2025	893	3,220	4,113
2026	1,021	3,175	4,196
2027	1,155	3,124	4,279
2028	1,298	3,067	4,365
2029-2033	8,957	14,214	23,171
2034-2038	14,037	11,545	25,582
2039-2043	20,747	7,498	28,245
2044-2047	20,653	1,898	22,551
Total	\$ 69,535	\$ 51,000	\$ 120,535

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 the bonds. 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

Notes to the Basic Financial Statements

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, 2023, 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	\$ 537,125
Net Unamortized Bond Premiums and Discounts				45,289
Net Revenue Bonds				<u>\$ 582,414</u>

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 \$67.4 million and \$407.0 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.

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.

Harbor's scheduled annual principal maturities and interest are as follows (in thousands):

Fiscal Year	Principal	Interest	Total
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	12,295	16,674	28,969
2029 - 2033	89,840	72,004	161,844
2034 - 2038	126,370	44,432	170,802
2039 - 2043	91,465	18,143	109,608
2044 - 2045	32,950	1,668	34,618
Subtotal	537,125	239,818	776,943
Net Unamortized Bond Premiums and Discounts	45,289	--	45,289
Total	<u>\$ 582,414</u>	<u>\$ 239,818</u>	<u>\$ 822,232</u>

There were no new bond issuances in fiscal year 2023.

Power Revenue Bonds and Direct Placements

As of June 30, 2023, Power's 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	2054	1.146% - 4.441%	\$ 12,848,059	\$ 9,796,170
Variable Rate Revenue Bonds	2058	Various	1,609,100	1,141,700
Direct Placements	2039	Various	200,000	200,000
Subtotal			<u>\$ 14,657,159</u>	11,137,870
Net Unamortized Bond Premiums and Discounts				<u>1,308,208</u>
Net Revenue Bonds and Notes				<u>\$ 12,446,078</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 2022, Power issued \$28.5 million of Power System 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 outstanding Power System Revenue Bonds, 2018 Series B, amounting to \$30.0 million. The transaction resulted in a net gain for accounting purposes of \$65.0 thousand, which was capitalized as deferred inflows on debt refunding and is being amortized over the life of the refunded bonds.

In December 2022, Power issued \$238.1 million of Power System 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 outstanding Power System Revenue Bonds, 2013 Series A, amounting to \$253.8 million. The transaction resulted in a net present value savings of \$17.0 million and a net gain for accounting purposes of \$17.3 million, which was capitalized as deferred inflows on debt refunding and is being amortized over the life of the refunding bonds.

In April 2023, Power issued \$308.0 million of Power System Revenue Bonds, 2023 Series A. The net proceeds of \$352.8 million, including a \$44.8 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 \$7.6 million, a portion of the outstanding Power System Revenue Bonds, 2013 Series A, amounting to \$625.0 thousand, and all of the outstanding Power System Revenue Bonds, 2013 Series B, amounting to \$344.3 million. The transaction resulted in a net present value savings of \$48.1 million and a net gain for accounting purposes of \$26.2 million, which was capitalized as deferred inflows on debt refunding and is being amortized over the life of the refunded bonds.

In June 2023, Power issued \$100.0 million of Power System Revenue Bonds, 2023 Series B. The net proceeds of \$114.7 million, including a \$14.7 million issue premium net of underwriter's discount, were used to pay for capital improvements.

In June 2023, Power issued \$350.0 million of Power System Variable Rate Demand Revenue Bonds, 2023 Series C. The net proceeds of \$349.7 million, net of underwriter's discount, were used to pay for capital improvements.

As of June 30, 2023, Power had variable rate bonds outstanding in the amount of \$1.3 billion. Of these variable rate bonds, \$200.0 million is in direct placement bonds. The variable rate bonds currently bear interest at weekly and daily rates ranging from 1.30% to 3.40% as of June 30, 2023. 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 and \$350.0 million as of June 30, 2023. The extended standby agreements expire in January 2027 for

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the \$323.0 million, May 2024 for the \$219.0 million, July 2023 for the \$250.0 million, and in June 2028 for the \$350.0 million. The extended standby agreement expiring in May 2024 for \$219.0 million is in the process of being extended/substituted, with a target Board date in April 2024 and closing in May 2024.

Under the agreements, \$573.0 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%, while \$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%, while \$350.0 million variable rate bonds will bear interest that is payable monthly at the greatest of (a) the prime rate plus 1.50%; (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 \$114.2 million as of June 30, 2023.

Principal and interest paid for the current year and net pledged revenue were \$708.1 million and \$2.0 billion, respectively. Power's net pledged revenue is the difference between operating revenue, net nonoperating revenue, 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, Power 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, 2023.

On May 25, 2023, Power entered into an Second Amended and Restated Revolving Credit Agreement (Second Amended RCA) and the related Second 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 Department (LADWP) can request loans for Water System improvements, Power System improvements, and/or such other lawful purposes of the Department. The interest charge for tax-

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exempt loans is based on daily Secured Overnight Financing Rate (SOFR) plus a spread of 0.39%. The interest charge for taxable loans is based on daily SOFR plus a spread of 0.47%. The Second Amended RCA expires in May 2026. As of June 30, 2023, Power has no outstanding obligations for commercial paper notes.

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

Fiscal Year	Principal	Interest	Total
2024	\$ 214,040	\$ 409,943	\$ 623,983
2025	239,201	404,315	643,516
2026	299,226	396,969	696,195
2027	348,621	388,027	736,648
2028	365,269	370,060	735,329
2029 - 2033	2,093,144	1,669,432	3,762,576
2034 - 2038	2,159,495	1,283,365	3,442,860
2039 - 2043	2,173,040	835,909	3,008,949
2044 - 2048	1,887,345	343,486	2,230,831
2049 - 2053	920,400	98,717	1,019,117
2054 - 2058	354,275	26,957	381,232
Debt service payments already paid to sinking fund - 2010C bonds	83,814	--	83,814
Subtotal	11,137,870	6,227,180	17,365,050
Net Unamortized Bond Premiums and Discounts	1,308,208	--	1,308,208
Total	<u>\$ 12,446,078</u>	<u>\$ 6,227,180</u>	<u>\$ 18,673,258</u>

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 \$1.3 billion in variable rate bonds and direct placement over the next seven years, as follows: \$114.2 million in fiscal year 2024, \$228.3 million in fiscal year 2025, \$268.3 million in fiscal years 2026 through 2028, \$154.2 million in fiscal year 2029, and \$40.0 million in fiscal year 2030. Accordingly, the statement of net position recognizes the possibility of the exercise of the tender options and reflect the \$114.2 million that could be due in fiscal year 2024 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, 2023 averages 3.02%. 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

As of June 30, 2023, Water's 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	2054	0.624% - 4.374%	\$ 5,634,555	\$ 5,313,935
Variable Rate Revenue Bonds	2052	Various	754,765	582,300
Loans Payable to California SWRCB and DWR	2055	0.000% - 2.085%	905,944	735,901
Subtotal			<u>\$ 7,295,264</u>	<u>6,632,136</u>
Net Unamortized Bond Premiums and Discounts				<u>707,638</u>
Net Revenue Bonds and Notes				<u>\$ 7,339,774</u>

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.

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Water did not enter into a new loan agreement with either the State Water Resources Control Board (SWRCB) or Department of Water Resources (DWR) during fiscal year 2023. Existing SWRCB loans received was \$21.4 million to fund water quality capital improvements and made principal payments of \$30.6 million.

In December 2022, Water issued \$399.7 million of Water System Revenue Bonds, 2022 Series D. The net proceeds of \$449.4 million, including \$49.7 million issue premium net of underwriter's discount, were used to pay for budgeted capital improvements to the Water System and refund all of the \$61.2 million outstanding Water System Revenue Bonds, 2013 Series A. The transaction resulted in a net present value savings of \$8.1 million and a net gain for accounting purposes of \$4.4 million, which was capitalized as deferred inflows on debt refunding and is being amortized over the life of the refunded bonds.

In June 2023, Water issued \$495.5 million of Water System Revenue Bonds, 2023 Series A. The net proceeds of \$552.3 million, including a \$56.8 million issue premium net of underwriter's discount, were used to pay for budgeted capital improvements to the Water System and refund all of the \$302.3 million outstanding Water System Revenue Bonds, 2013 Series B. The transaction resulted in a net present value savings of \$36.9 million and a net gain for accounting purposes of \$17.2 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, 2023, Water had \$582.3 million in variable rate bonds. The variable rate bonds currently bear interest at daily and weekly rates ranging from 1.30% to 3.44% as of June 30, 2023. 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, 2023. The extended standby agreements expire in January 2024 for \$126.2 million, January 2026 for \$256.1 million, and January 2027 for \$200.0 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, Water 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 Water the ability to refinance on a long-term basis, and Water 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, 2023.

Principal and interest paid for the current year and net pledged revenue were \$396.0 million and \$766.7 million, respectively. Water's net pledged revenue is the difference between operating revenue, net nonoperating revenue, 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.

Under GASB Statement No. 88, "*Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*", Water 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

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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. Water does not have any assets pledged as collateral for direct borrowings or subjective acceleration clauses.

On May 25, 2023, Water entered into an Second Amended and Restated Revolving Credit Agreement (Second Amended RCA) and the related Second 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 Department (LADWP) 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 daily Secured Overnight Financing Rate (SOFR) plus a spread of 0.39%. The interest charge for taxable loans is based on daily SOFR plus a spread of 0.47%. The Second Amended RCA expires in May 2026. As of June 30, 2023, Water has \$100.0 million obligations outstanding under the Second Amended RCA.

In June 2023, Water borrowed \$100.0 million from the Wells Fargo Second Amended RCA, which was deposited into the Water Revenue Fund to offset a liquidity shortfall. The liquidity shortfall was primarily due to a record-setting level of precipitation that caused lower consumption, decreasing the Base Revenue Target and caused under collection of certain pass-through costs. The \$100.0 million draw is a taxable loan bearing interest based on a daily SOFR Index Rate plus a 0.47% spread, which will be paid from the Water Revenue Fund. Power and Water expects to repay the loan on or before June 2024 as under-collections are recovered.

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

Fiscal Year	Principal	Interest	Total
2024	\$ 122,669	\$ 230,985	\$ 353,654
2025	144,734	226,249	370,983
2026	151,645	221,199	372,844
2027	156,848	216,725	373,573
2028	176,191	211,627	387,818
2029 - 2033	966,229	972,068	1,938,297
2034 - 2038	1,225,227	791,181	2,016,408
2039 - 2043	1,449,780	554,373	2,004,153
2044 - 2048	1,342,089	287,811	1,629,900
2049 - 2053	858,702	61,282	919,984
2054 - 2058	38,022	6	38,028
Subtotal	6,632,136	3,773,506	10,405,642
Net Unamortized Bond Premiums and Discounts	707,638	--	707,638
Total	<u>\$ 7,339,774</u>	<u>\$ 3,773,506</u>	<u>\$ 11,113,280</u>

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The interest and amortization is net of \$797.4 million of unamortized discount/premium and gain/loss due to issuances of new and refunding bonds.

The maturity schedule presented above reflects the scheduled debt service requirements for all of Water'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 2024, \$116.5 million in each of the fiscal years 2025 through 2028, and \$58.2 million in fiscal year 2029. 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 2024, 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, 2023 averages 2.76%. 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, 2023, and the original amounts issued are as follows (in thousands):

	Final Maturity	Interest Rates	Original Amount	Outstanding Balance
Revenue Bonds	2052	1.000% - 5.813%	\$ 2,888,430	\$ 2,432,330
Loans Payable to California SWRCB	2024	1.800%	219,081	26,467
Commercial paper notes	--	Variable	--	199,024
Subtotal			<u>\$ 3,107,511</u>	2,657,821
Net Unamortized Bond Premiums and Discounts				202,607
Net Revenue Bonds, Notes and Loans				<u>\$ 2,860,428</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 Sewer's revenues (as defined in the General Resolutions) 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. There were no new bond issuances in fiscal year 2023.

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 \$8.4 million of interest subsidies as of June 30, 2023, as other nonoperating revenues. Due to the actions by Congress relative to sequestration, the subsidy amount of the interest due to bondholders were reduced by 5.7% for federal fiscal year 2023 (October 1 – September 30).

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, 2023, the Loan balance amounted to \$26.5 million. The Loan matures in fiscal year 2025 and annual repayments 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 represents their proportionate share of the costs of the Project.

The City has pledged Sewer's net revenues as collateral for the Loan. In the event 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 \$230.1 million and \$290.0 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.

Sewer's scheduled annual principal maturities and interest are as follows (in thousands):

Fiscal Year	Principal	Interest	Total
2024	\$ 318,545	\$ 120,301	\$ 438,846
2025	124,516	115,083	239,599
2026	117,970	109,621	227,591
2027	124,830	103,830	228,660
2028	112,300	97,689	209,989
2029 - 2033	589,460	402,219	991,679
2034 - 2038	494,330	265,997	760,327
2039 - 2043	456,650	141,491	598,141
2044 - 2048	280,180	39,397	319,577
2049 - 2053	39,040	3,981	43,021
Subtotal	2,657,821	1,399,609	4,057,430
Net Unamortized Bond Premiums and Discounts	202,607	--	202,607
Total	\$ 2,860,428	\$ 1,399,609	\$ 4,260,037

The maturity schedule presented above reflects the scheduled debt service requirements for all of Sewer's long-term debt.

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 during the first two years of the project's construction. 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, 2023.

Commercial Paper Notes

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 consists 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 \$199.0 million outstanding Notes as of June 30, 2023, with \$3.0 million in interest expense.

On September 22, 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. On March 30, 2023, Sewer issued tax-exempt commercial paper notes in the amount of \$30.0 million. On May 24, 2023, Sewer issued tax-exempt commercial paper notes in the amount of \$30.0 million.

3. Fiduciary Funds

Following is a summary of mortgages payable activity of Pensions for the fiscal year ended June 30, 2023 (in thousands):

	Balance June 30, 2022	Additions	Deductions	Balance June 30, 2023	Due Within One Year
Mortgages Payable	\$ 221,167	\$ --	\$ (24,554)	\$ 196,613	\$ 13,593

The fair value of mortgage loans payable have been determined by giving consideration to one or more of the following criteria as appropriate: (i) interest rates and/or interest rate spreads for loans of comparable quality and maturity, (ii) the value of the underlying collateral, (iii) the credit risk of the borrower based on key elements of the real estate investment's valuation, (iv) market based loan-to-value and debt-service-coverage ratios relative to each mortgage loan payable valuation, and (v) key terms such as assumability, recourse provisions and guarantees. These inputs are considered within a discounted cash flow model used to determine the estimated fair value of mortgage loans payable.

The mortgages 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
2024	\$ 13,593	\$ 5,704	\$ 19,297
2025	29,050	4,752	33,802
2026	--	4,537	4,537
2027	25,000	4,197	29,197
2028	--	4,084	4,084
2029 - 2033	128,970	6,228	135,198
Total	196,613	\$ 29,502	\$ 226,115
Add: Appreciation/(Depreciation) of Mortgage Payable	(9,622)		
	\$ 186,991		

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
<u>Business-type Activities</u>			
Airport Subordinate Refunding Revenue Bonds 2023 Series A (Private Activity, AMT) (Green Bonds) \$248,010 4.125% - 5.250%	Airport Senior Revenue Bonds 2013 Series A (AMT) \$170,685 5.000%	\$ 13,143	\$ 3,088
Airport Subordinate Refunding Revenue Bonds 2023 Series B (Governmental Purpose, Non-AMT) \$46,875 5.000%	Airports Subordinate Revenue Bonds 2013 Series B (Non-AMT) \$57,180 4.625% - 5.000%	12,005	2,839
Power System Revenue Bonds 2022 Series D \$28,455 5.000%	Power System Revenue Bonds 2018 Series B \$30,000 5.000%	--	--
Power System Revenue Bonds 2022 Series E \$238,060 5.000%	Power System Revenue Bonds 2013 Series A \$253,760 5.000%	19,115	16,942
Power System Revenue Bonds 2023 Series A \$308,055 5.000%	Power System Revenue Bonds 2012 Series A \$7,645 3.000% Power System Revenue Bonds 2013 Series A \$625 3.000% Power System Revenue Bonds 2013 Series B \$344,335 5.000%	55,263	48,771
Water System Revenue Bonds 2022 Series D \$399,685 5.000%	Water System Revenue Bonds 2013 Series A 61,220 3.375% - 5.000%	9,800	8,576
Water System Revenue Bonds 2023 Series A \$495,530 5.000% - 5.250%	Water System Revenue Bonds 2013 Series B \$302,285 4.250% - 5.000%	46,888	36,914

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, 2023, the following bonds are considered defeased (in thousands):

Governmental Activities	
General Obligation Bonds	\$ 9,915
MICLA Lease Revenue Bonds	<u>125,470</u>
Total	<u>\$ 135,385</u>
Business-type Activities	
Power Revenue Bonds	\$ 350,660
Water Revenue Bonds	<u>368,325</u>
Total	<u>\$ 718,985</u>

L. Tax and Revenue Anticipation Notes

On July 7, 2022, in anticipation of receiving taxes and other revenues, the City issued tax and revenue anticipation notes (TRAN) with a true interest cost of 2.393% and total premium of \$24.4 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, 2023 was as follows (in thousands):

	Beginning Balance	Issued	Redeemed	Ending Balance
Tax and Revenue Anticipation Notes	<u>\$ --</u>	<u>\$ 1,573,870</u>	<u>\$ (1,573,870)</u>	<u>\$ --</u>

M. Leases and Subscription-Based Information Technology Arrangements (SBITA)

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.

In compliance with GASB Statement No. 87, "*Leases*," 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, 2023, the total of City's lease-related RTU assets is \$358.4 million with accumulated amortization of \$106.2 million, and lease liability is \$261.6 million along with \$526.4 million lease receivable and \$490.7 million lease related deferred inflow of resources.

Subscription-Based Information Technology Arrangements (SBITA)

A SBITA is a contract that conveys control of the RTU another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction. There are various IT assets that the City uses which it contracts with outside vendors in different models through cloud computing arrangements, such as software as a service (SaaS), platform as a service (PaaS) and infrastructure as a service (IaaS).

The City adopted GASB Statement No. 96 "*SBITA*" for its basic financial statements at the beginning of the fiscal year 2023. The City recognized intangible RTU subscription assets with related accumulated amortization, subscription liabilities, subscription expense, amortization expense, and accrued interest payable. SBITA asset is presented as RTU Subscription Assets under the Capital Assets section (Note 4F) with corresponding accumulated amortization. SBITA liabilities are presented in amounts equal to the present value of the subscription payments during the remaining SBITA term, discounted using the City's incremental borrowing rate (IBR) if not explicitly stipulated in the contract.

The City has a variety of variable and prepaid payment clauses within its IT subscription arrangements. Components of variable payments that are fixed in substance are included in the measurement of the SBITA liability, while variable payments based on the usage of the underlying IT asset are excluded from the SBITA liability. RTU subscription assets cover fixed, fixed in substance and prepaid IT subscriptions. SBITAs that have maximum possible term under the SBITA contract of twelve months or less are considered a short-term SBITA and recognized as outflows of resources.

Subscription arrangements with maximum terms of twelve months or less, those with termination clauses by either party without notice are excluded from GASB Statement No. 96.

As of June 30, 2023, the total of City's SBITA-related RTU assets is \$110.4 million with accumulated amortization of \$32.6 million, and SBITA liability is \$54.3 million.

1. Governmental Activities

City as Lessee

The City as a lessee, entered into various lease agreements with third parties having terms expiring between 2024 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 land, 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 lease asset and corresponding lease liability 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 initially recorded at the initial measurement of the lease liability, 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. Lease assets are amortized on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset. Remeasurement of a lease liability occurs when there is a change in the lease term and/or other changes that are likely to have a significant impact on the lease liability.

The City calculates the amortization of the discount on the lease liability and reports that amount as interest expense. Unless explicitly stated in the lease agreement or the 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 0.621% to 4.890%, applying the appropriate IBR to each contract based on the lease maturity year. 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.

At June 30, 2023, the City's lease related RTU lease assets by major class of underlying assets consist of the following (in thousands):

RTU Lease Assets	Balance June 30, 2023
Land	\$ 5,387
Buildings, Facilities, and Improvements	135,537
Machinery, Furniture and Equipment	10,193
Total RTU Lease Assets	151,117
Accumulated Amortization	(50,515)
Net RTU Lease Assets	<u>\$ 100,602</u>

Notes to the Basic Financial Statements

As of June 30, 2023, the City's principal and interest requirements to maturity for the lease liability are as follows (in thousands):

Fiscal Year	Principal	Interest	Total
2024	\$ 21,228	\$ 2,306	\$ 23,534
2025	13,327	1,966	15,293
2026	13,007	1,635	14,642
2027	12,856	1,305	14,161
2028	11,516	985	12,501
2029 - 2033	26,869	1,938	28,807
2034 - 2038	1,570	828	2,398
2039 - 2043	691	689	1,380
2044 - 2048	816	564	1,380
2049 - 2053	962	418	1,380
2054 - 2058	1,135	245	1,380
2059 - 2063	891	52	943
Total	\$ 104,868	\$ 12,931	\$ 117,799

City as Lessor

The City also leases to 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 lease commencement date for new leases in fiscal year 2023 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. Deferred inflows of resources are recognized as inflows on a straight-line basis over the term of the lease. This recognition does not apply to short-term leases or certain regulated leases. 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.

As of June 30, 2023, the City's principal and interest requirements to maturity for the lease receivables are as follows (in thousands):

Fiscal Year	Principal	Interest	Total
2024	\$ 1,657	\$ 416	\$ 2,073
2025	1,558	321	1,879
2026	1,508	285	1,793
2027	1,550	249	1,799
2028	1,582	212	1,794
2029 - 2033	5,919	527	6,446
2034 - 2038	800	157	957
2039 - 2043	239	83	322
2044 - 2048	189	53	242
2049 - 2053	223	19	242
Total	\$ 15,225	\$ 2,322	\$ 17,547

As of June 30, 2023, City has \$14.3 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.

City as SBITA Service Receiver

The City recognizes a subscription liability and an intangible RTU subscription asset at the beginning of an SBITA unless it is considered a short-term SBITA. A subscription liability is measured at the present value of subscription payments expected to be made during the subscription term using the City's incremental borrowing rate. The City's SBITA contracts have terms expiring between 2023 and 2027, with IBR ranging from 0.621% to 4.830%, applying the appropriate IBR to each contract based on the contract commencement and maturity year.

A subscription asset is amortized on a straight-line basis over the shorter of the subscription term or the useful life of the underlying subscription asset. Remeasurement of subscription liability occurs when there is a change in the subscription term and/or other changes that are likely to have a significant impact on the subscription liability. Variable payments based on the usage of the underlying assets are not included in the subscription liability calculations but are recognized as outflows of resources in the period in which the obligation was incurred.

As of June 30, 2023, the City's completed SBITA RTU subscription assets are \$70.8 million with accumulated amortization of \$13.5 million, while the City's principal and interest requirements to maturity for the SBITA liability are as follows (in thousands):

Fiscal Year	Principal	Interest	Total
2024	\$ 14,144	\$ 1,081	\$ 15,225
2025	12,293	620	12,913
2026	11,426	182	11,608
2027	589	8	597
2028	105	2	107
Total	\$ 38,557	\$ 1,893	\$ 40,450

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. Unless explicitly stated in the lease agreement, known by Airports, or Airports is able to determine the rate implicit within the lease, the discount rate used to calculate lease RTU assets and liabilities is Airports' incremental borrowing rate at the end of each fiscal year. The incremental borrowing rate was 3.33% as of June 30, 2023, and was the discount rate utilized for applicable leases beginning in fiscal year 2023.

At June 30, 2023, the Airports' lease related RTU assets by major class of underlying assets consist of the following (in thousands):

RTU Lease Assets	Balance June 30, 2023
Land	\$ 45,911
Buildings, Facilities, and Improvements	8,688
Machinery, Furniture and Equipment	40,747
Total RTU Assets	95,346
Accumulated Amortization	(37,904)
Total	<u>\$ 57,442</u>

As of June 30, 2023, the Airports' principal and interest requirements to maturity for the lease liability are as follows (in thousands):

Fiscal Year	Principal	Interest	Total
2024	\$ 8,387	\$ 1,918	\$ 10,305
2025	6,824	1,669	8,493
2026	6,470	1,440	7,910
2027	6,058	1,236	7,294
2028	4,241	1,046	5,287
2029-2033	12,893	3,743	16,636
2034-2038	7,417	2,183	9,600
2039-2043	9,039	713	9,752
Total	<u>\$ 61,329</u>	<u>\$ 13,948</u>	<u>\$ 75,277</u>

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 2040.

As a lessor, Airports recognizes a lease receivable and a deferred inflow of resources at the commencement of the lease term, with certain exceptions for regulated leases and short-term leases. As lessor, the asset underlying the lease is not derecognized. The lease receivable is measured at the present value of the lease payments expected to be received during the lease term. The leases typically include provisions for rent changes based on the consumer price index or other market indexes, resulting in additional variable lease revenues that are not included in the measurement of the lease receivables.

Notes to the Basic Financial Statements

The deferred inflow of resources is 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.

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 2024 and 2040. 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 Airports 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 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 2023.

As of June 30, 2023, the Airports' principal and interest requirements to maturity for the lease receivables are as follows (in thousands):

Fiscal Year	Principal	Interest	Total
2024	\$ 38,895	\$ 5,614	\$ 44,509
2025	21,853	4,591	26,444
2026	20,541	3,907	24,448
2027	18,259	3,234	21,493
2028	15,809	2,662	18,471
2029-2033	57,902	6,412	64,314
2034-2038	11,764	884	12,648
2039-2043	1,588	34	1,622
Total	\$ 186,611	\$ 27,338	\$ 213,949

As of June 30, 2023, Airports have \$172.2 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. The 2023 Amended and Restated Rate Agreement extends the term through June 2035. 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.

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Notes to the Basic Financial Statements

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, 2023, Airports recognized the following balances related to regulated leases (in thousands):

<u>Regulated Lease Assets</u>	<u>Fixed Payments</u>	<u>Variable Payments</u>	<u>Total</u>
Building Rentals	\$ 399,871	\$ --	\$ 399,871
Land Rentals	38,923	--	38,923

Expected future minimum lease payments from regulated leases at June 30, 2023 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):

<u>Fiscal Year</u>	<u>Total</u>
2024	\$ 462,682
2025	440,673
2026	396,926
2027	365,641
2028	385,679
2029-2033	2,064,225
2034-2038	236,062
2039-2043	186,903
2044-2048	237,539
2049-2053	50,471
Total	<u>\$ 4,826,801</u>

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:

<u>Terminal</u>	<u>Total Terminal Area (SQFT)</u>	<u>Non-exclusively Used Terminal Area (SQFT)</u>	<u>Exclusively Used Terminal Area (SQFT)</u>	<u>Airlines using the Terminal Area Exclusively</u>
T1 & T1.5	197,827	28,516	169,311	Southwest Airlines
T2	152,045	2,246	149,799	Delta Air Lines
T3	329,505	2,245	327,260	Delta Air Lines
T4	309,306	1,490	307,816	American Airlines
T5	470,211	33,753	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	210,709	210,709	--	
Total	<u>2,155,938</u>	<u>314,255</u>	<u>1,841,683</u>	

Note: The information above is based on June 2023 billing.

Notes to the Basic Financial Statements

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	--	12	Delta Air Lines
T3	19	--	19	Delta Air Lines
T4	16	--	16	American Airlines
T5	15	--	5	American Airlines
T5	--	--	4	Jetblue Airlines
T5	--	--	4	Spirit Airlines
T5	--	2	--	Various Airlines
T6	14	2	10	Alaska Airlines
T6	--	--	2	Air Canada
T7	15	--	15	United Airlines
T8	8	--	8	United Airlines
TBIT & MSC	36	--	1	Delta Airlines
TBIT & MSC	--	35	--	Various Airlines
Remote	9	--	9	Various Airlines
Commuter	9	9	--	Various Airlines
Total	166	48	118	

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.

Airports utilizes IT software contracts to purchase all software, including a variety of software products that are installed on servers, workstations, mobile devices, notebooks, and other hardware. These software products include core software used throughout the organization, such as Microsoft Office 365; Microsoft Teams; Adobe Acrobat Pro DC; Software -as -a -Service (SaaS), such as Amazon Web Services and Azure; and Firewall-as-a-Service (FWaaS), such as Cloudflare. These contracts are also used to purchase specialized programs, such as project scheduling, other airport-specific software, and associated software support services used throughout the organization, and to purchase software for capital and operating initiatives, including Interactive Kiosks, Workforce Central, SharePoint, OpenText, and software used for estimating, construction project management, drafting, aerial imagery, large document review and collaboration, Building Information Modeling, and project risk management, etc. In many cases, Airports is required to purchase the annual licenses for these products to obtain functional and security updates as well as maintenance support services.

Airports evaluates these contracts and identifies qualified Subscription-Based Information Technology Arrangements (SBITAs) in accordance with GASB Statement No. 96. The present value of the SBITAs, are calculated based on the incremental borrowing rate which are aggregated on a portfolio basis. Airports has adopted the following policies to account for agreements in accordance with the requirements of GASB No. 96.

At the time of the SBITA commencement or conversion, the term will include possible extension periods that are deemed to be reasonably certain given all available information, regarding the likelihood of renewal. For extension periods without explicit subscription payment amounts in the agreement, Airports assumed a CPI increase of 8.5% for fiscal year 2023 to prior payment amounts on an annual basis. Unless explicitly stated in the agreement, known by Airports, or Airports is able to determine the rate implicit within the agreement, the discount rate used to calculate the right-to-use subscription assets and liabilities is Airports' incremental borrowing rate at the end of each fiscal year.

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Notes to the Basic Financial Statements

At June 30, 2023, Airports has RTU subscription assets and related accumulated amortization as follows (in thousands):

RTU SBITA Assets	Balance June 30, 2023
Subscription Assets	\$ 23,343
Accumulated Amortization	(16,350)
Total	<u>\$ 6,993</u>

As of June 30, 2023, Airports' future annual payments for subscription liability are as follows (in thousands):

Fiscal Year	Principal	Interest	Total
2024	\$ 2,294	\$ 67	\$ 2,361
2025	232	53	285
2026	245	46	291
2027	257	39	296
2028	270	32	302
2029 - 2033	1,214	52	1,266
Total	<u>\$ 4,512</u>	<u>\$ 289</u>	<u>\$ 4,801</u>

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, 2023, RTU lease assets and related accumulated amortization are as follows (in thousands):

RTU Lease Assets	Balance June 30, 2023
Buildings, Facilities, and Improvements	\$ 620
Machinery, Furniture and Equipment	1,194
Total RTU Assets	1,814
Accumulated Amortization	(555)
Total	<u>\$ 1,259</u>

Harbor's future annual payments under these leases as of June 30, 2023 are as follows (in thousands):

Fiscal Year	Principal	Interest	Total
2024	\$ 589	\$ 30	\$ 619
2025	433	15	448
2026	257	3	260
Total	<u>\$ 1,279</u>	<u>\$ 48</u>	<u>\$ 1,327</u>

Notes to the Basic Financial Statements

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 17.9% of Harbor's operating revenues in fiscal year 2023. 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, 2023, lease payments received by Harbor are as follows (in thousands):

RTU Lease Assets	Fixed	Variable	Total
Land and facility rentals	\$ 53,883	\$ 1,248	\$ 55,131

Harbor's future annual receipts for these leases as of June 30, 2023 are as follows (in thousands):

Fiscal Year	Principal	Interest	Total
2024	\$ 29,673	\$ 9,461	\$ 39,134
2025	14,882	8,838	23,720
2026	10,871	8,455	19,326
2027	11,023	8,113	19,136
2028	8,765	7,789	16,554
2029 - 2033	45,903	34,294	80,197
2034 - 2038	46,780	26,488	73,268
2039 - 2043	51,139	18,101	69,240
2044 - 2048	66,595	7,694	74,289
2049 - 2053	10,324	154	10,478
Total	<u>\$ 295,955</u>	<u>\$ 129,387</u>	<u>\$ 425,342</u>

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, 2023, the minimum rental income from such lease agreements was approximately \$399.0 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.

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Notes to the Basic Financial Statements

Assuming that current agreements are carried to contractual termination, minimum tenant commitments due to Harbor are as follows (in thousands):

Fiscal Year	Minimum Rental Income
2024	\$ 424,014
2025	435,995
2026	441,718
2027	447,595
2028	453,321
2029-2033	783,997
2034-2038	790,771
2039-2043	356,250
Total	<u>\$ 4,133,661</u>

As of June 30, 2023, Harbor has \$296.0 million lease receivable and \$277.0 million lease related deferred inflow of resources.

Harbor has SBITAs that provide subscriptions or license to use a third-party software supporting Harbor's operations. Those SBITAs include user licenses for enterprise resources planning (ERP) system and specialized software applications for real estate, port pilot, and customer billing operations.

At June 30, 2023, Harbor has RTU subscription assets and related accumulated amortization as follows (in thousands):

RTU SBITA Assets	Balance June 30, 2023
Subscription Assets	\$ 2,968
Accumulated Amortization	<u>(594)</u>
Total	<u>\$ 2,374</u>

As of June 30, 2023, Harbor's future annual payments for subscription liability are as follows (in thousands):

Fiscal Year	Principal	Interest	Total
2024	\$ 805	\$ 38	\$ 843
2025	432	11	443
2026	309	1	310
Total	<u>\$ 1,546</u>	<u>\$ 50</u>	<u>\$ 1,596</u>

Power

Power is a lessee for various noncancelable leases of buildings, vehicles and land. At lease commencement, Power 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.

Power generally uses its estimated incremental borrowing rate as the discount for leases unless the rate that the lessor/vendor charges is known. Power'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.

Notes to the Basic Financial Statements

Power'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.

Power 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 2023.

At June 30, 2023, Power's lease related RTU assets by major class of underlying assets consist of the following (in thousands):

RTU Lease Assets	Balance June 30, 2023
Land	\$ 1,251
Buildings, Facilities, and Improvements	53,822
Machinery, Furniture and Equipment	8,007
Total RTU Assets	63,080
Accumulated Amortization	(9,142)
Total	<u>\$ 53,938</u>

As of June 30, 2023, Power's annual principal and interest for the lease liability are as follows (in thousands):

Fiscal Year	Principal	Interest	Total
2024	\$ 11,972	\$ 1,822	\$ 13,794
2025	3,848	1,943	5,791
2026	3,847	1,786	5,633
2027	4,143	1,618	5,761
2028	4,508	1,426	5,934
2029-2033	24,123	3,336	27,459
2034-2038	616	363	979
2039-2043	768	209	977
2044-2048	434	74	508
2049-2053	40	2	42
Total	<u>\$ 54,299</u>	<u>\$ 12,579</u>	<u>\$ 66,878</u>

Power is a lessor for various noncancelable leases covering land and improvements. As a lessor, Power'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. There is an escalation rate based on CPI (All Urban Consumers for Los Angeles, Anaheim and Riverside) every five years.

At lease commencement, Power 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.

Notes to the Basic Financial Statements

Subsequently, for all other leases, the lease receivable is reduced by the principal portion of lease payments received.

Power used the long-term average WACC for AA-rated utilities as the discount rate for leases which approximates the Power'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, 2023, Power has a \$25.3 million lease receivable and \$24.0 million lease related deferred inflow of resources.

Power adopted the provisions of GASB Statement No. 96 on July 1, 2022 and Power's financial statements for the fiscal year ended June 30, 2023 reflect the implementation of this statement.

Power has various noncancelable SBITAs of cloud hosting fees, software subscription fees and enterprise services subscription fees. At the commencement of the subscription term, Power initially measures the subscription liability at the present value of payments expected to be made during the subscription term. If the present value of payments expected to be made are below the \$100.0 thousand materiality threshold, then expenses will be recognized as short-term subscriptions. Subsequently, for all other subscriptions, the subscription liability is reduced by the principal portion of subscription payments made at or before the subscription commencement date.

Power generally uses its estimated incremental borrowing rate as the discount for subscriptions unless the rate that the vendor charges is known. Power'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 subscriptions unless the rate that the SBITA vendor charges is known. Power's incremental borrowing rate for subscriptions 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 subscription under similar terms at the commencement or remeasurement date.

At June 30, 2023, Power has RTU subscription assets and related accumulated amortization as follows (in thousands):

RTU SBITA Assets	Balance June 30, 2023
Subscription Assets	\$ 10,979
Accumulated Amortization	(1,840)
Total	<u>\$ 9,139</u>

As of June 30, 2023, Power's annual principal and interest for the subscription liability are as follows (in thousands):

Fiscal Year	Principal	Interest	Total
2024	\$ 1,627	\$ --	\$ 1,627
2025	2,376	347	2,723
2026	2,645	228	2,873
2027	731	83	814
2028	772	42	814
Total	<u>\$ 8,151</u>	<u>\$ 700</u>	<u>\$ 8,851</u>

Water

Water is a lessee for various noncancelable leases of buildings, vehicles and land. At lease commencement, Water 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.

Water generally uses its estimated incremental borrowing rate as the discount for leases unless the rate that the lessor/vendor charges is known. Water'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.

Water'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.

Water 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 2023.

At June 30, 2023, Water's lease related RTU assets by major class of underlying assets consist of the following (in thousands):

RTU Lease Assets	Balance June 30, 2023
Land	\$ 645
Buildings, Facilities, and Improvements	23,899
Machinery, Furniture and Equipment	4,069
Total RTU Assets	28,613
Accumulated Amortization	(4,426)
Total	<u>\$ 24,187</u>

As of June 30, 2023, Water's annual principal and interest for the lease liability are as follows (in thousands):

Fiscal Year	Principal	Interest	Total
2024	\$ 5,930	\$ 799	\$ 6,729
2025	1,682	844	2,526
2026	1,677	775	2,452
2027	1,806	702	2,508
2028	1,965	618	2,583
2029-2033	10,385	1,445	11,830
2034-2038	290	176	466
2039-2043	367	105	472
2044-2048	223	38	261
2049-2053	21	1	22
Total	<u>\$ 24,346</u>	<u>\$ 5,503</u>	<u>\$ 29,849</u>

Notes to the Basic Financial Statements

Water is a lessor for various noncancelable leases covering building, land and improvements. As a lessor, Water'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, Water 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.

Water used the long-term average WACC for AA-rated utilities as the discount rate for leases which approximates Water '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, 2023, Water has \$3.3 million lease receivable and \$3.2 million lease related deferred inflow of resources.

Water adopted the provisions of GASB Statement No. 96 on July 1, 2022 and Water's financial statements for the fiscal year ended June 30, 2023 reflect the implementation of this statement.

Water has various noncancelable SBITAs of cloud hosting fees, software subscription fees and enterprise services subscription fees. At the commencement of the subscription term, Water initially measures the subscription liability at the present value of payments expected to be made during the subscription term. If the present value of payments expected to be made are below the \$100,0 thousand materiality threshold, then expenses will be recognized as short-term subscriptions. Subsequently, for all other subscriptions, the subscription liability is reduced by the principal portion of subscription payments made at or before the subscription commencement date.

Water generally uses its estimated incremental borrowing rate as the discount for subscriptions unless the rate that the vendor charges is known. Water'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 subscriptions unless the rate that the SBITA vendor charges is known. Water's incremental borrowing rate for subscriptions 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 subscription under similar terms at the commencement or remeasurement date.

At June 30, 2023, Water has RTU subscription assets and related accumulated amortization as follows (in thousands):

RTU SBITA Assets	Balance June 30, 2023
Subscription Assets	\$ 2,248
Accumulated Amortization	(365)
Total	<u>\$ 1,883</u>

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Notes to the Basic Financial Statements

As of June 30, 2023, Water's annual principal and interest for the subscription liability are as follows (in thousands):

Fiscal Year	Principal	Interest	Total
2024	\$ --	\$ --	\$ --
2025	363	87	450
2026	383	67	450
2027	404	46	450
2028	427	23	450
Total	\$ 1,577	\$ 223	\$ 1,800

Sewer

At June 30, 2023, Sewer's lease related RTU assets by major class of underlying assets consist of the following (in thousands):

RTU Lease Assets	Balance June 30, 2023
Buildings, Facilities, and Improvements	\$ 18,170
Machinery, Furniture and Equipment	282
Total RTU Assets	18,452
Accumulated Amortization	(3,691)
Total	\$ 14,761

As of June 30, 2023, Sewer's annual principal and interest for the lease liability are as follows (in thousands):

Fiscal Year	Principal	Interest	Total
2024	\$ 1,631	\$ 361	\$ 1,992
2025	1,726	323	2,049
2026	1,825	284	2,109
2027	1,928	243	2,171
2028	1,805	199	2,004
2029-2033	5,309	556	5,865
2034-2038	1,263	19	1,282
Total	\$ 15,487	\$ 1,985	\$ 17,472

Sewer adopted GASB Statement No. 96, and it had no impact on the Sewer's financial statements for the fiscal year ended June 30, 2023.

3. Fiduciary FundsLACERS

As a lessee, LACERS' building lease agreement expired on March 31, 2023 and as a result, termination of lease asset and the related accumulated amortization of \$2.5 million was recorded as of the fiscal year ended June 30, 2023. Additionally, the related lease liability was fully settled during the fiscal year ended June 30, 2023.

LACERS as a lessor, entered into a cell tower/antenna placement agreement under a five-year extended term expiring on November 30, 2023 with an option to automatically renew for four separate consecutive additional periods of five years. As of June 30, 2023, LACERS has an \$824.7 thousand lease receivable and \$760.6 thousand lease related deferred inflow of resources.

LACERS recognizes intangible RTU subscription assets in accordance with GASB Statement No. 96, Subscription-Based Information Technology Arrangements (SBITA), using LACERS estimated incremental borrowing rate and included extensions in the term if, after considering relevant economic factors, it is reasonably certain to be exercised. LACERS does not recognize subscription asset for SBITA with noncancelable term of 12 months or less. LACERS entered into a SBITA with various vendors for the right to use their software and licenses for a period of three years which included option to renew for another term.

LACERS has RTU subscription assets and related accumulated amortization as follows (in thousands):

RTU Assets	Balance June 30, 2023
Subscription Assets	\$ 452
Accumulated Amortization	(14)
Total	<u>\$ 438</u>

As of June 30, 2023, LACERS' annual principal and interest for the subscription liability are as follows (in thousands):

Fiscal Year	Principal	Interest	Total
2024	\$ 48	\$ 9	\$ 57
2025	49	8	57
2026	117	13	130
2027	53	4	57
2028	55	2	57
Total	<u>\$ 322</u>	<u>\$ 36</u>	<u>\$ 358</u>

Pensions

Pensions, as a lessee, has evaluated its applicable lease agreements and deemed them immaterial for accounting and reporting requirements under the new lease standard.

Pensions, as a lessor, entered into three lease agreements to provide office and retail space in the headquarters building to external parties.

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Notes to the Basic Financial Statements

As of June 30, 2023, Pensions' annual principal and interest for lease receivable are as follows (in thousands):

Fiscal Year	Principal	Interest	Total
2024	\$ 265	\$ 20	\$ 285
2025	239	7	246
2026	33	--	33
Total	<u>\$ 537</u>	<u>\$ 27</u>	<u>\$ 564</u>

As of June 30, 2023, Pensions has lease receivables of \$537.0 thousand. The deferred inflow of resources associated with these leases that will be recognized as revenue over the lease terms is \$517.7 thousand.

Pensions has entered into a three-year subscription arrangement for the right to use a document storage management system. The agreement is effective from July 2023 to June 2026. As of June 30, 2023, Pensions has recognized an intangible SBITA asset, valued at \$311.2 thousand and no amortization expenses have been recognized, as the subscription services will become active starting in the next fiscal year.

Pensions has RTU subscription assets and related accumulated amortization as follows (in thousands):

RTU Assets	Balance June 30, 2023
Subscription Assets	\$ 311
Accumulated Amortization	<u>--</u>
Total	<u>\$ 311</u>

As of June 30, 2023, Pensions' annual principal and interest for the subscription liability are as follows (in thousands):

Fiscal Year	Principal	Interest	Total
2024	\$ 102	\$ 9	\$ 111
2025	102	8	110
2026	107	3	110
Total	<u>\$ 311</u>	<u>\$ 20</u>	<u>\$ 331</u>

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, 2023, 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, 2023 at approximately \$1.2 billion. Of this amount, \$189.0 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 \$80.5 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, 2023.

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 2.61% 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, 2023, the City estimates its workers' compensation liability at \$2.1 billion. Of this amount, \$223.0 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 has purchased parametric insurance coverage for earthquake losses up to \$25.0 million at LAX and \$5.0 million at VNY, for a total of \$30.0 million with a zero deductible. Airports is self-insured for earthquake losses in excess of \$30.0 million.

Airports carries commercial aviation general liability insurance with coverage limits of \$1.3 billion for losses arising out of liability for airport operations. The self-insured retention on the commercial aviation general liability coverage is \$500,000 per occurrence for bodily injury and property damage. The liability coverage has endorsements to cover third-party bodily injury and property damage claims and suits, on premises automobile coverage, personal and advertising injury coverage, errors and omissions coverage and hangar and aircraft owner's liability coverage.

As a separate coverage agreement, Airports carries employment practices liability insurance with coverage limits of \$10.0 million for protection against employment-related losses, including coverage for defense costs and damages, with a self-insured retention of \$1.5 million per occurrence.

Airports carries all-risk property insurance with coverage limits of \$2.5 billion for all Airports properties. The deductible on this coverage is 5% per insured structure subject to \$500,000 per occurrence with no aggregate. Airports property insurance also incorporates a special endorsement that provides coverage of \$2.0 billion for property losses resulting from acts of terrorism for declared foreign acts of terrorism and “business interruption” losses resulting from a covered property peril as well as terrorism. Airports property insurance coverage also incorporates a special endorsement that provides for coverage for “boiler and machinery” losses up to a covered limit of \$250.0 million.

Airports carries cyber liability, ransom ware and technical errors and omissions insurance with coverage limits of \$30.0 million for protection against cyber liability risks as well as critical financial protection from loss, disclosure, or theft of data in any form, including but not limited to, media and content rights infringement and liability, network security failure, denial of service attacks and transmission of malicious code. Airports has a self-insured retention of \$500,000.

Airports also has purchased excess War and Risk Perils buy-back coverage with limits of \$1.0 billion for any one occurrence and in the aggregate. War and Risk Perils coverage includes but is not limited to any act of one or more persons, whether or not agents for a sovereign for political or terrorist purposes and whether the loss or damage resulting therefrom is accidental or intentional and any malicious act or act of sabotage. Coverage under the War and Allied Perils endorsement may be terminated at any time by the underwriters and terminates automatically upon the outbreak of war (whether there has been a declaration of war or not) between any two or more of the following: France, the People’s Republic of China, the Russian Federation, the United Kingdom or the United States, and certain provisions of the endorsement are terminated upon the hostile detonation of any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force.

Airports maintains an insurance reserve fund pursuant to Board policy. This fund has been established to fund uninsured or under-insured losses or where insurance capacity is unavailable or excessive in cost relative to coverage. This reserve fund would provide primary funding for catastrophic losses with respect to both LAX and VNY and Palmdale Land Holdings. The insurance reserve fund balance was approximately \$242.1 million at June 30, 2023.

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. Outside counsel provides estimates for the amount of liabilities with a probability of occurring from these lawsuits. The probability weighted liability for litigation and other claims for the fiscal year ended June 30, 2023 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 Airports under the City’s workers compensation program. 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% yield on investments. Airports’ accrued workers’ compensation liabilities at June 30, 2023 was \$89.6 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.

Notes to the Basic Financial Statements

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, 2023 was \$9.4 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, 2023 was \$19.5 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, 2023.

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, 2023. The Department has third-party insurance coverage for workers' compensation claims over \$1.0 million.

Overall indicated reserves for workers' compensation claims, for both the Power and Water, undiscounted, have been estimated at \$99.0 million as of June 30, 2023. 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, 2023, 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
2024	24,425,000	\$1.880 - 5.420	07/01/23	06/30/24	\$ 11,213
2025	12,640,000	2.200 - 5.140	07/01/24	06/30/25	6,421
2026	13,560,000	2.230 - 4.750	07/01/25	06/30/26	3,224
2027	8,605,000	3.490 - 5.040	07/01/26	06/30/27	(3,478)
2028	3,890,000	4.150 - 4.660	07/01/27	06/30/28	(2,772)
Total	63,120,000				\$ 14,608

* Contract quantities in MMBtu - Million British Thermal Units

The fair value of the natural gas hedges decreased by \$86.1 million during the fiscal year ended June 30, 2023 due to a decrease in natural gas prices during the year, 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.

Notes to the Basic Financial Statements

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, 2023, 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, 2023, the fair values of the financial natural gas hedges were above the credit limits of one counterparty; cash and securities collateral were posted totaling to approximately \$6.7 million.

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 \$228.7 million consisted of \$38.7 million litigation-type claims and \$190.0 million workers' compensation liability. The amount estimated to be payable in the next fiscal year is approximately \$35.3 million.

The changes in the City's total governmental and business-type estimated claims and judgments liability are as follows (in thousands):

	<u>FY 2023</u>	<u>FY 2022</u>
Unpaid Claims, July 1	\$ 2,945,839	\$ 2,830,472
Provisions for Current Year's Events and Changes in Provision for Prior Years' Events	1,002,441	453,207
Claims Payments	<u>(440,305)</u>	<u>(337,840)</u>
Unpaid Claims, June 30	<u>\$ 3,507,975</u>	<u>\$ 2,945,839</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, 2023, the City's liability of \$42.5 million is comprised of \$40.2 million post-closure care costs of the landfill and \$2.3 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 \$40.2 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, 2023, 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 Closure and Post-Closure Maintenance Trust Fund, reported as nonmajor other special revenue funds, was 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, 2023 are as follows (in thousands):

	Balance June 30, 2022	Additions	Deductions	Balance June 30, 2023
Obligating Event				
Violation of Pollution Prevention-Related Permit or License	\$ 11,453	\$ 3,630	\$ (1,879)	\$ 13,204
Voluntary Commencement	7	16,710	(16,677)	40
Total	<u>\$ 11,460</u>	<u>\$ 20,340</u>	<u>\$ (18,556)</u>	<u>\$ 13,244</u>
Pollution Type				
Soil and/or Groundwater Remediation	\$ 11,405	\$ 19,522	\$ (17,738)	\$ 13,189
Lead Paint Removal	--	262	(262)	--
Methane Protection	55	--	--	55
Asbestos Removal	--	92	(92)	--
Mold	--	464	(464)	--
Total	<u>\$ 11,460</u>	<u>\$ 20,340</u>	<u>\$ (18,556)</u>	<u>\$ 13,244</u>

The \$13.2 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, 2023, the total liability of \$13.2 million included \$8.6 million cost of removal of heavy metals, soil grasses and aerially deposited lead for the Sixth Street viaduct from Mateo Street to Highway 101, \$2.9 million for removal of solvents in the groundwater caused by a leaking underground storage tank and remediation costs, and \$1.7 million for removal, abatement, remediation and disposal of lead, asbestos and underground hydrocarbons for various public work projects. For fiscal year 2023, no remediation outlays were capitalized. Estimated expenditures for fiscal year 2024 and beyond are \$10.1 million and \$3.1 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, 2023 are as follows (in thousands):

	Balance June 30, 2022	Additions	Deductions	Balance June 30, 2023
Obligating Event				
Violation of Pollution Prevention-Related Permit or License	\$ 895	\$ --	\$ (11)	\$ 884
Named by a Regulator as a Potential Party to Remediation	66,084	4,522	(6,053)	64,553
Voluntary Commencement	97,211	2,574	(1,163)	98,622
Total	<u>\$ 164,190</u>	<u>\$ 7,096</u>	<u>\$ (7,227)</u>	<u>\$ 164,059</u>
Pollution Type				
Soil and/or Groundwater Remediation	<u>\$ 164,190</u>	<u>\$ 7,096</u>	<u>\$ (7,227)</u>	<u>\$ 164,059</u>

Airports bear full responsibility for the cleanup of environmental contamination on property it owns. However, there are instances where tenants accept responsibility for the cleanup actions. Under certain applicable laws, Airports may become liable for cleaning up soil and/or groundwater contamination on a property in the event that the previous responsible party does not perform its assessment or remediation obligations. No assurance can be given that any future investigation and/or remediation costs for any such contamination will not be material.

Harbor's estimated pollution remediation liability as of June 30, 2023 was \$65.5 million, of which \$2.7 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 it owns that have had release of hazardous materials or waste it is 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 2023 was approximately \$81.5 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 \$17.1 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, 2023, 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 2023, the City paid \$12.4 million in financial assistance to the Developer. A total of \$134.3 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 2023, the City paid \$3.6 million in financial assistance to the Developer. A total of \$29.2 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 2023, the City paid \$3.4 million in financial assistance to the Developer. A total of \$17.9 million has been paid to the Developer since payments began in fiscal year 2017.

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 2023, the City paid \$1.4 million in financial assistance to the Developers. A total of \$9.3 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 2023, the City paid \$9.1 million in financial assistance to the Developer. A total of \$42.2 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 \$66.9 million NPV. In fiscal year 2023, the City paid \$1.4 million in financial assistance to the Developers.

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 2023.

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 2023.

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 2023.

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, 2023, there are 951 existing Mills Act contracts in the City. The City paused new Mills Act applications in fiscal year 2021. Existing contracts are renewed annually for a minimum term of ten years.

For fiscal year 2023, the property tax abated from the Mills Act agreements was \$2.2 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.

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, 2023 were as follows:

Active Nonvested	
Tier 4	2
Tier 5	3,493
Tier 6	4,862
Subtotal	<u>8,357</u>
Active Vested	
Tier 2	3
Tier 3	390
Tier 4	154
Tier 5	3,661
Tier 6	6
Subtotal	<u>4,214</u>
Pensioners and Beneficiaries	
Tier 1	171
Tier 2	6,052
Tier 3	1,000
Tier 4	404
Tier 5	6,497
Tier 6	7
Subtotal	<u>14,131</u>
Vested Terminated	
Tier 3	23
Tier 5	250
Tier 6	503
Subtotal	<u>776</u>
Total	<u><u>27,478</u></u>

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, 2023 were as follows:

Active Vested and Nonvested	
Tier 1	16,045
Tier 3	9,830
Subtotal	<u>25,875</u>
Inactive Nonvested and Terminated Entitled to Benefits	
Tier 1	7,939
Tier 3	3,209
Subtotal	<u>11,148</u>
Inactive	
Retired Tier 1	17,451
Retired Tier 3	6
Disabled Tier 1	799
Beneficiaries Tier 1	4,253
Beneficiaries Tier 3	1
Subtotal	<u>22,510</u>
Total	<u>59,533</u>

DWP Plans

As of June 30, 2023, DWP Plans' membership consisted of 9,756 retirees and beneficiaries; 1,765 terminated vested members and 11,039 active members.

Benefits

Benefits Provided by Pensions

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 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 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 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 their contributions plus Board-approved interest if they do not qualify for a pension or if they waive their pension entitlements.

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 ⁽¹⁾
Under 55	30 Years	2.0% x FAC x Yrs. of SC ⁽²⁾
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

⁽¹⁾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.

⁽²⁾A reduction factor will be applied based on age at retirement.

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 1st 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.

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 met.

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.

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, 2023, 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	\$ 13.87	\$ 5.41	\$ 232.04	\$ 66.47	\$ 2.87	\$ 0.60	\$ 2.34
Unfunded Supplemental Present Value amount	13.72	(10.57)	(7.58)	3.31	102.89	35.19	0.71	0.19	0.10
Pension Administrative Expense	--	--	0.92	0.34	13.76	4.71	0.17	0.05	0.17

During fiscal year 2023, total employer contributions of \$481.8 million were made in accordance with actuarially determined contribution requirements through an actuarial valuation performed at June 30, 2021.

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, 2023, the actuarially-determined aggregate employer contribution rate to LACERS by the City was 29.39% (30.16% for Tier 1 and 26.93% for Tier 3) of projected payroll, based on the June 30, 2021 actuarial valuation. Upon closing the fiscal year 2023, 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, 2022. As a result, employer contributions received for LACERS were \$71.7 million more than required, and this amount was credited to the employer toward employer contributions for fiscal year 2024. Based on actual payroll, the effective rate of employer contribution for LACERS was 29.01% for fiscal year 2023, with total actuarially determined contribution of \$669.4 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 rate for fiscal year 2023 (based on the July 1, 2022 valuations) was 29.84% of compensation.

DWP contribution rate for fiscal year 2023 for temporary disability (based on the July 1, 2022 valuation) was \$1.05 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 2023, the actuarially determined contributions of DWP's Retirement Fund was \$372.2 million and actual contributions made were \$361.6 million.

4. Net Pension Liability

For the June 30, 2023 reporting date, the Net Pension Liability (NPL) of Pensions was measured as of June 30, 2022 and determined based upon assets as of each measurement date and upon rolling forward to each measurement date the Total Pension Liability (TPL) from the actuarial valuation as of June 30, 2021. The Fiduciary Net Position (FNP) was valued as of the measurement date.

LACERS' Net Pension Liability (NPL) was measured as of June 30, 2022 and determined based upon the FNP and TPL from the actuarial valuation as of June 30, 2022. FNP and TPL were valued as of the measurement date.

The NPL of DWP Plans was measured as of June 30, 2022 and determined based upon the results of the actuarial valuation as of July 1, 2022. The FNP and TPL were valued as of the measurement date.

The City's total pension liability, fiduciary net position and net pension liability as of the measurement date June 30, 2022 were as follows (in thousands):

	Total Pension Liability	Fiduciary Net Position	Net Pension Liability	Fiduciary Net Position as % of Total Pension Liability
Pensions	\$ 25,907,294	\$ 25,258,537	\$ 648,757	97.50%
LACERS	24,078,751	17,013,091	7,065,660	70.66%
DWP Plans	16,130,109	15,513,924	616,185	96.18%
Total	<u>\$ 66,116,154</u>	<u>\$ 57,785,552</u>	<u>\$ 8,330,602</u>	

Changes in Net Pension Liability

The components of the net pension liability of Pensions, LACERS and DWP Plans determined in accordance with GASB Statement No. 68 as of the measurement date of June 30, 2022 were as follows (in thousands):

	Pensions	LACERS	DWP Plans	Total
Total Pension Liability				
Beginning Balance	\$ 25,160,777	\$ 23,281,893	\$ 15,008,818	\$ 63,451,488
Service Cost	456,446	413,863	277,244	1,147,553
Interest	1,749,640	1,617,800	1,044,964	4,412,404
Benefit Payments, Including Refunds of Member Contributions	(1,244,736)	(1,168,633)	(716,008)	(3,129,377)
Difference of Expected and Actual Experience	(214,833)	(66,172)	(35,734)	(316,739)
Assumption Changes	--	--	550,825	550,825
Net Change	746,517	796,858	1,121,291	2,664,666
Ending Balance	25,907,294	24,078,751	16,130,109	66,116,154
Fiduciary Net Position				
Beginning Balance	27,862,307	18,918,136	16,667,463	63,447,906
Employer Contributions	535,450	591,234	325,326	1,452,010
Member Contributions	149,244	241,876	131,105	522,225
Net Investment Loss	(2,021,582)	(1,542,473)	(888,349)	(4,452,404)
Benefit Payments, Including Refunds of Member Contributions	(1,244,736)	(1,168,633)	(716,008)	(3,129,377)
Administrative Expenses	(22,146)	(27,033)	(5,613)	(54,792)
Other	--	(16)	--	(16)
Net Change	(2,603,770)	(1,905,045)	(1,153,539)	(5,662,354)
Ending Balance	25,258,537	17,013,091	15,513,924	57,785,552
Net Pension Liability	\$ 648,757	\$ 7,065,660	\$ 616,185	\$ 8,330,602

Sensitivity of the Net Pension Liability to Changes in Discount Rates

Pensions and LACERS used a discount rate of 7.00 percent, and DWP Plans used a discount rate of 6.50 percent to measure the total pension liability for the measurement date of June 30, 2022. 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, 2023 based on the measurement date of June 30, 2022.

The net pension liability will change when there are changes in the discount rate. The following presents the net pension liability (in thousands) calculated using the discount rate of 7.00 percent for Pension and LACERS, 6.50 percent for DWP Plans, as well as what the net pension liability (asset) would be if they were calculated using a discount rate that is 1-percentage point lower (6.00 percent or 5.5 percent) or 1-percentage point higher (8.00 percent or 7.5 percent) than the current rate of 7.00 percent for Pensions, LACERS, and 6.5 percent for DWP Plans:

	Pensions	LACERS	DWP Plans
1% Decrease (6.00% / 5.5%)	\$ 4,269,849	\$ 10,242,711	\$ 2,814,137
Current Discount Rate (7.00% / 6.50%)	648,757	7,065,660	616,185
1% Increase (8.00% / 7.50%)	(2,290,019)	4,436,332	(1,193,123)

5. Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources

The City recognized the following pension expense, deferred outflows of resources and deferred inflows of resources as of and for the fiscal year ended June 30, 2023 (in thousands):

	Pension Expense (Credit)			
	Pensions	LACERS	DWP Plans	Total
Service Cost	\$ 456,446	\$ 413,863	\$ 277,244	\$ 1,147,553
Interest on the Total Pension Liability	1,749,640	1,617,800	1,044,964	4,412,404
Expensed Portion of Current-period Difference between Expected and Actual Experience in the Total Pension Liability	(39,061)	(13,700)	(5,097)	(57,858)
Expensed Portion of Current-period Changes of Assumptions or Other Inputs	--	--	78,577	78,577
Member Contributions	(149,244)	(241,876)	(131,105)	(522,225)
Projected Earnings on Plan Investments	(1,947,164)	(1,330,547)	(1,157,441)	(4,435,152)
Expensed Portion of Current-period Differences between Actual and Projected Earnings on Plan Investments	793,749	574,604	409,158	1,777,511
Administrative Expense	22,146	27,033	5,613	54,792
Others	--	16	--	16
Recognition of Beginning of Year Deferred Outflows of Resources as Pension Expense	461,797	503,074	123,598	1,088,469
Recognition of Beginning of Year Deferred Inflows of Resources as Pension Expense	(1,243,322)	(753,879)	(587,479)	(2,584,680)
	<u>\$ 104,987</u>	<u>\$ 796,388</u>	<u>\$ 58,032</u>	<u>\$ 959,407</u>

	Deferred Outflows of Resources			
	Pensions	LACERS	DWP Plans	Totals
Pension Contributions Subsequent to Measurement Date	\$ 481,664	\$ 670,341	\$ 368,888	\$ 1,520,893
Changes in Proportion and Differences between Employer's Contributions and Proportionate Share of Contributions	--	44,009	7,515	51,524
Changes of Assumptions or Other Inputs	133,322	233,805	475,596	842,723
Differences between Actual and Expected Experience in the Total Pension Liability	195,626	129,509	43,116	368,251
Net Difference between Projected and Actual Earnings on Investments	317,911	719,790	298,076	1,335,777
	<u>\$ 1,128,523</u>	<u>\$ 1,797,454</u>	<u>\$ 1,193,191</u>	<u>\$ 4,119,168</u>

	Deferred Inflows of Resources			
	Pensions	LACERS	DWP Plans	Totals
Changes in Proportion and Differences between Employer's Contributions and Proportionate Share of Contributions	\$ --	\$ 44,009	\$ 7,515	\$ 51,524
Difference between Expected and Actual Experience in Total Pension Liability	187,077	175,952	75,119	438,148
	<u>\$ 187,077</u>	<u>\$ 219,961</u>	<u>\$ 82,634</u>	<u>\$ 489,672</u>

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 liability in the fiscal year ending June 30, 2024. 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
2024	\$ 27,129	\$ 268,942	\$ 85,205
2025	(46,142)	199,351	64,787
2026	(293,334)	(122,867)	(27,196)
2027	791,660	561,726	480,005
2028	(19,531)	--	64,654
Thereafter	--	--	74,214

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 and LACERS, and 6.50% for 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	Long-term	Target	Long-term	Target	Long-term
	Allocation	Expected Rate of Return as of Measurement Date of June 30, 2022	Allocation	Expected Rate of Return as of Measurement Date of June 30, 2022	Allocation	Expected Rate of Return as of Measurement Date of June 30, 2022
Large Cap U.S. Equity	23.00 %	5.40 %	15.01 %	5.54 %	21.10 %	5.13 %
Small Cap U.S. Equity	6.00	6.20	3.99	6.25	2.10	5.86
Developed International Large Cap Equity	16.00	6.54	17.01	6.61	12.20	6.01
Developed International Small Cap Equity	--	--	2.97	6.90	1.80	5.72
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	--	--	5.10	8.16
Global Equity	--	--	--	--	2.70	5.94
U.S. Core Fixed Income	13.00	1.07	--	--	--	--
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	--	--	7.00	4.60
Core Real Estate	--	--	4.20	4.60	--	--
Non-Core Real Estate	--	--	2.80	5.76	3.00	7.14
Real Estate Investment Trust	3.00	4.40	1.00	5.98	--	--
Private Equity	12.00	8.25	14.00	8.97	10.00	10.46
Hedge Funds	--	--	--	--	5.00	1.85
Private Credit/Debit	--	--	3.75	6.00	2.40	5.94
Treasury Inflation Protected Securities	4.00	0.62	4.00	0.86	3.50	(0.23)
Commodities	5.00	3.05	1.00	3.33	1.50	2.77
Cash	1.00	0.01	1.00	0.03	1.00	(0.77)
Unconstrained Fixed Income	2.00	1.37	--	--	21.60	0.68
	<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, 2023 are as follows:

	Pensions	LACERS	DWP Plans
Measurement Date	June 30, 2022	June 30, 2022	June 30, 2022
Valuation Date	June 30, 2021	June 30, 2022	June 30, 2022
Inflation Rate	2.75%	2.75% maximum for Tier 1; 2.00% maximum for Tier 3.	2.50%
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%	4.25% to 10.00%
Investment Rate of Return	7.00% net of investment expense	7.00% net of investment expense	6.50% 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) increased by 5% for males, projected generationally with the two-dimensional mortality improvement scale MP-2021.
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 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) increased by 5% for males, projected generationally with the two-dimensional mortality improvement scale MP-2021.
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) increased by 5% for males, projected generationally with the two-dimensional mortality improvement scale MP-2021.
Actuarial Experience Study	July 1, 2016 through June 30, 2019 Experience Study Report dated May 13, 2020	July 1, 2016 to June 30, 2019	July 1, 2018 to June 30, 2021

8. 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.

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, 2023, 1,496 pensioners were enrolled in the DROP program, with total estimated values of the DROP accounts of approximately \$361.1 million.

9. 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 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 (DWP Plans) 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 DWP Plans 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 subsidiaries.

This resolution and subsequent amendments have created the DWP's Employees' Retiree Health Benefits Plan. The DWP Plans 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.

1. Membership

As of June 30, 2023, Pensions, LACERS and DWP Plans OPEB members consisted of the following:

	<u>DWP OPEB</u>			
	<u>Pensions OPEB</u>	<u>LACERS OPEB</u>	<u>Health Benefits</u>	<u>Death Benefits</u>
Retired members and beneficiaries	11,972	17,759	8,552	7,904
Vested terminated members entitled to, but not yet receiving benefits	1,017	1,749	--	575
Active members	<u>12,571</u>	<u>25,875</u>	<u>11,039</u>	<u>11,039</u>
Total	<u><u>25,560</u></u>	<u><u>45,383</u></u>	<u><u>19,591</u></u>	<u><u>19,518</u></u>

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 2023 was \$2,046.97. Pensions also reimburses Medicare Part B premiums for any pensioner enrolled in Medicare Parts A and B, and eligible to receive a subsidy.

On January 11, 2022, the City Council passed Ordinance No. 187351 to amend Chapter 11.5 of Division 4 of the Los Angeles Administrative Code to establish the Los Angeles Fire and Police Pensions Retiree Health Care Fund (LAFPP Health Care Fund) for the sole purpose of funding retiree health care benefits for eligible retirees and beneficiaries of Pensions.

The City and the Board of Pensions entered into a trust agreement, providing the LAFPP Health Care Fund as an alternative funding mechanism to the pre-existing LAFPP Health Care Coverage Account (401(h) account). This measure was aimed to ensure the long-term viability and sustainability of retiree health care benefits for Fire and Police Pension Plan.

The LAFPP Health Care Fund is intended to qualify for federal tax exemption under Section 115 of the Internal Revenue Code. Effective July 1, 2022, the LAFPP Health Care Fund began receiving contributions from the City designated for retiree health benefits. The existing 401(h) account continues to operate, disbursing funds for health insurance and other benefits provided under Chapter 11.5 of Division 4 of the Los Angeles Administrative Code, until it is fully depleted.

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, 2022, the single coverage maximum subsidy for retirees and surviving spouse or domestic partner is \$494.67 and multi-person is \$1,133.81.

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 2023 was \$43.81. 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, 2023, all active Tier 1 and Tier 3 members were making the additional contributions, and therefore will not be subject to the medical subsidy cap.

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 \$1,996.58 depending on age and service at retirement. For Tier 2, the monthly medical subsidy ranges from \$30.32 to \$998.29, depending on age and service at retirement. The monthly dental subsidy for most retirees is \$33.82. 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, 2023, 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
Health Subsidy Entry Age Cost	\$ --	\$ 0.02	\$ 3.26	\$ 1.19	\$ 45.78	\$ 24.31	\$ 0.75	\$ 0.20	\$ 0.98
Health Subsidy Unfunded Actuarial Accrual Liability	1.25	59.18	4.42	2.68	30.15	10.31	0.08	0.02	0.06
Health Administrative Expenses	--	--	0.08	0.03	1.21	0.41	0.01	--	0.01

During fiscal year 2023, total employer contributions of \$186.4 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, 2021.

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, 2023, the actuarially determined contribution of the employer to LACERS by the City was 3.92% (3.77% for Tier 1 and 4.42% for Tier 3) of projected payroll, based on the June 30, 2021 actuarial valuation. The total contributions for the fiscal year 2023 is \$90.6 million.

Upon closing the fiscal year 2023, LACERS re-calculated employer contributions using actual payroll incurred during the fiscal year which was lower than projected covered payroll used by the City to make the advance payment on July 15, 2022. 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 2024. Based on actual payroll, the effective rate of employer contribution for Postemployment Health Care Plan was 3.93% for the fiscal year 2023.

DWP Plans

The DWP Board establishes rates for retiree healthcare plan based on an actuarially determined rate. For the fiscal year ended June 30, 2023, 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 \$114.6 million including administrative expenses of \$1.0 million for the fiscal year ended June 30, 2023.

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 2023 was 1.21% of covered payroll.

The employer and member contribution rates as of June 30, 2023 are as follows:

	DWP	Members	
		Active	Retired
Total Death Benefit Fund	1.11% of Payroll	N/A	N/A
Supplemental family death benefit	N/A	\$2.25 biweekly	\$4.90 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 \$16.7 million including administrative expenses of \$2.1 million for the fiscal year ended June 30, 2023.

4. Net OPEB (Asset) Liability

For the June 30, 2023 reporting date, the Net Other Postemployment Benefits Liability (NOL) of Pensions was measured as of June 30, 2022 and determined based upon the Total OPEB Liability (TOL) from the actuarial valuation as of June 30, 2022. The Fiduciary Net Position (FNP) was valued as of the measurement date.

LACERS’ Net OPEB Liability (NOL) was measured as of June 30, 2022 and determined based upon the FNP and TOL from the actuarial valuation as of June 30, 2022. FNP and TOL were valued as of the measurement date.

DWP Plans’ NOA and NOL were measured as of June 30, 2022 and determined based upon the results of the actuarial valuation as of June 30, 2022. 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, 2023 were as follows (in thousands):

	Total OPEB Liability	Fiduciary Net Position	Net OPEB (Asset) Liability	Fiduciary Net Position as % of Total OPEB Liability
Pensions	\$ 3,649,331	\$ 2,722,122	\$ 927,209	74.59%
LACERS	3,580,696	3,347,771	232,925	93.49%
DWP Plans				
Health Benefits	2,630,842	2,761,041	(130,199)	104.95%
Death Benefit	153,187	40,525	112,662	26.45%
Totals	<u>\$ 10,014,056</u>	<u>\$ 8,871,459</u>	<u>\$ 1,142,597</u>	

Notes to the Basic Financial Statements

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, 2022 were as follows (in thousands):

	Pensions	LACERS	DWP Plans	Totals
Total OPEB Liability				
Beginning Balance	\$ 3,793,174	\$ 3,520,078	\$ 2,703,320	\$ 10,016,572
Service Cost	79,825	81,415	54,667	215,907
Interest	266,035	246,694	184,171	696,900
Benefit Payments	(147,467)	(157,245)	(121,421)	(426,133)
Differences between Expected and Actual Experience	(8,923)	(369)	(60,865)	(70,157)
Assumption Changes	(333,313)	(109,877)	24,157	(419,033)
Net Change	(143,843)	60,618	80,709	(2,516)
Ending Balance	3,649,331	3,580,696	2,784,029	10,014,056
Fiduciary Net Position				
Beginning Balance	2,888,310	3,781,652	2,958,859	9,628,821
Employer Contributions	193,140	91,623	128,086	412,849
Member Contributions	--	--	372	372
Net Investment Loss	(209,565)	(360,636)	(161,624)	(731,825)
Benefit Payments	(147,467)	(157,245)	(121,421)	(426,133)
Administrative Expenses	(2,296)	(7,619)	(2,706)	(12,621)
Other	--	(4)	--	(4)
Net Change	(166,188)	(433,881)	(157,293)	(757,362)
Ending Balance	2,722,122	3,347,771	2,801,566	8,871,459
Net OPEB (Asset) Liability	\$ 927,209	\$ 232,925	\$ (17,537)	\$ 1,142,597

Sensitivity of the Net OPEB (Asset) Liability to Changes in Discount Rates

Pensions and LACERS used a discount rate of 7.00 percent, and DWP Plans used a discount rate of 6.50 percent (2.75 percent for Death Benefit Plan) to measure the total OPEB liability for the measurement date of June 30, 2022. 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, 2023 based on the measurement date of June 30, 2022.

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 and LACERS, 6.50 percent for DWP Health Benefits Plans, and 2.75 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 / 5.5 percent or 1.75 percent) or 1-percentage point higher (8.00 percent / 7.5 percent or 3.75 percent) than the current rates.

	Pensions	LACERS	DWP Plans	
			Health Benefits	Death Benefit*
1% Decrease (6.0% / 5.5% / 1.75%*)	\$ 1,469,980	\$ 733,798	\$ 257,570	\$ 138,631
Current Discount Rate (7.0% / 6.5% / 2.75%*)	927,209	232,925	(130,199)	112,662
1% Increase (8.0% / 7.5% / 3.75%*)	488,483	(177,730)	(447,329)	92,098

Notes to the Basic Financial Statements

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 7.12% graded down to 4.50% over eleven years for Non-Medicare medical plan costs, and 6.37% graded down to 4.50% over eight years for Medicare medical plan costs. 3.00% for all years for Dental and 4.50% for all years for Medicare Part B subsidy cost. The current trend rates assumption for Pensions is 7.25%, then graded down to an ultimate of 4.50% over eleven years for Non-Medicare medical plan costs; 6.50%, then graded down to 4.50% over eight years for Medicare medical plan costs and 3.00% for all years for Dental and 4.50% Medicare Part B cost. DWP Plans current trend rates assumption is 7.25%, graded down to 4.50% over eleven years for Non-Medicare medical plan costs; 6.50% graded down to 4.50% over eight years for Medicare medical plan costs and 3.00% for all years for Dental and 4.50% Medicare Part B cost.

The following presents the net OPEB (asset) liability (in thousands) as of June 30, 2022 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	\$ 470,993	\$ (215,968)	\$ (481,796)
Current Trend Rate	927,209	232,925	(130,199)
1% Increase	1,503,028	792,250	312,243

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, 2023 (in thousands):

	OPEB Expense			
	Pensions	LACERS	DWP Plans	Totals
Service Cost	\$ 79,825	\$ 81,415	\$ 54,667	\$ 215,907
Interest on the Total OPEB Liability	266,035	246,694	184,171	696,900
Expensed Portion of Current-period Difference between Expected and Actual Experience in the Total OPEB Liability	(1,295)	(60)	(7,562)	(8,917)
Expensed Portion of Current-period Changes of Assumptions or Other Inputs	(48,376)	(17,780)	2,985	(63,171)
Member Contributions	--	--	(372)	(372)
Projected Earnings on Plan Investments	(209,897)	(265,091)	(191,182)	(666,170)
Expensed Portion of Current-period Differences between Actual and Projected Earnings on Plan Investments	83,892	125,145	70,561	279,598
Administrative Expense	2,296	7,619	2,706	12,621
Other expense	--	4	--	4
Recognition of Beginning of Year Deferred Outflows of Resources as OPEB Expense	74,326	80,144	37,937	192,407
Recognition of Beginning of Year Deferred Inflows of Resources as OPEB Expense	(195,296)	(243,779)	(170,387)	(609,462)
	<u>\$ 51,510</u>	<u>\$ 14,311</u>	<u>\$ (16,476)</u>	<u>\$ 49,345</u>

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Notes to the Basic Financial Statements

	Deferred Outflows of Resources			
	Pensions	LACERS	DWP Plans	Totals
OPEB Contributions Subsequent to Measurement Date	\$ 186,580	\$ 90,816	\$ 129,944	\$ 407,340
Changes in Proportion and Differences between Employer's Contributions and Proportionate Share of Contributions	--	7,816	6,183	13,999
Changes of Assumptions or Other Inputs	113,080	85,646	82,853	281,579
Net Difference between Projected and Actual Earnings on Investments	57,075	95,470	44,623	197,168
Difference between Expected and Actual Experience	11,807	8,511	2,188	22,506
	<u>\$ 368,542</u>	<u>\$ 288,259</u>	<u>\$ 265,791</u>	<u>\$ 922,592</u>

	Deferred Inflows of Resources			
	Pensions	LACERS	DWP Plans	Totals
Changes in Proportion and Differences between Employer's Contributions and Proportionate Share of Contributions	\$ --	\$ 7,816	\$ 6,183	\$ 13,999
Changes of Assumptions or Other Inputs	367,284	200,070	41,417	608,771
Difference between Expected and Actual Experience	233,220	120,401	279,779	633,400
	<u>\$ 600,504</u>	<u>\$ 328,287</u>	<u>\$ 327,379</u>	<u>\$ 1,256,170</u>

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, 2024. The other net amount of deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows (in thousands):

Reporting Date under GASB 75 Year Ending June 30	Pensions	LACERS	DWP Plans
2024	\$ (79,215)	\$ (43,333)	\$ (58,510)
2025	(100,165)	(58,833)	(46,117)
2026	(125,802)	(82,048)	(60,647)
2027	1,317	82,519	23,195
2028	(66,832)	(25,938)	(36,062)
Thereafter	(47,845)	(3,211)	(13,391)

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 and LACERS, 6.50% for DWP Health Plan, and 2.75% 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 weighing 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, 2022	Target Allocation	Long-term Expected Rate of Return as of Measurement Date of June 30, 2022	Target Allocation	Long-term Expected Rate of Return as of Measurement Date of June 30, 2022
Large Cap U.S. Equity	23.00 %	5.40 %	15.01 %	5.54 %	21.10 %	5.13 %
Small Cap U.S. Equity	6.00	6.20	3.99	6.25	2.10	5.86
Developed International Large Cap Equity	16.00	6.54	17.01	6.61	12.20	6.01
Developed International Small Cap Equity	--	--	2.97	6.90	1.80	5.72
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	--	--	5.10	8.16
Global Equity	--	--	--	--	2.70	5.94
U.S. Core Fixed Income	13.00	1.07	--	--	--	--
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	7.00	4.60
Non-Core Real Estate	--	--	2.80	5.76	3.00	7.14
Real Estate Investment Trust	3.00	4.40	1.00	5.98	--	--
Private Equity	12.00	8.25	14.00	8.97	10.00	10.46
Hedge Funds	--	--	--	--	5.00	1.85
Private Credit/Debit	--	--	3.75	6.00	2.40	5.94
Treasury Inflation Protected Securities	4.00	0.62	4.00	0.86	3.50	(0.23)
Commodities	5.00	3.05	1.00	3.33	1.50	2.77
Cash	1.00	0.01	1.00	0.03	1.00	(0.77)
Unconstrained Fixed Income	2.00	1.37	--	--	21.60	0.68
	<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, 2023 are as follows:

	Pensions	LACERS	DWP Plans
Measurement Date	June 30, 2022	June 30, 2022	June 30, 2022
Valuation Date	June 30, 2022	June 30, 2022	June 30, 2022
Inflation Rate	2.75%	2.75%	2.50%
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%	4.25% to 10.00%
Investment Rate of Return	7.00% net of investment expenses	7.00% net of investment expense	Health/Death* Plan: 6.5%/*2.75% net of investment expense
Healthcare cost trend rates	7.25% then graded down to ultimate 4.50% over 11 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 3.00% for all years for dental and 4.50% Medicare Part B costs.	7.12% graded down to 4.50% over 11 years for Non-Medicare medical plan costs, and 6.37% graded down to 4.50% over 8 years for Medicare medical plan costs. 3.00% for all years for Dental and 4.50% for all years for Medicare Part B subsidy cost.	7.25% graded down to 4.50% over 11 years for non-Medicare medical plan costs; 6.50% graded down to 4.50% over 8 years for Medicare medical plan costs; and 3.0% for all years for dental and 4.50% Medicare Part B costs.
Mortality Rates: Pre-Retirement	Pub-2010 Safety Employee Headcount-Weighted Above-Median Mortality Table, projected generationally with the two-dimensional mortality improvement scale MP-2019.	Pub-2010 General Employee Headcount-Weighted Above-Median Mortality Tables with rates increased by 10%, projected generationally with the two-dimensional mortality improvement scale MP-2019.	Pub-2010 General Employee Headcount-Weighted Above-Median Mortality Table (separate tables for males and females), projected generationally with the two-dimensional mortality improvement scale MP-2021.
Postemployment Healthy	Pub-2010 Safety Healthy Retiree 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.	Pub-2010 General Healthy Retiree Headcount-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 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-2021.
Disabled	Pub-2010 Safety Disabled Retiree Headcount-Weighted Mortality Table projected generationally 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 generationally with the two-dimensional mortality improvement scale MP-2019.	Pub-2010 General Healthy Retiree 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-2021.
Beneficiaries	Pub-2010 General Healthy Retiree Headcount-Weighted Above-Median Mortality Table multiplied by 105%, projected generationally with the two dimensional mortality improvement scale MP-2019.	Pub-2010 Contingent Survivor 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.	Pub-2010 Contingent Survivor 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-2021.
Actuarial Experience Study	July 1, 2016 to June 30, 2019	July 1, 2016 to June 30, 2019	July 1, 2018 to June 30, 2021

8. Two Percent Opt-In for Pension 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 \$80.5 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, 2023.

Blue Cross of America v. City of Los Angeles.

On March 30, 2017, Blue Cross filed a protective tax refund claim of business taxes paid for tax year 2015, under Article XIII, Section 28 of the California Constitution, which exempts “insurers” from local business taxes on account of being subject to a higher State income tax. 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. (BS143436). Myers proceeded under a California statute that permitted an individual taxpayer to sue a governmental agency when the taxpayer believes the agency has failed to enforce governing law. The issue, amongst others, to be resolved in Myers is whether Blue Cross is an “insurer” under California tax law and thus subject to the higher State tax. Pending the resolution of that issue, Blue Cross has continued to report and pay its City business taxes. Likewise, Blue Cross has also filed supplemental protective tax refund claims of business taxes paid for tax years 2016 through 2023, inclusive.

Since its filing, Myers has endured a complex procedural history, with multiple appeals and remands to the trial court. 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 that are covered under the protective claims. The refund is estimated to be approximately \$80.5 million (inclusive of interest), as computed through the end of 2023, plus attorney’s fees.

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 Airports’ other airport 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) which consolidated existing air quality improvement programs or previously adopted policies into one plan to more efficiently track progress and align with Airports' 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 reductions for these measures to meet its obligations under the Clean Air Act:

- 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 inventory 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.

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.

Notes to the Basic Financial Statements

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.

In 2022, ACTA issued Tax-Exempt Senior Lien Revenue Refunding Bonds, Series 2022A, Taxable Senior Lien Revenue Refunding Bonds, Series 2022B, and Tax-Exempt Second Subordinate Lien Revenue Refunding Bonds Series 2022C (Series 2022 Bonds). With the intent of reducing future Shortfall payments, the issuance of the Series 2022 Bonds restructured ACTA's debt. There was no Shortfall payment in fiscal year 2023.

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, 2023.

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 2023, 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.

Notes to the Basic Financial Statements

The following table relates to revenue billed to customers for the fiscal year ended June 30, 2023:

Revenue Type	Basis of Revenue	kwh (in billions)	Rate per KWH Under the 2008 Ordinance	Revenue (in thousands)
Retail Sales	2008 Ordinance	21.7	\$ 0.12628	\$ 2,745,576
Retail Sales	2016 Ordinance	21.7		1,858,180
Wholesale Sales	Contract			221,559
Transmission Sales	Contract			93,564
Rent from Electric Property	Contract			4,503
Other Service Charges	Fee schedule			24,475
Unbilled Sales	Estimated			13,958
Bad Debts Expense	Estimated			(3,276)
				\$ 4,958,539

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 \$461.9 million at completion. The actual expenditures to date are \$363.4 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. All of the Department's six open reservoirs are now compliant under the LT2. 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 was completed in January 2023. The cost of LT2 compliance-related engineering studies and construction activities is expected to reach \$1.7 billion at completion. The actual cost spent to date has been \$1.6 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 matters 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.

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 \$37.0 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

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 2023, \$9.1 million was accrued as claims payable.

3. Los Angeles Fire and Police Pension System

Pensions Retiree Health Subsidy Freeze Litigation

In fiscal year 2023, 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 union argues 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 members only the right to get out from under the 2011 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.

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 October 10, 2023, 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.

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, 2023, the City’s encumbrances totaled \$1.7 billion of which \$417.2 million were contractual commitments for various capital projects. Below are details of encumbrances by fund categories (in thousands):

	Restricted	Committed	Assigned	Totals
General Fund	\$ --	\$ 25,624	\$ 397,413	\$ 423,037
Nonmajor Governmental Funds	1,012,769	262,573	125	1,275,467
	<u>\$ 1,012,769</u>	<u>\$ 288,197</u>	<u>\$ 397,538</u>	<u>\$ 1,698,504</u>

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 contended that the County and the City have not made sufficient progress in providing housing and other services to the homeless population. Such failure has allegedly resulted in impassable sidewalks and exposed the public to health risks, environmental hazards, increased crime, and untreated mental illness and addiction. The plaintiffs demanded that the Defendants provide immediate shelter for all homeless individuals to abate the degradation of the cities and communities.

On May 15, 2020, the U.S. District Court of Central District of California ("District Court") issued a preliminary injunction requiring the City and the County to relocate and shelter all homeless individuals living near freeway overpasses, underpasses, and ramps. On June 18, 2020, the City and County entered into an agreement under which the City agreed to provide 6,700 shelter beds, permanent supporting housing units, safe parking spaces and other interventions (collectively, "beds" or "interventions") to shelter homeless individuals, and the County agreed to pay up to \$60.0 million in annual service funding, totaling up to \$300.0 million over the five-year agreement term, based on the number of interventions opened and occupied within 60 days of July 1 each year for part of the annual cost of operations and services for this population. The City is complying with this agreement.

Notes to the Basic Financial Statements

On June 14, 2022, the District Court approved a settlement between the City and the plaintiffs and dismissed the City from the lawsuit. Under the settlement, the City agreed to create shelter or housing to accommodate 60 percent of unsheltered persons experiencing homelessness ("PEH") in the City that do not require more acute services that can only be provided by the County. Based on the 2022 Point In Time Count by the Los Angeles Homeless Services Authority (a joint powers authority formed by the City and the County known as "LAHSA"), the City agreed to create 12,915 new interventions (e.g., interim housing beds, time-limited subsidies, permanent supportive housing units, etc.) 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 beds that were agreed to be provided, or related costs, under the City's June 18, 2020 agreement. 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 of the District Court's Order approving the stipulated dismissal and settlement between the City and plaintiffs. The court granted the stipulated motion to voluntarily dismiss the appeal on November 1, 2023.

The majority of the funding needed under this settlement 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, 2023, the following Enterprise Funds have commitments for construction contracts and open purchase orders in the following approximate amounts (in thousands):

Airports*	\$	105,300
Harbor		35,900
Power		58,630
Water		63,450
Sewer		251,000
		<u>514,280</u>
	\$	<u>514,280</u>

*Excludes unpaid portion of total commitments on major construction contracts.

Airports Enterprise Fund

Airports has commitments for open purchase orders of approximately \$105.3 million as of June 30, 2023.

Airports has commitments to make a series of Milestone Payments according to the terms of contract for Automated People Mover (APM) during the construction, based upon the value of work performed and/or its completion of certain design and construction milestones. Total payments of approximately \$1.3 billion were made through fiscal year 2023. Airports has agreed to pay the last APM Milestone Payment on or before September 15, 2024.

Airports has commitments to make a series of Consolidated Rental Car Facility (ConRAC) Milestone/Progress Payments during the construction based upon the value of work performed and/or its completion of certain design and construction milestones. Total payments of \$905.0 million were made through fiscal year 2023.

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 2023.

Power Enterprise Fund

Purchased Power Commitments

As of June 30, 2023, 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 %	66.1 %	1,190	\$ 4,184
Intermountain Repower Project FY24-28	IPA	100.0	66.1	840	161,494
Intermountain Repower Project FY29-46	IPA	100.0	71.4	840	806,573
Mead-Adelanto Transmission Project	SCPPA	68.0	48.9	539	21,647
Mead-Phoenix Transmission Project	SCPPA	17.8 - 22.4	50.4	647	17,585
Southern Transmission System	SCPPA	100.0	59.5	1,429	118,027
Southern Transmission System Renewal Project*	SCPPA	100.0	90.5	--	1,247,078
Miford I Wind	SCPPA	100.0	92.5	185	94,481
Windy Point/Windy Flats Project	SCPPA	100.0	100.0	262	290,481
Linden Wind Energy	SCPPA	100.0	100.0	50	115,764
Miford II Wind	SCPPA	100.0	100.0	102	90,615
Apex Power Project	SCPPA	100.0	100.0	520	345,605
					<u>\$ 3,313,534</u>

* 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 provide 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 \$709.0 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 2023. These agreements are scheduled to expire from 2027 to 2046.

Power is reimbursed for services provided to IPP under the IPP project manager and operating agent agreements totaling \$44.9 million in fiscal year 2023.

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 years 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.

Notes to the Basic Financial Statements

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 \$6.3 million as of June 30, 2023. 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 \$15.0 million as of June 30, 2023. 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 SCPPA to purchase available renewable energy generated at various renewable energy project sites.

As of June 30, 2023, Power's energy entitlement contracts with SCPPA, 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	SCPPA	100.0	70.0	68.7	\$ 15.0
Don A Campbell I	SCPPA	100.0	85.0	13.7	9.0
Don A Campbell II	SCPPA	100.0	100.0	16.2	9.0
Copper Mountain Solar 3	SCPPA	100.0	84.0	210.0	48.0
Heber-1 Geothermal	SCPPA	100.0	78.0	35.9	10.0
Springbok 1 Wind Farm	SCPPA	100.0	100.0	105.0	20.0
Springbok 2 Wind Farm	SCPPA	100.0	100.0	155.0	24.0
Ormat Northern Nevada	SCPPA	100.0	100.0	185.0	102.0
Ormesa	SCPPA	100.0	86.0	30.0	18.0
ARP-Loyalton Biomass	SCPPA	67.0	74.0	8.9	-
Springbok 3 Wind Farm	SCPPA	100.0	100.0	90.0	13.0
Roseburg Biomass Project	SCPPA	62.0	79.0	5.4	1.0
Red Cloud Wind Project	SCPPA	100.0	100.0	331.0	49.0
Total energy costs under entitlement agreement					<u>\$ 318.0</u>

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 \$232.0 million in fiscal year 2023 from Power to the Reserve Fund of the City.

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 \$3.3 billion at June 30, 2023. 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.

Notes to the Basic Financial Statements

Power had the following asset retirement obligation at June 30, 2023 (in thousands):

Asset	Obligating event	Timeframe required for decommissioning	June 30, 2022	Additions	Payments	June 30, 2023
Navajo Generating Station	Legal agreements resulting from Sales Contract with Salt River Project	Plant was put out of commission as of December 2019	\$ 34,620	\$ --	\$ (12,738)	\$ 21,882
Palo Verde Nuclear Generating Station	Ownership agreement	Unit 1: June 1, 2045 Unit 2: April 24, 2046 Unit 3: November 25, 2047	180,590	6,320	--	186,910
Other	Lessee or ownership agreements	2029 - 2064	9,067	173	--	9,240
Total asset retirement obligation liability			<u>\$ 224,277</u>	<u>\$ 6,493</u>	<u>\$ (12,738)</u>	<u>\$ 218,032</u>

Power has restricted investments in the amount of \$140.5 million as of June 30, 2023 related to this reserve. Deferred outflows related to Power's assets retirement obligation are as follows for the year ended June 30, 2023:

Asset	Remaining useful life of asset/lease term	June 30, 2022	Additions	Payments	June 30, 2023
Palo Verde Nuclear Generating Station	25	\$ 24,676	\$ 6,320	\$ (1,028)	\$ 29,968
Other	7 - 42	4,543	173	(189)	4,527
Total Deferred outflows - asset retirement obligation		<u>\$ 29,219</u>	<u>\$ 6,493</u>	<u>\$ (1,217)</u>	<u>\$ 34,495</u>

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, 2023, 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, 2023, Water has purchased 2,112,367 acre feet from Metropolitan under the current Purchase Order Agreement. Water has fulfilled its purchase order commitment from Metropolitan, does not anticipate exceeding its maximum Tier 1 allocation, and expects to purchase 229,638 acre-feet of water over the next 1.5 years, which is estimated to cost \$314.0 million.

Sewer Enterprise Fund

As of June 30, 2023, Sewer had outstanding commitments to fund planned modification and improvement of the City's wastewater collection and treatment system of approximately \$251.0 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 \$3.1 billion at June 30, 2023.

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, 2023. 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.

4. Los Angeles City Employees' Retirement System

At June 30, 2023, LACERS was committed to future purchases of real estate and private equity investments at an aggregate cost of approximately \$1.9 billion, including agreements for acquisition not yet initiated.

D. Third-Party Obligations

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 has been implemented at the beginning of fiscal year 2023.

The City participated, with a limited commitment, 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, 2023
Multifamily Housing Bonds - 186 Issues	\$ 1,770,845
Multifamily Housing Bonds Transferred from CRA - 8 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.	75,061
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.	43,010
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.	55,100
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.	5,290
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.	252
	<u>\$ 1,971,968</u>

Based on GASB 91, when the issuer makes a limited commitment to, at a minimum, the issuer assumes no responsibility for debt service payments beyond the resources, if any, provided by the third-party obligator. Accordingly, the City did not recognize a conduit debt obligation as a liability 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.

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.

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 were 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 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 ACSR; (4) revised landing and apron fees to include cost deferrals, per the ACSR.

Notes to the Basic Financial Statements

In June 2021, the Board adopted the Amended Rate Methodology and the FARRA. The FARRA, which extended the Agreement to fiscal year 2033, implemented the Amended Rate Methodology and streamlined Airports' common use rate structure. Passenger airlines and approved airline consortiums that are party to the current Amended and Restated Rate Agreement were given a deadline of September 30, 2021 to execute and deliver to Airports the FARRA. Overall, about 69% of passenger airlines have executed the FARRA.

As aeronautical activity continues to recover from the adverse impact of the COVID-19 pandemic, Airports revised and amended the Rate Methodology and Rate Agreement to complete the rate stabilization and harmonization efforts started several years ago. The revisions to the Methodology further streamline the common use rates and charges, permit Airports to defer common use cost requirements due to exogenous causes, and allow Airports to expense capital outlays into the current year rate base. The Amended and Restated Agreement (Amended and Restated Rate Agreement, or 2023 ARRA) implements the Amended Rate Methodology and offer signatory carriers certain concessions, including a gradual phase-in of newly-developed access facilities acreage and costs allocable to airline cost centers and cost reductions to certain activity based requirements, collectively, the fiscal year 2024 Adjustments.

In June 2023, the BOAC approved the Tariff Amendment No.6, the Amended Rate Methodology, and the 2023 ARRA effective July 1, 2023. Airports is providing the airlines currently operating at LAX the opportunity to execute and deliver the 2023 ARRA to Airports by the deadline of December 31, 2023. Airports reserves the right to reverse the mitigations for the carriers who choose not to sign the 2023 ARRA by the deadline. After December 31, 2023, 2023 ARRA signatories will be charged pursuant to that agreement; carriers that are signatories to prior Rate Agreements, but do not sign 2023 ARRA, will be charged according to their Rate Agreement in effect.

Airlines and consortiums that choose to execute the Agreement but deliver after the deadline date shall not receive the benefit of the fiscal year 2024 Adjustments. Such airlines will only receive the benefit of the Access Area Phase-In from the Fiscal Year that immediately follows the execution date.

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 is \$9.5 billion at LAX as of June 30, 2023. Airports has received approval from the FAA to collect and use PFCs to pay for debt service on bonds issued to finance the Automated People Mover (APM) System, TBIT Renovations, Bradley West projects and Terminal 6 improvements. Airports Board authorized \$129.9 million for debt service in fiscal year 2023.

LAX's PFCs collected and the related interest earnings through June 30, 2023 was \$3.3 billion. As of June 30, 2023, LAX's cumulative expenditures on approved PFCs projects totaled \$3.0 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

Notes to the Basic Financial Statements

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, 2023 was \$679.5 million. As of June 30, 2023, cumulative expenditures to date on approved CFCs projects totaled \$659.6 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 \$66.0 million in fiscal year 2023.

2. Harbor Enterprise Fund

Cash Funding of Reserve Fund

As of June 30, 2023, Harbor had \$582.4 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 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, 2023, the balance in the Common Reserve fund totaled \$37.1 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.

3. Power and Water Enterprise Funds

FBI Investigation

Federal investigators conducted an investigation related to issues that arose over the class action litigation and settlement regarding the Department's billing system. The Department cooperated fully with the investigators in connection with their investigation and understands that the investigation is now closed. 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, including Amalgamated System Sewerage System Charges (ASSSCs), 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 2023 for Wastewater Service Contracts: Operation and Maintenance (O&M) Charges were \$20.5 million, or \$4.7 million less than budget, and for Wastewater Service Contracts: Capital receipts were \$6.8 million, or \$4.5 million less 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 projected because disputed Capital projects were not billed. The City did not move forward on items that were under dispute and being discussed. Additional discussion related to Burbank and Glendale billing is provided in the paragraphs that follow. Lower than budgeted Capital revenues were largely due to a combination of payments attributable to fiscal year 2023 ASSSCs that were subsequently made in fiscal year 2024, underpayment of billings by Burbank, and credits from the fiscal year 2021 reconciliation that decreased the estimated fiscal year 2023 ASSSCs. Reconciliation bills for service in fiscal year 2023 have not been completed at this time, so the 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 2024. The reconciliation bills will include interest for any late payments by agencies.

On-going past disagreements over flow and strength monitoring of the City of Burbank's wastewater were addressed with the joint hiring of a consulting firm to investigate the differences, from which a report was produced. Because Burbank indicated that not all of their remaining comments to the report were addressed to its satisfaction, the City and Burbank continue to meet to discuss their differences. Negotiations resulted in Burbank submitting partial payments through fiscal year 2023, with the remaining unpaid balances and estimated billings totaling approximately \$21.8 million. Burbank has indicated that it will continue to pay based on their own calculation of the flow and strength of its wastewater discharged to the City's system, and the City continues to negotiate the payment of the disputed amount. It is the City's assumption that this amount may continue to grow over time until a resolution is reached with Burbank but does not have a projection of the possible percentage of growth at this time.

In September 2022, the City informed Burbank that as one component of the North Outfall Sewer (NOS) rehabilitation project, two flumes on the NOS would be removed, one of which Burbank is currently using to gauge. The City's gauging program is based on gauges and does not use flumes. In October 2023, the City met with Burbank to further discuss flow and strength monitoring, including the removal of the two flumes on the NOS. As of November 8, 2023, Burbank has not formally responded and therefore the City does not have sufficient data to determine the longer-term impact to the Fund.

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 the 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, which was provided to Glendale in January 2018, to \$226.83 million in November 2023. The agreement requires that for Glendale to cost-share, they must approve of Capital and O&M expenditures proposed by the City. The cities met most recently in 2022 and Glendale decided to discontinue all billing discussion until Capital-related issues have been resolved. New LAGWRP Capital projects that require Glendale's approval have been placed on hold pending the next meeting between the cities which is scheduled for January 10, 2024. At that meeting, the City expects to resolve the billing issues.

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: \$36.0 million as a local return from the Municipal Program and up to \$25.0 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. \$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

Issues with Major Recycled Water Projects

The Donald C. Tillman Water Reclamation Plant Advanced Water Purification Facility (DCTWRP - AWP) is one of LASAN's Recycled Water Projects being implemented in partnership with LADWP, a keystone project under the Los Angeles Groundwater Replenishment Program (LAGWR). The purpose of this project is to construct a 23 MGD maximum capacity AWP at the DCTWRP, then convey the purified recycled water to the spreading grounds. LAGWR is made up of several components: DCTWRP Primary Equalization Tanks (EQ Tanks), Maintenance and Warehouse Facility, Ancillary Warehouse, and the Advanced Water Purification Facility (AWP). The EQ Tanks project was set to begin in March 2021, however, due to changes in water quality regulation, an opportunity to increase capacity from 19 to 23 MGD, and unusual cost escalation in recent years, the scope and schedule of EQ Tank is being re-evaluated. The Maintenance and Warehouse Facility is in the final design phase and is set to begin construction after the Ancillary Warehouse is completed. The Ancillary Warehouse has started construction and is expected to be completed by fiscal year 2024. The LAGWR is estimated to cost approximately \$700.0 million and is expected to be completed in fiscal year 2028. The design-build contract of the AWP was awarded to Jacobs Project Management Company (formerly CH2M Hill) in Feb 2023 and the project is at 30% design as of November 2023. These Recycled Water Projects are anticipated to be funded by LADWP. The agreement to fund the design portion of the projects was executed in November 2022. Subsequent agreements to cover construction and operations of the facilities are being drafted and expected to be executed by July 2024. During fiscal year 2026, annual construction expenditure is currently projected to be approximately \$270.0 million. Timely encumbrance of funds and timely payment of construction invoices (required payment within 30 days after approval of invoice) continues to be the challenge as the monthly cash flow for large projects ranges from \$10.0 to \$20.0 million. Being unable to pay invoices in time has a negative impact on local small business (subcontractors) which contributes to 70% of the total construction value of the projects.

The Hyperion Advanced Water Purification Facility (AWP) is the first recycled water project at the Hyperion Water Reclamation Plant (HWRP) and will produce 1.5 MGD of recycled water for non-potable uses at Los Angeles International Airport (50%) and HWRP. The total cost of design and construction of this facility is \$92.0 million. The progressive design-build contract, which started in June 2021 and completed in July 2023, was awarded to Walsh Construction. Start-up and commissioning of the Hyperion AWP will begin after securing all permits. The design and construction costs of this project are being shared by LADWP on a 50/50 basis as stipulated in two agreements executed by the two departments.

The Hyperion Membrane Bioreactor (MBR) Pilot Facility is a temporary recycled water facility with a 1 MGD MBR capacity, and additional project components (but for a smaller design flow) for reverse osmosis and UV advanced oxidation. The purpose of the facility is demonstration testing for regulatory approval, equipment testing of various vendors, and development of design and operational parameters for the future full-scale conversion of the HWRP to 100% recycled water. The estimated cost for equipment purchases and installation is \$21.0 million. Equipment installation was started in the summer of 2021 and is nearing completion in the fall of 2023. Startup and cleanwater testing are projected in the first quarter of 2024. Wastewater testing followed by facility operation is pending obtaining the final permits. This project was initially a collaboration between LASAN, LADWP, and the West Basin Municipal Water District (WBMWD) with a three-way split of the estimated project cost of \$13.2 million. City and LADWP contributed or paid their share of \$4.4 million each, however, the WBMWD only contributed \$1.0 million. Because of the increase of the project cost to \$21.0 million for equipment purchase and installation, the three agencies are negotiating the remaining share of the WBMWD, as well as the sharing of the additional cost to \$21.0 million.

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.

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. Approximately 80 new water body impairments have been identified in the 2024 California Integrated Report, which contains the proposed updates to the 303(d) list, thus requiring new TMDLs to be developed for the Los Angeles area. Los Angeles Sanitation and Environment (LASAN) has been closely watching these developments in the 303(d) listings because of the potential 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 Waste Discharge Requirements (WDRs) and National Pollutant Discharge Elimination System (NPDES) permits for DCTWRP and LAGWRP were renewed and adopted on December 8, 2022, and set to expire on January 31, 2028. Currently, DCTWRP and LAGWRP are in compliance with their permit limits and discharge conditions for fiscal year 2023. However, the new DCTWRP and LAGWRP permits include a temperature compliance schedule with interim effluent temperature discharge limits of 86 °F as both DCTWRP and LAGWRP will not be able to comply with the newly established effluent temperature limit of 80°F. The deadline to comply with the new temperature limit is February 1, 2031. DCTWRP and LAGWRP will carry out a Los Angeles River (LAR) temperature study to understand the effects of current effluent temperature on the LAR beneficial uses and eventually initiate a new project to meet temperature requirements or establish site specific temperature objectives.

The WDR and NPDES permit for the HWRP was renewed and adopted on February 23, 2023, The current permit imposes a new copper limit for the 5-mile outfall, as well as newly established TCDD equivalents for both the 1-mile and 5-mile outfall. The new USEPA Method 1633 will be used to analyze the TCDD equivalents. Due to the HWRP headworks overflow event on July 11, 2021, and the resulting discharge of untreated sewage into Santa Monica Bay, there were violations of the NPDES permit and City was subject to penalties. The LARWQCB has proposed a \$21.7 million penalty, but the

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City is still actively working to negotiate a smaller settlement. 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.

Additionally, 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.

Wastewater Sanitary Sewer Spills

On July 11, 2021, the City's largest wastewater treatment plant, the Hyperion Water Reclamation Plant (the "Plant"), experienced a major flooding of wastewater. The flooded wastewater entered the Plant's one-mile outfall, discharging approximately 12.5 million gallons of untreated wastewater into the Santa Monica Bay. The Plant suffered major damage to critical equipment and vehicles. The event was contained and, following months of cleanup and restoration, normal Plant operations resumed in 2021.

Several civil lawsuits (Mecklenburg v. Hyperion Water Reclamation Plant, Abdelnur, Katarina et al. v. City of Los Angeles, Konig, Joshua v. City of Los Angeles, and Ace American Insurance v. City of Los Angeles) have been filed against the City in connection with this incident and have been determined to be related by the court. It is still too early in the litigation process to evaluate the likelihood of an unfavorable outcome to the City or the amount or range of potential liability.

There are ongoing and potential civil, criminal, and administrative investigations and proceedings initiated by state and federal authorities in connection with this incident, including potential negligent unauthorized discharge of a pollutant into waters of the United States in violation of the Clean Water Act, 33 U.S.C. §1319(c)(1)(A). On March 29, 2023, the Los Angeles Regional Water Quality Control Board filed an administrative civil complaint seeking a penalty of over \$21.7 million. The City is also aware of other potential penalties (currently estimated to be approximately \$30.0 million, including certain amounts related to the Plant but unrelated to the incident) and other proceedings being considered by governmental authorities. Discussions between the City and such authorities are still underway on all matters. Additional capital project investments may ultimately be required at the Plant and potentially other portions of the wastewater system. The City cannot at this time determine what the full financial or other impacts of this incident will be; however, costs could be substantial, including costs resulting from any litigation, fees and fines, and additional capital project investments. The incident could also result in the potential loss of federal and state grants and loans, which could be in the amount of tens of millions of dollars or more.

On March 28, 2022, Sewer experienced an overflow on a 10-inch sewer that is tributary to the North Outfall Sewer (NOS) due to the Venice Dual Force Main construction. The overflow resulted from slurry pumped into a pipeline after it was broken during construction and resulted in the March 28, 2022 incident.

On February 28, 2023, Sewer experienced an overflow on a 15-inch sewer that is tributary to the NOS resulting from a damaged pipeline that has since been repaired. To date no fines have been levied on Sewer wastewater spills in fiscal year 2023.

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 and the potential financial impact to the Sewer Fund is unknown at this time.

5. Public Corruption Matters

As part of an on-going public corruption investigation of City elected officials and staff members conducted by the Federal Bureau of Investigation and the United States Attorney's Office, two City Council members were indicted, resigned or suspended from the City Council, and have plead guilty. Mitchell Englander resigned his City Council seat in December 2018 and pled guilty in connection with the investigation in June 2020. Mr. Huizar was suspended from office in June 2020 and plead guilty in January 2023. Eight additional defendants have been charged as a result of the federal investigation, including two former officials of the City, one of whom has plead guilty. The City cannot predict the outcome of these investigations.

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. On March 30, 2023, Mr. Ridley-Thomas was convicted of seven felony charges, which resulted in his office becoming vacant in accordance with the Charter. To fill the vacant office, Heather Hutt, who has been filling the District 10 Council seat by appointment (at times in a non-voting caretaker capacity) since July 20, 2022, was appointed by the Council as the District 10 Council member for the remainder of the unexpired term on April 11, 2023.

On June 13, 2023, the Los Angeles County District Attorney charged Curren D. Price, Jr., a member of the City Council, with two counts of conflict of interest in violation of California Government Code Section 1090(a), three counts of perjury, and five counts of embezzlement of government funds. The criminal complaint alleges that: (a) Delbra Richardson (or Del Richardson), Mr. Price's purported spouse, received payments totaling approximately \$160,000 between 2019 and 2021 from developers before Mr. Price voted to approve projects; (b) Mr. Price failed to list certain payments allegedly received by Delbra Richardson on government disclosure forms; and (c) Mr. Price fraudulently received about \$33,800 in medical coverage premiums for Delbra Richardson between 2013 and 2018 before she was legally his wife. The matter remains under investigation by the District Attorney's Bureau of Investigation.

6. City Mobility Plan Implementation Initiative (Measure HLA)

In August 2022, a citizen-sponsored initiative petition was qualified to submit a proposed ordinance to a vote of the electors of the City at the March 2024 election. On December 15, 2023, the City Council approved the initiative, Measure HLA, to be placed on the March 2024 ballot.

The proposed ordinance, if approved, would require the implementation of street modification projects whenever the City makes an improvement to at least a one-eighth mile segment of a road or sidewalk based on the City's Mobility Plan concept maps and general guidelines. The Mobility Plan is a 20-year City planning document that contains goals, objectives, and policy guidelines for creating a connected network of multimodal street modifications intended to provide safe access to public spaces and promote environmentally friendly modes of transportation for drivers, pedestrians, bicyclists, and users of public transportation. It does not identify nor require the implementation of specific street modification projects. The proposed ordinance would also require the City to provide publicly accessible data through an open portal or website for monitoring Mobility Plan projects. Further, the proposed ordinance would allow any City resident to file a lawsuit against the City to require compliance with the requirements of the measure.

According to the Office of the City Administrative Officer, the cost to implement Bicycle Networks and Pedestrian Enhanced Districts in the Mobility Plan could exceed \$2.5 billion over 10 years. Other costs associated to implement the Neighborhood, Transit, and Vehicle Enhanced Networks are unknown. The proposed ordinance may cause delays in the repavement of streets along Mobility Plan networks and reduce the amount of annual repaving. Each year of delay is anticipated to cost between \$73.0 million and \$139.0 million plus deferred maintenance and liability costs. Costs to administer the Ordinance and develop the data portal are unknown. The proposed ordinance may increase litigation costs against the City and does not identify a new funding source.

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 2023, 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 Tax 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.

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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, 2023, properties transferred to the City net of certain real properties sold totaled \$105.5 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, 2023. 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 \$96.8 million through June 30, 2023.

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 \$35.8 million at June 30, 2023.

G. Subsequent Events**1. Indebtedness**

Subsequent to June 30, 2023, the City issued the following indebtedness:

Issue Date	Description	Amount (in thousands)	Interest Rate (Percentage)
July 26, 2023	Solid Waste Resources Revenue Bonds, Series 2023-A	\$ 173,490	5.000%
December 7, 2023	MICLA Lease Revenue Bonds, Series 2023-A (Capital Equipment and Real Property)	176,450	5.000%
November 1, 2023	Power System Revenue Bonds, 2023 Series D	303,260	5.000%
December 21, 2023	Power System Revenue Bonds, 2023 Series E	428,120	5.000%
December 28, 2023	Power System Variable Rate Demand Revenue Bonds, 2023 Series F	200,185	Variable

2. Airports Enterprise Fund

On September 7, 2023, the Board of Airport Commissioners (Board) approved a proposed 20-year lease with PCS Energy, LLC to develop a ground mount solar facility at Van Nuys Airport that is expected to generate approximately \$21.9 million in non-aeronautical revenue to Airports over the term of the lease.

On October 2, 2023, the Board approved to issue a change order in the amount of \$69.5 million, and the appropriation of \$30.0 million to Airports' project contingency relating to the Automated People Mover (APM) Project. LAX Integrated Express Solutions, LLC (LINXS) is the Developer under the design-build-finance-operate-maintain agreement for the Landside Access Modernization Program's APM Project. The Developer has submitted various Relief Events claims where Airports and the Developer have disagreed on the merit of said claims, including Developer's Global Roadways Claim. The Developer and Airports negotiated said claims and agreed to Change Order 66 to settle all delay-related Relief Event Claims through December 8, 2022, and direct costs for various Relief Event Claims. Airports also agreed as part of the settlement to resolve the incremental direct costs associated with certain roadway work and escalation costs related to the delays. Airports and LINXS have been negotiating the amount of incremental direct costs associated with the Developer's Global Roadways Claim and have recently reached agreement on terms to bilaterally settle a compensation amount for the claim. Airports has acknowledged that the Developer has established justification to certain costs for Developer's Global Roadways Claim for its claims for extra work for both completed work and work not yet performed. The actions taken on this item by the Board is subject to City Council approval.

On October 19, 2023, the Board approved the amendments to the Rental Car (RAC) Concession Agreements (on-airport RACs) at LAX to extend the contract term to allow the on-airport RACs to continue to operate until each RAC commences operation in the Consolidated Rental Car Facility (ConRAC). There are currently ten active on-airport RAC Non-Exclusive Concession Agreements. The agreements were extended in 2019 to terminate on the earlier of (a) the ConRAC Date of Beneficial Occupancy (DBO) or (b) January 30, 2024. The opening of the ConRAC has been delayed beyond January 30, 2024. To allow on-airport RACs to continue their current operations until they relocate to the ConRAC, the Board approved amending the Non-Exclusive Concession Agreements to terminate on the earlier of (a) the ConRAC DBO or (b) January 30, 2025, with one six-month extension option.

On October 19, 2023, the Board approved a Blanket Authority covering a new Non-Concessionaire Rental Car Services (off-airport RACs) Non-Exclusive License Agreement (NELA) at LAX for the period of February 1, 2024, to January 31, 2025 (with one six month extension option) to allow the existing off-airport RACs and new off-airport RACs to operate until the date the off-airport RACs commence operations from the ConRAC Bus Plaza. The opening of the ConRAC has been delayed beyond January 31, 2024. To allow the off-airport RACs to continue their current operation until they relocate to the ConRAC Bus Plaza, the Board approved the new NELA that will terminate on the earlier

of (a) the date off-airport RACs commence operations from the ConRAC Bus Plaza or (b) January 31, 2025, with one six-month extension option.

On November 16, 2023, the Board approved to amend the Concessions Storage Rate from \$256.49 to \$138.29 per-square-foot-per-year, effective July 1, 2023 through June 30, 2024, for concession agreements covering use of passenger terminal space at LAX. The approval of the fiscal year 2024 concessions storage rate for LAX would result in an estimated annual revenue reduction of \$3.1 million.

On November 16, 2023, the Board approved the amendment to update the premises and eliminate the cap on tenant renovations that Airports can purchase from American Airlines, Inc. (American) in Terminals 4 and 5 at LAX prior to December 31, 2024. Elimination of the cap does not increase the amended maximum acquisition amount of \$1.6 billion. The proposed Amendment to the lease makes the following changes: 1) Allows the use of Temporary Space during Construction Phasing which enables American to use space in the Terminal 4.5 Core from August 1, 2024, through December 31, 2027, for phasing during the Terminal Renovation Project. 2) Removes the requirement that Airports not acquire more than \$800.0 million in renovations prior to December 31, 2024. 3) Secures acknowledgement that American will agree to amend this lease to adopt Airports' new Airport-Wide Scheduling protocol for Common-Use and Preferential-Use Gates in the future if other airlines accept the new protocols or American requests any future amendments to this lease.

On December 7, 2023, Mayor Karen Bass commended the Board's appointment of John Ackerman as the next Airports CEO, and the official start date is February 5, 2024.

On December 7, 2023, the Board approved the First Amendment to the contract with LAZ Parking California, LLC to extend the term by one year, with two four-month extension options, through January 31, 2026, and to add funding authority of \$23.0 million for a total contract amount not to exceed \$57.0 million for operation and management of transportation shuttle services at LAX.

On December 7, 2023, the Board approved the Second Amendment to Agreement with the Tom Bradley International Terminal Equipment Company to extend the contract term by six months for a new contract expiration date of October 20, 2024, with a six-month extension option that may extend the contract to April 20, 2025, and increase the contract authority by \$25.0 million, for a new total contract amount not to exceed \$250.0 million over the total term.

On December 21, 2023, the Board approved the award of 18, seven-year contracts, under a Master Service Agreement to Accenture LLP, Arup US Inc., Birdi Systems Inc. (Birdi), Boston Consulting Group Inc. (BCG), Burns & McDonnell Western Enterprises Inc., Burns Engineering, Faith Group LLC, HCL America, IDM Groups LLC, KPMG LLP, M. Arthur Gensler Jr & Associates Inc. (Gensler), The North Highland Company LLC, Parsons Transportation Group Inc., Science Systems and Applications Inc. (SSAI), SDI Presence LLC, Slalom Inc., Wipro LLC, and World Wide Technology LLC (WVVT), to provide Digital Experience and Information Technology Services on an as-needed basis at LAX and Van Nuys Airport for a combined total amount not to exceed \$80.0 million.

3. Power and Water Enterprise Funds

In June 2023, the Board authorized Power to execute a First Amendment to Standby Bond Purchase Agreement for the \$250.0 million standby agreement expiring in July 2023. The First Amendment to Standby Bond Purchase Agreement dated July 24, 2023 will expire in July 2026.

In November 2023, Power issued \$303.3 million of revenue bonds, 2023 Series D. The net proceeds of \$325.5 million, including a \$22.2 million issue premium net of underwriter's discount, will be used to refund a portion of the outstanding Power System 2014 Series B and a portion of the outstanding Power System 2018 Series B.

In December 2023, the Board consented to the adoption of an ordinance by the Los Angeles City Council to transfer \$244.7 million from the Power Revenue Fund to the Reserve Fund of the City of Los Angeles during the fiscal year 2023-24.

In December 2023, Power issued \$428.1 million of fixed-rate, tax-exempt Power System Revenue Bonds, 2023 Series E (Power 2023E Bonds) consisting of: new money to partially fund the budgeted Capital Improvements to Power for the fiscal year 2023-24 and to refinance certain outstanding Power System Revenue Bonds, 2012 Series A (Power 2012A Bonds) and 2014 Series B (Power 2014B Bonds) (together, the "Refunded Bonds"), and to pay the related costs of the debt issuance.

In December 2023, Power issued \$200.2 million of variable-rate, tax-exempt Power System Variable Rate Demand Revenue Bonds, 2023 Series F (Power 2023 F Bonds), Subseries F-1 and F-2, to refinance Power System Revenue Bonds, 2014 Series A (Power 2014A Bonds), a Securities Industry and Financial Markets Association (SIFMA) Index based Direct Purchase structure (Direct Purchase), and to pay the related costs of the debt issuance. The refinancing of the Power 2014A Bonds with the Power 2023F Bonds, will convert a \$200.0 million Direct Purchase into a Variable Rate Demand Bond (VRDB).

In January 2024, Power issued a remarketing memorandum for Power System Variable Rate Demand Revenue Bonds, 2001 Series B, Subseries B-6 and Power System Variable Rate Demand Revenue Bonds, 2002 Series A, Subseries A-3 and Subseries A-7 Under Resolution No. 5048.

On July 10, 2023 Governor Gavin Newsom signed the budget trailer bill expanding the California Water and Wastewater Arrearage Payment Program (CWWAPP) by allocating the remaining \$600.0 million in federal funding for this program. The new Extended Water and Wastewater Arrearage Payment Program extends the COVID Relief Period for Water accounts receivable arrears created March 4, 2020 through December 31, 2022. Water expects to receive approximately \$76.0 million in January 2024. These funds have not been reflected in the June 30, 2023 financial statements.

In November 2023, the Board authorized Water to execute a substitute standby agreement for the \$126.2 million standby agreement expiring in January 2024. The substitute standby agreement will expire in January 2029.

In November 2023, the Board approved Resolution Nos. 5046 and 5047 authorizing the issuance of up to \$415.8 million of fixed-rate, tax-exempt Water System Revenue Bonds, 2024 Series A (Water 2024A Bonds) consisting of new money to partially fund the budgeted Capital Improvements to Water for the fiscal year 2023-24 and to refinance certain outstanding Water System Revenue Bonds, 2016 Series A (Refunded Bonds), and to pay the related costs of the debt issuance. This offering is expected to close on or about February 1, 2024.

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. A settlement payment of \$57.5 million was processed as of June 30, 2023, and the court granted final approval of the settlement on December 20, 2023.

On September 15, 2023, Sewer issued taxable commercial paper notes in the amount of \$60.0 million.

On December 14, 2023, Sewer issued taxable commercial paper notes in the amount of \$10.0 million.

5. Measure ULA Special Tax

On November 8, 2022, the City's voters approved "Measure ULA – Funding for Affordable Housing and Tenant Assistance Programs Through A Special Tax on Real Property Transfers Over \$5 Million" ("ULA"), a voter initiative to fund affordable housing projects and programs. ULA, which passed with

Notes to the Basic Financial Statements

approximately 58 percent of the vote, amends the City's present documentary transfer tax by adding a new tax, subject to certain exemptions, of (a) 4.0 percent on the sale or transfer of real property exceeding \$5 million but less than \$10 million, and (b) 5.5 percent on the sale or transfer of real property of \$10 million or more. The City presently imposes a documentary transfer tax at a rate of approximately 0.45 percent on properties sold for over \$100. Proceeds of the City's present documentary transfer tax are deposited in the General Fund, while proceeds of the ULA special tax will be deposited into a special fund to be used for affordable housing projects and programs as set forth under ULA. The ULA special tax became effective pursuant to its terms on April 1, 2023.

On December 21, 2022, Howard Jarvis Taxpayers Association and Apartment Association of Greater Los Angeles filed, in Los Angeles County Superior Court, a reverse validation action to invalidate the ULA special tax (*Howard Jarvis Taxpayers Assn. et al. v. City of Los Angeles et al.*) ("Jarvis Action") pursuant to California Code of Civil Procedure section 860 et seq. On January 6, 2023, Newcastle Courtyards, LLC and Jonathan Benabou (collectively "Newcastle") also filed a reverse validation action in Los Angeles County Superior Court (*Newcastle Courtyards, LLC et al. v. City of Los Angeles et al.*) pursuant to California Code of Civil Procedure section 860 et seq., which was consolidated with the Jarvis Action. Newcastle filed an additional complaint in the United States District Court for the Central District of California to challenge the validity of ULA and the ULA special tax (collectively "Newcastle Actions"). The Jarvis Action seeks to enjoin the ULA special tax by alleging that the enactment of the ULA special tax violates Section 450 of the Charter and Section 4 of Article XIII A of the California Constitution. The Newcastle Actions, similarly, seek to enjoin the ULA special tax based on allegations that it violates Section 4 of Article XIII A of the California Constitution and would infringe various taxpayer protections and rights granted under the U.S. Constitution and California Constitution.

On September 5, 2023, the United States District Court dismissed Newcastle's federal court action for lack of subject matter jurisdiction, without prejudice to Newcastle's separate action filed in Los Angeles County Superior Court. On October 24, 2023, the Superior Court for the consolidated Jarvis Action concluded that the plaintiffs failed to state facts sufficient to support any claim against the City and ULA to invalidate its enactment. In rejecting the plaintiff's arguments, the Superior Court ruled, amongst others, that (1) ULA did not violate Section 4 of Article XIII A of the California Constitution because it was passed as a voter initiative, not as a City-sponsored tax measure; (2) Section 450 of the City Charter did not limit the initiative power of voters of the City; and (3) ULA either satisfied or did not violate a number of other constitutional considerations, such as the Equal Protection Clause and the Takings Clause. The City anticipates that the plaintiffs will appeal the Superior Court's ruling to the California Appellate Court and to the California Supreme Court, if necessary. The City will continue to defend ULA and its interests in these matters. Due to the preliminary nature of the matters, the City cannot provide any assurances that ULA and the ULA special tax will ultimately be upheld in court.

Notwithstanding the above challenges to the ULA, the City's Fiscal Year 2023-24 Adopted Budget appropriates \$150.0 million in ULA special tax revenues to pay for affordable housing and homelessness prevention programs. Total ULA special tax revenues in Fiscal Year 2023-24 are projected to be approximately \$672.0 million. The excess over the \$150.0 million described above is not budgeted for expenditure. In the event the ULA special tax is invalidated in court, the General Fund may be at risk of repaying ULA special tax receipts collected that have been expended. The City has attempted to mitigate this risk with the intent to use eligible future year FEMA reimbursements from previous COVID-19 response activities to make any required repayments, but the receipt of FEMA reimbursements is uncertain in both amount and timing and any repayment obligation, should it occur, would ultimately fall on the General Fund.

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Required Supplementary Information

CITY OF LOS ANGELES
REQUIRED SUPPLEMENTARY INFORMATION
Fiscal Year Ended June 30, 2023
(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 ⁽¹⁾
2023	\$ 481,824	\$ 481,824	\$ --	\$ 1,608,133	30.0 %
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 %

⁽¹⁾ 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
2023	\$ 669,391	\$ 669,391	\$ --	\$ 2,307,336	29.0 %
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 %

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
2023	\$ 372,209	\$ 361,586	\$ 10,623	\$ 1,259,246	28.7 %
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 %

CITY OF LOS ANGELES
REQUIRED SUPPLEMENTARY INFORMATION
Fiscal Year Ended June 30, 2023
(unaudited)

Los Angeles Fire and Police Pension System
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios *
(amounts in thousands)

	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>
TOTAL PENSION LIABILITY				
Service Cost	\$ 456,446	\$ 455,362	\$ 410,559	\$ 402,708
Interest	1,749,640	1,668,212	1,654,964	1,572,220
Benefit Payments, including Refunds of Member Contributions	(1,244,736)	(1,186,963)	(1,121,252)	(1,070,456)
Difference of Expected and Actual Experience	(214,833)	254,452	(23,348)	81,465
Assumption Changes	--	--	48,286	357,369
Benefit Changes	--	--	--	(79,650)
Other	--	--	--	--
Net Change in Total Pension Liability	746,517	1,191,063	969,209	1,263,656
Total Pension Liability at Beginning of Year	<u>25,160,777</u>	<u>23,969,714</u>	<u>23,000,505</u>	<u>21,736,849</u>
Total Pension Liability at End of Year (a)	<u>\$ 25,907,294</u>	<u>\$ 25,160,777</u>	<u>\$ 23,969,714</u>	<u>\$ 23,000,505</u>
FIDUCIARY NET POSITION				
Employer Contributions	\$ 535,450	\$ 543,819	\$ 516,638	\$ 504,877
Member Contributions	149,244	157,786	153,787	147,753
Net Investment Income (Loss)	(2,021,582)	6,972,104	606,244	1,218,138
Benefit Payments, Including Refunds of Member Contributions	(1,244,736)	(1,186,963)	(1,121,252)	(1,070,456)
Administrative Expenses	(22,146)	(21,372)	(20,685)	(20,244)
Other	--	--	--	--
Net Change	(2,603,770)	6,465,374	134,732	780,068
Fiduciary Net Position at Beginning of Year	<u>27,862,307</u>	<u>21,396,933</u>	<u>21,262,201</u>	<u>20,482,133</u>
Fiduciary Net Position at End of Year (b) ⁽¹⁾	<u>\$ 25,258,537</u>	<u>\$ 27,862,307</u>	<u>\$ 21,396,933</u>	<u>\$ 21,262,201</u>
Net Pension Liability (Asset) (a) - (b)	<u>\$ 648,757</u>	<u>\$ (2,701,530)</u>	<u>\$ 2,572,781</u>	<u>\$ 1,738,304</u>
Fiduciary Net Position as a Percentage of the Total Pension Liability	97.50 %	110.74 %	89.27 %	92.44 %
Covered Payroll	\$ 1,598,685	\$ 1,603,349	\$ 1,509,613	\$ 1,487,978
Net Pension Liability (Asset) as a Percentage of Covered Payroll	40.58 %	(168.49)%	170.43 %	116.82 %

⁽¹⁾ 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, 2023
(unaudited)

Los Angeles Fire and Police Pension System
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios *
(amounts in thousands)

	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>	<u>June 30, 2014</u>
TOTAL PENSION LIABILITY					
Service Cost	\$ 390,743	\$ 367,600	\$ 365,956	\$ 368,700	\$ 368,018
Interest	1,502,656	1,436,068	1,399,576	1,384,527	1,392,552
Benefit Payments, including Refunds of Member Contributions	(994,800)	(930,078)	(990,363)	(918,909)	(858,986)
Difference of Expected and Actual Experience	21,700	(320,404)	(595,188)	(310,882)	(234,638)
Assumption Changes	--	695,450	--	--	(69,482)
Benefit Changes	--	--	--	--	--
Other	2,505	--	--	--	--
Net Change in Total Pension Liability	922,804	1,248,636	179,981	523,436	597,464
Total Pension Liability at Beginning of Year	<u>20,814,045</u>	<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>\$ 21,736,849</u>	<u>\$ 20,814,045</u>	<u>\$ 19,565,409</u>	<u>\$ 19,385,428</u>	<u>\$ 18,861,992</u>
FIDUCIARY NET POSITION					
Employer Contributions	\$ 459,632	\$ 454,309	\$ 478,385	\$ 480,332	\$ 440,698
Member Contributions	145,112	128,900	129,734	126,771	124,395
Net Investment Income (Loss)	1,892,870	2,260,130	159,313	686,470	2,617,090
Benefit Payments, Including Refunds of Member Contributions	(994,800)	(930,078)	(990,363)	(918,909)	(858,986)
Administrative Expenses	(19,908)	(20,816)	(19,346)	(17,815)	(13,865)
Other	2,505	--	--	--	--
Net Change	1,485,411	1,892,445	(242,277)	356,849	2,309,332
Fiduciary Net Position at Beginning of Year	<u>18,996,722</u>	<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) ⁽¹⁾	<u>\$ 20,482,133</u>	<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>\$ 1,254,716</u>	<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	94.23 %	91.27 %	87.42 %	89.48 %	90.07 %
Covered Payroll	\$ 1,451,996	\$ 1,397,245	\$ 1,351,788	\$ 1,316,969	\$ 1,308,149
Net Pension Liability (Asset) as a Percentage of Covered Payroll	86.41 %	130.06 %	182.06 %	154.82 %	143.12 %

CITY OF LOS ANGELES
REQUIRED SUPPLEMENTARY INFORMATION
Fiscal Year Ended June 30, 2023
(unaudited)

Los Angeles City Employees' Retirement System
Schedule of Changes in Net Pension Liability and Related Ratios ^{(1) *}
(amounts in thousands)

	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>
TOTAL PENSION LIABILITY				
Service Cost ⁽²⁾	\$ 413,863	\$ 451,426	\$ 374,967	\$ 370,409
Interest	1,617,800	1,570,785	1,499,208	1,439,661
Changes of Benefit Terms	--	--	--	--
Benefit Payments, Including Refunds of Member Contributions	(1,168,633)	(1,077,691)	(979,305)	(915,192)
Difference of Expected and Actual Experience	(66,172)	(189,822)	308,184	(46,035)
Assumption Changes	--	--	530,720	--
Net Change in Total Pension Liability	796,858	754,698	1,733,774	848,843
Total Pension Liability at Beginning of Year	<u>23,281,893</u>	<u>22,527,195</u>	<u>20,793,421</u>	<u>19,944,578</u>
Total Pension Liability at End of Year (a)	<u>\$ 24,078,751</u>	<u>\$ 23,281,893</u>	<u>\$ 22,527,195</u>	<u>\$ 20,793,421</u>
FIDUCIARY NET POSITION				
Employer Contributions	\$ 591,234	\$ 554,856	\$ 553,118	\$ 478,717
Member Contributions	241,876	252,123	259,817	237,087
Net Investment Income (Loss) ⁽⁴⁾	(1,542,473)	4,283,202	306,712	799,351
Benefit Payments, Including Refunds of Member Contributions	(1,168,633)	(1,077,691)	(979,305)	(915,192)
Administrative Expenses	(27,033)	(26,758)	(23,531)	(19,600)
Other (Transfer to Larger Annuity Reserve) ⁽³⁾	(16)	--	--	--
Net Change	(1,905,045)	3,985,732	116,811	580,363
Fiduciary Net Position at Beginning of Year	<u>18,918,136</u>	<u>14,932,404</u>	<u>14,815,593</u>	<u>14,235,230</u>
Fiduciary Net Position at End of Year (b)	<u>\$ 17,013,091</u>	<u>\$ 18,918,136</u>	<u>\$ 14,932,404</u>	<u>\$ 14,815,593</u>
Net Pension Liability (a) - (b)	<u>\$ 7,065,660</u>	<u>\$ 4,363,757</u>	<u>\$ 7,594,791</u>	<u>\$ 5,977,828</u>
Fiduciary Net Position as a Percentage of the Total Pension Liability	70.66 %	81.26 %	66.29 %	71.25 %
Covered Payroll	\$ 2,155,005	\$ 2,276,768	\$ 2,271,039	\$ 2,108,171
Net Pension Liability as a Percentage of Covered Payroll	327.87 %	191.66 %	334.42 %	283.56 %

⁽¹⁾ 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.

⁽²⁾ The service cost is based on the previous year's valuation.

⁽³⁾ 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.

⁽⁴⁾ 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, 2023
(unaudited)

Los Angeles City Employees' Retirement System
Schedule of Changes in Net Pension Liability and Related Ratios ^{(1) *}
(amounts in thousands)

	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>	<u>June 30, 2014</u>
TOTAL PENSION LIABILITY					
Service Cost ⁽²⁾	\$ 352,283	\$ 340,759	\$ 322,574	\$ 322,380	\$ 317,185
Interest	1,332,878	1,302,278	1,263,556	1,215,151	1,149,966
Changes of Benefit Terms	25,173	--	--	--	--
Benefit Payments, Including Refunds of Member Contributions	(851,885)	(804,089)	(770,317)	(740,567)	(721,153)
Difference of Expected and Actual Experience	144,224	(146,474)	(300,813)	(135,821)	(164,247)
Assumption Changes	483,717	340,718	--	--	785,439
Net Change in Total Pension Liability	1,486,390	1,033,192	515,000	661,143	1,367,190
Total Pension Liability at Beginning of Year	<u>18,458,188</u>	<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>\$ 19,944,578</u>	<u>\$ 18,458,188</u>	<u>\$ 17,424,996</u>	<u>\$ 16,909,996</u>	<u>\$ 16,248,853</u>
FIDUCIARY NET POSITION					
Employer Contributions	\$ 450,195	\$ 453,356	\$ 440,546	\$ 381,141	\$ 357,649
Member Contributions	230,757	221,829	206,377	202,463	203,975
Net Investment Income (Loss) ⁽⁴⁾	1,243,817	1,517,545	29,358	306,980	1,810,782
Benefit Payments, Including Refunds of Member Contributions	(851,885)	(804,089)	(770,318)	(740,567)	(721,153)
Administrative Expenses	(17,699)	(17,454)	(17,204)	(15,860)	(12,372)
Other (Transfer to Larger Annuity Reserve) ⁽³⁾	(471)	--	--	(4,666)	(2,288)
Net Change	1,054,714	1,371,187	(111,241)	129,491	1,636,593
Fiduciary Net Position at Beginning of Year	<u>13,180,516</u>	<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>\$ 14,235,230</u>	<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>\$ 5,709,348</u>	<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	71.37 %	71.41 %	67.77 %	70.49 %	72.57 %
Covered Payroll	\$ 2,057,565	\$ 1,973,049	\$ 1,876,946	\$ 1,835,637	\$ 1,802,931
Net Pension Liability as a Percentage of Covered Payroll	277.48 %	267.49 %	299.19 %	271.81 %	247.25 %

CITY OF LOS ANGELES
REQUIRED SUPPLEMENTARY INFORMATION
Fiscal Year Ended June 30, 2023
(unaudited)

Water and Power Employees' Retirement Plan
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios *
(amounts in thousands)

	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>
TOTAL PENSION LIABILITY				
Service Cost	\$ 277,244	\$ 275,366	\$ 263,473	\$ 243,263
Interest	1,044,964	1,008,130	963,032	952,071
Benefit Payments, Including Refunds of Member Contributions	(716,008)	(677,717)	(635,652)	(597,563)
Change of Benefit Terms	--	--	--	--
Differences Between Expected and Actual Experience	(35,734)	(62,311)	62,540	17,807
Assumption Changes	<u>550,825</u>	<u>--</u>	<u>--</u>	<u>8,836</u>
Net Change in Total Pension Liability	1,121,291	543,468	653,393	624,414
Total Pension Liability at Beginning of Year	<u>15,008,818</u>	<u>14,465,350</u>	<u>13,811,957</u>	<u>13,187,543</u>
Total Pension Liability at End of Year (a)	<u>\$ 16,130,109</u>	<u>\$ 15,008,818</u>	<u>\$ 14,465,350</u>	<u>\$ 13,811,957</u>
FIDUCIARY NET POSITION				
Employer Contributions	\$ 325,326	\$ 385,071	\$ 427,655	\$ 416,180
Member Contributions	131,105	122,316	120,299	104,742
Net Investment Income (Loss)	(888,349)	3,489,200	459,024	791,832
Benefit Payments, Including Refunds of Member Contributions	(716,008)	(677,717)	(635,652)	(597,563)
Administrative Expenses	<u>(5,613)</u>	<u>(5,115)</u>	<u>(4,705)</u>	<u>(5,189)</u>
Net Change	(1,153,539)	3,313,755	366,621	710,002
Fiduciary Net Position at Beginning of Year	<u>16,667,463</u>	<u>13,353,708</u>	<u>12,987,087</u>	<u>12,277,085</u>
Fiduciary Net Position at End of Year (b)	<u>\$ 15,513,924</u>	<u>\$ 16,667,463</u>	<u>\$ 13,353,708</u>	<u>\$ 12,987,087</u>
Net Pension Liability (Asset) (a) - (b)	<u>\$ 616,185</u>	<u>\$ (1,658,645)</u>	<u>\$ 1,111,642</u>	<u>\$ 824,870</u>
Fiduciary Net Position as a Percentage of the Total Pension Liability	96.18 %	111.05 %	92.32 %	94.03 %
Covered Payroll	\$ 1,178,016	\$ 1,121,883	\$ 1,130,066	\$ 1,028,212
Net Pension Liability (Asset) as a Percentage of Covered Payroll	52.31 %	(147.84)%	98.37 %	80.22 %

* 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, 2023
(unaudited)

Water and Power Employees' Retirement Plan
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios *
 (amounts in thousands)

	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>	<u>June 30, 2014</u>
TOTAL PENSION LIABILITY					
Service Cost	\$ 228,621	\$ 217,277	\$ 209,832	\$ 214,735	\$ 193,661
Interest	913,798	887,134	837,977	821,048	779,397
Benefit Payments, Including Refunds of Member Contributions	(563,213)	(540,361)	(510,485)	(485,967)	(463,597)
Change of Benefit Terms	(59,019)	--	--	(144,008)	--
Differences Between Expected and Actual Experience	10,254	(196,177)	(189,469)	(162,913)	(154,222)
Assumption Changes	--	--	722,928	--	525,444
Net Change in Total Pension Liability	530,441	367,873	1,070,783	242,895	880,683
Total Pension Liability at Beginning of Year	<u>12,657,102</u>	<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>\$ 13,187,543</u>	<u>\$ 12,657,102</u>	<u>\$ 12,289,229</u>	<u>\$ 11,218,446</u>	<u>\$ 10,975,551</u>
FIDUCIARY NET POSITION					
Employer Contributions	\$ 439,299	\$ 397,748	\$ 368,259	\$ 382,232	\$ 389,138
Member Contributions	93,659	83,239	75,069	68,552	72,300
Net Investment Income (Loss)	998,777	1,280,806	95,808	410,778	1,405,686
Benefit Payments, Including Refunds of Member Contributions	(563,213)	(540,361)	(510,485)	(485,967)	(463,597)
Administrative Expenses	(5,336)	(5,376)	(5,108)	(4,612)	(4,221)
Net Change	963,186	1,216,056	23,543	370,983	1,399,306
Fiduciary Net Position at Beginning of Year	<u>11,313,899</u>	<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>\$ 12,277,085</u>	<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>\$ 910,458</u>	<u>\$ 1,343,203</u>	<u>\$ 2,191,386</u>	<u>\$ 1,144,146</u>	<u>\$ 1,272,234</u>
Fiduciary Net Position as a Percentage of the Total Pension Liability	93.10 %	89.39 %	82.17 %	89.80 %	88.41 %
Covered Payroll	\$ 953,636	\$ 892,332	\$ 861,819	\$ 839,213	\$ 819,924
Net Pension Liability (Asset) as a Percentage of Covered Payroll	95.47 %	150.53 %	254.27 %	136.34 %	155.16 %

CITY OF LOS ANGELES
REQUIRED SUPPLEMENTARY INFORMATION
Fiscal Year Ended June 30, 2023
(Unaudited)

Los Angeles Fire and Police Pension System
Other Postemployment Benefit Plan
Schedule of Employer Contributions
(in thousands)

Fiscal Year	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency / (Excess)	Covered Payroll⁽²⁾	Contribution as Percentage of Covered Payroll
2023	\$ 186,418	\$ 186,418	\$ --	\$ 1,608,133	11.6 %
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 ⁽¹⁾	178,462 ⁽¹⁾	--	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 %

⁽¹⁾ 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.

⁽²⁾ 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)

Fiscal Year	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency / (Excess)	Covered Payroll	Contribution as Percentage of Covered Payroll
2023	\$ 90,581	\$ 90,581	\$ --	\$ 2,307,336	3.9 %
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 %

Water and Power Employees' Retirement Plan
Other Postemployment Benefit Plan
Schedule of Employer Contributions
(in thousands)

Fiscal Year	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency / (Excess)	Covered Payroll	Contribution as Percentage of Covered Payroll
2023	\$ 55,585	\$ 113,571	\$ (57,986)	\$ 1,259,246	9.0 %
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 %

CITY OF LOS ANGELES

REQUIRED SUPPLEMENTARY INFORMATION
Fiscal Year Ended June 30, 2023
(Unaudited)

Water and Power Employees' Retirement Plan
Other Postemployment Benefit Plan - Death Benefits
Schedule of Employer Contributions
(in thousands)

<u>Fiscal Year</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Contribution</u>	<u>Contribution Deficiency / (Excess)</u>	<u>Covered Payroll</u>	<u>Contribution as Percentage of Covered Payroll</u>
2023	\$ 15,237	\$ 14,632	\$ 605	\$ 1,259,246	1.2 %
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 %
2018	7,137	7,137	--	953,636	0.7 %
2017	7,138	7,138	--	892,332	0.8 %
2016	7,207	7,207	--	861,819	0.8 %

This schedule is presented for those years for which information is available.

CITY OF LOS ANGELES
REQUIRED SUPPLEMENTARY INFORMATION
Fiscal Year Ended June 30, 2023
(unaudited)

Los Angeles Fire and Police Pension System
Schedule of Changes in Net Other Postemployment Benefits Liability and Related Ratios
(amounts in thousands)

	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>
TOTAL OPEB LIABILITY			
Service Cost	\$ 79,825	\$ 80,618	\$ 79,394
Interest	266,035	260,018	263,088
Benefit Payments	(147,467)	(151,855)	(143,600)
Changes of Benefit Terms	--	--	--
Differences Between Expected and Actual Experience	(8,923)	8,191	(190,525)
Assumption Changes	(333,313)	(113,656)	80,297
Other	--	--	--
Net Change in Total OPEB Liability	(143,843)	83,316	88,654
Total OPEB Liability at Beginning of Year	<u>3,793,174</u>	<u>3,709,858</u>	<u>3,621,204</u>
Total OPEB Liability - Ending (a)	<u>\$ 3,649,331</u>	<u>\$ 3,793,174</u>	<u>\$ 3,709,858</u>
FIDUCIARY NET POSITION			
Employer Contributions	\$ 193,140	\$ 200,425	\$ 193,213
Member Contributions	--	--	--
Net Investment Income (Loss)	(209,565)	698,434	58,101
Benefit Payments	(147,467)	(151,856)	(143,600)
Administrative Expenses	(2,296)	(2,141)	(1,982)
Other	--	--	--
Net Change	(166,188)	744,862	105,732
Fiduciary Net Position at Beginning of Year	<u>2,888,310</u>	<u>2,143,448</u>	<u>2,037,716</u>
Fiduciary Net Position at End of Year (b) ⁽¹⁾	<u>\$ 2,722,122</u>	<u>\$ 2,888,310</u>	<u>\$ 2,143,448</u>
Net OPEB Liability - Ending (a) - (b)	<u>\$ 927,209</u>	<u>\$ 904,864</u>	<u>\$ 1,566,410</u>
Fiduciary Net Position as a Percentage of the Total OPEB Liability	74.59 %	76.14 %	57.78 %
Covered Payroll	\$ 1,598,685	\$ 1,603,349	\$ 1,509,613
Net OPEB Liability as a Percentage of Covered Payroll	58.00 %	56.44 %	103.76 %

CITY OF LOS ANGELES
REQUIRED SUPPLEMENTARY INFORMATION
Fiscal Year Ended June 30, 2023
(unaudited)

Los Angeles Fire and Police Pension System
Schedule of Changes in Net Other Postemployment Benefits Liability and Related Ratios
(amounts in thousands)

	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>
TOTAL OPEB LIABILITY			
Service Cost	\$ 74,090	\$ 69,940	\$ 65,407
Interest	260,513	243,769	231,285
Benefit Payments	(137,874)	(130,722)	(122,561)
Changes of Benefit Terms	--		
Differences Between Expected and Actual Experience	(249,568)	(16,532)	(144,022)
Assumption Changes	85,911	63,332	248,048
Other	--	517	
Net Change in Total OPEB Liability	33,072	230,304	278,157
Total OPEB Liability at Beginning of Year	<u>3,588,132</u>	<u>3,357,827</u>	<u>3,079,670</u>
Total OPEB Liability - Ending (a)	<u>\$ 3,621,204</u>	<u>\$ 3,588,131</u>	<u>\$ 3,357,827</u>
FIDUCIARY NET POSITION			
Employer Contributions	\$ 188,020	\$ 178,462	\$ 165,170
Member Contributions	--		
Net Investment Income (Loss)	111,188	166,040	189,420
Benefit Payments	(137,874)	(130,722)	(122,562)
Administrative Expenses	(1,856)	(1,745)	(1,747)
Other	--	517	--
Net Change	159,478	212,552	230,281
Fiduciary Net Position at Beginning of Year	<u>1,878,238</u>	<u>1,665,686</u>	<u>1,435,404</u>
Fiduciary Net Position at End of Year (b) ⁽¹⁾	<u>\$ 2,037,716</u>	<u>\$ 1,878,238</u>	<u>\$ 1,665,685</u>
Net OPEB Liability - Ending (a) - (b)	<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	56.27 %	52.35 %	49.61 %
Covered Payroll	\$ 1,487,978	\$ 1,451,996	\$ 1,397,245
Net OPEB Liability as a Percentage of Covered Payroll	106.42 %	117.76 %	121.11 %

⁽¹⁾ 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, 2023
(unaudited)

Los Angeles City Employees' Retirement System
Schedule of Changes in Net Other Postemployment Benefits Liability (Asset) and Related Ratios
(amounts in thousands)

	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>
TOTAL OPEB LIABILITY			
Service Cost	\$ 81,415	\$ 84,817	\$ 76,423
Interest	246,694	244,776	242,666
Benefit Payments ⁽²⁾	(157,245)	(149,103)	(127,214)
Changes of Benefit Terms	--	--	--
Differences Between Expected and Actual Experience	(369)	10,672	(135,720)
Assumption Changes	(109,877)	(157,614)	96,076
Other	--	--	--
Net Change in Total OPEB Liability	60,618	33,548	152,231
Total OPEB Liability at Beginning of Year	<u>3,520,078</u>	<u>3,486,530</u>	<u>3,334,299</u>
Total OPEB Liability - Ending (a)	<u>\$ 3,580,696</u>	<u>\$ 3,520,078</u>	<u>\$ 3,486,530</u>
FIDUCIARY NET POSITION			
Employer Contributions	\$ 91,623	\$ 103,454	\$ 112,136
Member Contributions	--	--	--
Net Investment Income (Loss) ⁽³⁾	(360,636)	983,522	60,899
Benefit Payments ⁽²⁾	(157,245)	(149,103)	(127,214)
Administrative Expenses	(7,619)	(7,425)	(6,715)
Other ⁽⁴⁾	(4)	--	--
Net Change	(433,881)	930,448	39,106
Fiduciary Net Position at Beginning of Year	<u>3,781,652</u>	<u>2,851,204</u>	<u>2,812,098</u>
Fiduciary Net Position at End of Year (b)	<u>\$ 3,347,771</u>	<u>\$ 3,781,652</u>	<u>\$ 2,851,204</u>
Net OPEB Liability (Asset) - Ending (a) - (b)	<u>\$ 232,925</u>	<u>\$ (261,574)</u>	<u>\$ 635,326</u>
Fiduciary Net Position as a Percentage of the Total OPEB Liability	93.49 %	107.43 %	81.78 %
Covered Payroll	\$ 2,155,005	\$ 2,276,768	\$ 2,271,039
Net OPEB Liability (Asset) as a Percentage of Covered Payroll	10.81 %	(11.49)%	27.98 %

CITY OF LOS ANGELES
REQUIRED SUPPLEMENTARY INFORMATION
Fiscal Year Ended June 30, 2023
(unaudited)

Los Angeles City Employees' Retirement System
Schedule of Changes in Net Other Postemployment Benefits Liability (Asset) and Related Ratios
(amounts in thousands)

	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017⁽¹⁾</u>
TOTAL OPEB LIABILITY			
Service Cost	\$ 74,478	\$ 74,611	\$ 68,385
Interest	236,678	218,686	210,170
Benefit Payments ⁽²⁾	(133,571)	(128,081)	(119,616)
Changes of Benefit Terms	--	948	--
Differences Between Expected and Actual Experience	(134,053)	(7,321)	19,666
Assumption Changes	33,940	92,178	33,512
Other	--	--	--
Net Change in Total OPEB Liability	77,472	251,021	212,117
Total OPEB Liability at Beginning of Year	<u>3,256,827</u>	<u>3,005,806</u>	<u>2,793,689</u>
Total OPEB Liability - Ending (a)	<u>\$ 3,334,299</u>	<u>\$ 3,256,827</u>	<u>\$ 3,005,806</u>
FIDUCIARY NET POSITION			
Employer Contributions	\$ 107,927	\$ 100,909	\$ 97,457
Member Contributions	--	--	--
Net Investment Income (Loss) ⁽³⁾	166,470	269,380	330,708
Benefit Payments ⁽²⁾	(133,571)	(128,081)	(119,616)
Administrative Expenses	(5,099)	(4,699)	(4,564)
Other ⁽⁴⁾	--	--	--
Net Change	135,727	237,509	303,985
Fiduciary Net Position at Beginning of Year	<u>2,676,371</u>	<u>2,438,862</u>	<u>2,134,877</u>
Fiduciary Net Position at End of Year (b)	<u>\$ 2,812,098</u>	<u>\$ 2,676,371</u>	<u>\$ 2,438,862</u>
Net OPEB Liability (Asset) - Ending (a) - (b)	<u>\$ 522,201</u>	<u>\$ 580,456</u>	<u>\$ 566,944</u>
Fiduciary Net Position as a Percentage of the Total OPEB Liability	84.34 %	82.18 %	81.14 %
Covered Payroll	\$ 2,108,171	\$ 2,057,565	\$ 1,973,049
Net OPEB Liability (Asset) as a Percentage of Covered Payroll	24.77 %	28.21 %	28.73 %

⁽¹⁾ 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.

⁽²⁾ 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.

⁽³⁾ 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.

⁽⁴⁾ In fiscal year 2022, a prior period adjustment was made related to the implementation of GASB 87 – Leases, to restate fiscal year 2021 information presented in fiscal year 2022 financial report as comparative report.

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, 2023
(unaudited)

Water and Power Employees' Retirement Plan - Retiree Health Benefits
Schedule of Changes in Net Other Postemployment Benefits Liability (Asset) and Related Ratios
(amounts in thousands)

	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>
TOTAL OPEB LIABILITY			
Service Cost	\$ 49,615	\$ 48,226	\$ 52,964
Interest	179,466	173,866	187,719
Benefit Payments	(112,081)	(109,282)	(109,401)
Changes of Benefit Terms	--	--	--
Differences Between Expected and Actual Experience	(62,373)	(27,834)	(288,180)
Assumption Changes	6,933	(5,918)	(36,325)
Net Change in Total OPEB Liability	61,560	79,058	(193,223)
Total OPEB Liability at Beginning of Year	<u>2,569,282</u>	<u>2,490,223</u>	<u>2,683,446</u>
Total OPEB Liability - Ending (a)	<u>\$ 2,630,842</u>	<u>\$ 2,569,281</u>	<u>\$ 2,490,223</u>
FIDUCIARY NET POSITION			
Employer Contributions	\$ 113,094	\$ 110,261	\$ 110,445
Member Contributions	--	--	--
Net Investment Income (Loss)	(157,243)	614,234	83,021
Benefit Payments	(112,081)	(109,282)	(109,401)
Administrative Expenses	(850)	(822)	(887)
Net Change	(157,080)	614,391	83,178
Fiduciary Net Position at Beginning of Year	<u>2,918,121</u>	<u>2,303,729</u>	<u>2,220,551</u>
Fiduciary Net Position at End of Year (b) ⁽¹⁾	<u>\$ 2,761,041</u>	<u>\$ 2,918,120</u>	<u>\$ 2,303,729</u>
Net OPEB Liability (Asset) - Ending (a) - (b)	<u>\$ (130,199)</u>	<u>\$ (348,839)</u>	<u>\$ 186,494</u>
Fiduciary Net Position as a Percentage of the Total OPEB Liability	104.95 %	113.58 %	92.51 %
Covered Payroll	\$ 1,178,016	\$ 1,121,883	\$ 1,130,066
Net OPEB Liability (Asset) as a Percentage of Covered Payroll	(11.05)%	(31.09)%	16.50 %

CITY OF LOS ANGELES
REQUIRED SUPPLEMENTARY INFORMATION
Fiscal Year Ended June 30, 2023
(unaudited)

Water and Power Employees' Retirement Plan - Retiree Health Benefits
Schedule of Changes in Net Other Postemployment Benefits Liability (Asset) and Related Ratios
(amounts in thousands)

	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>
TOTAL OPEB LIABILITY			
Service Cost	\$ 46,188	\$ 49,191	\$ 49,295
Interest	178,690	170,306	169,518
Benefit Payments	(101,595)	(95,234)	(90,310)
Changes of Benefit Terms	--	(286)	--
Differences Between Expected and Actual Experience	(40,432)	(6,956)	(44,554)
Assumption Changes	<u>131,290</u>	<u>4,799</u>	<u>(70,508)</u>
Net Change in Total OPEB Liability	214,141	121,820	13,441
Total OPEB Liability at Beginning of Year	<u>2,469,304</u>	<u>2,347,484</u>	<u>2,334,043</u>
Total OPEB Liability - Ending (a)	<u>\$ 2,683,445</u>	<u>\$ 2,469,304</u>	<u>\$ 2,347,484</u>
FIDUCIARY NET POSITION			
Employer Contributions	\$ 102,631	\$ 95,919	\$ 91,024
Member Contributions	--	--	--
Net Investment Income (Loss)	134,707	173,674	218,836
Benefit Payments	(101,595)	(95,234)	(90,310)
Administrative Expenses	<u>(883)</u>	<u>(549)</u>	<u>(585)</u>
Net Change	134,860	173,810	218,965
Fiduciary Net Position at Beginning of Year	<u>2,085,691</u>	<u>1,911,881</u>	<u>1,692,916</u>
Fiduciary Net Position at End of Year (b) ⁽¹⁾	<u>\$ 2,220,551</u>	<u>\$ 2,085,691</u>	<u>\$ 1,911,881</u>
Net OPEB Liability (Asset) - Ending (a) - (b)	<u>\$ 462,894</u>	<u>\$ 383,613</u>	<u>\$ 435,603</u>
Fiduciary Net Position as a Percentage of the Total OPEB Liability	82.75 %	84.46 %	81.44 %
Covered Payroll	\$ 1,028,212	\$ 953,636	\$ 892,332
Net OPEB Liability (Asset) as a Percentage of Covered Payroll	45.02 %	40.23 %	48.82 %

⁽¹⁾ 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, 2023
(unaudited)

Water and Power Employees' Retirement Plan - Death Benefits
Schedule of Changes in Net Other Postemployment Benefits Liability and Related Ratios
(amounts in thousands)

	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>
TOTAL OPEB LIABILITY			
Service Cost	\$ 5,052	\$ 5,040	\$ 4,717
Interest	4,705	4,678	4,725
Benefit Payments	(9,340)	(10,245)	(7,923)
Changes of Benefit Terms	--	--	--
Differences Between Expected and Actual Experience	1,508	828	(2,040)
Assumption Changes	17,224	--	--
Net Change in Total OPEB Liability	19,149	301	(521)
Total OPEB Liability at Beginning of Year	<u>134,038</u>	<u>133,737</u>	<u>134,258</u>
Total OPEB Liability - Ending (a)	<u>\$ 153,187</u>	<u>\$ 134,038</u>	<u>\$ 133,737</u>
FIDUCIARY NET POSITION			
Employer Contributions	\$ 14,992	\$ 14,523	\$ 14,909
Member Contributions	372	374	385
Net Investment Income (Loss)	(4,381)	343	2,793
Benefit Payments	(9,340)	(10,245)	(7,923)
Administrative Expenses	(1,856)	(1,622)	(1,606)
Net Change	(213)	3,373	8,558
Fiduciary Net Position at Beginning of Year	<u>40,738</u>	<u>37,365</u>	<u>28,807</u>
Fiduciary Net Position at End of Year (b) ⁽¹⁾	<u>\$ 40,525</u>	<u>\$ 40,738</u>	<u>\$ 37,365</u>
Net OPEB Liability - Ending (a) - (b)	<u>\$ 112,662</u>	<u>\$ 93,300</u>	<u>\$ 96,372</u>
Fiduciary Net Position as a Percentage of the Total OPEB Liability	26.45 %	30.39 %	27.94 %
Covered Payroll	\$ 1,178,016	\$ 1,121,883	\$ 1,130,066
Net OPEB Liability as a Percentage of Covered Payroll	9.56 %	8.32 %	8.53 %

CITY OF LOS ANGELES
REQUIRED SUPPLEMENTARY INFORMATION
Fiscal Year Ended June 30, 2023
(unaudited)

Water and Power Employees' Retirement Plan - Death Benefits
Schedule of Changes in Net Other Postemployment Benefits Liability and Related Ratios
(amounts in thousands)

	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>
TOTAL OPEB LIABILITY			
Service Cost	\$ 4,780	\$ 3,875	\$ 3,657
Interest	5,059	5,141	5,095
Benefit Payments	(8,232)	(7,602)	(7,968)
Changes of Benefit Terms	--	91	--
Differences Between Expected and Actual Experience	485	(4,444)	125
Assumption Changes	<u>(11,704)</u>	<u>--</u>	<u>--</u>
Net Change in Total OPEB Liability	(9,612)	(2,939)	909
Total OPEB Liability at Beginning of Year	<u>143,870</u>	<u>146,809</u>	<u>145,900</u>
Total OPEB Liability - Ending (a)	<u>\$ 134,258</u>	<u>\$ 143,870</u>	<u>\$ 146,809</u>
FIDUCIARY NET POSITION			
Employer Contributions	\$ 8,778	\$ 8,101	\$ 8,207
Member Contributions	358	347	337
Net Investment Income (Loss)	2,293	(120)	(57)
Benefit Payments	(8,232)	(7,602)	(7,968)
Administrative Expenses	<u>(1,600)</u>	<u>(1,100)</u>	<u>(1,119)</u>
Net Change	1,597	(374)	(600)
Fiduciary Net Position at Beginning of Year	<u>27,210</u>	<u>27,584</u>	<u>28,185</u>
Fiduciary Net Position at End of Year (b) ⁽¹⁾	<u>\$ 28,807</u>	<u>\$ 27,210</u>	<u>\$ 27,585</u>
Net OPEB Liability - Ending (a) - (b)	<u>\$ 105,451</u>	<u>\$ 116,660</u>	<u>\$ 119,224</u>
Fiduciary Net Position as a Percentage of the Total OPEB Liability	21.46 %	18.91 %	18.79 %
Covered Payroll	\$ 1,028,212	\$ 953,636	\$ 892,332
Net OPEB Liability as a Percentage of Covered Payroll	10.26 %	12.23 %	13.36 %

⁽¹⁾ 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, 2023
(Unaudited)

Actuarial Methods and Assumptions Used to Determine Employer Contribution Rates - Pension

	Los Angeles Fire and Police Pension System	Los Angeles City Employees' Retirement System	Water and Power Employees' Retirement Plan
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.
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 Port Police, or Airport Police).	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. All amortization amounts are determined in equal dollar amounts over the amortization period. The Board may, by resolution, adopt a separate period of not more than 30 years to amortize the change in Surplus or Unfunded Actuarial Accrued Liability resulting from an unusual event, plan amendment or change in assumptions or methods.
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 return and the expected return on the fair value, 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%	6.50%
Inflation Rate	2.75%	2.75%	2.50%
Real Across-the-Board Salary Increase	0.50%	0.50%	0.5%
Project Salary Increase	Ranges from 4.15% to 12.25%	Ranges from 4.25% to 9.95%	4.25% to 10.00%
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 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) increased by 5% for males, projected generationally with the two-dimensional mortality improvement scale MP-2021.
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 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) increased by 5% for males, projected generationally with the two-dimensional mortality improvement scale MP-2021.
Beneficiary	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) increased by 5% for males, projected generationally with the two-dimensional mortality improvement scale MP-2021.

CITY OF LOS ANGELES
REQUIRED SUPPLEMENTARY INFORMATION
Fiscal Year Ended June 30, 2023
(Unaudited)

Actuarial Methods and Assumptions Used to Determine Employer Contribution Rates - OPEB

	Los Angeles Fire and Police Pension System	Los Angeles City Employees' Retirement System	Water and Power Employee Retirement Plan	
			Retiree Health Benefits	Death Benefit
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 Port Police, or Airport Police).	Level Percent of Payroll	When the Plan has an UAAL: Single closed amortization period, level percent of pay; 13 years remaining as of June 30, 2022. When the Plan has a Surplus: Single open amortization period, level percent of pay; 30 years remaining as of June 30, 2022.	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 ERIP, are amortized over 15 years. Future ERIPs will be amortized over five years. Any actuarial surplus is amortized over 30 years.	When the Plan has an UAAL: Single closed amortization period, level percent of pay; 13 years remaining as of June 30, 2022. When the Plan has a Surplus: Single open amortization period, level percent of pay; 30 years remaining as of June 30, 2022.	The July 1, 2019 Unfunded Actuarial Accrued Liability is amortized over a 15-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 15-year periods. All amortization amounts are determined in equal dollar amounts over the amortization period. The Board may, by resolution, adopt a separate period of not more than 30 years to amortize the change in Surplus or Unfunded Actuarial Accrued Liability resulting from an unusual event, plan amendment or change in assumptions or methods.
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 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 5-year period.	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 and expected returns on a fair value basis and is recognized over a 5-year period.
Actuarial Assumptions:				
Investment Rate of Return	7.00%	7.00%	6.50%	2.75%
Inflation Rate	2.75%	2.75%	2.50%	2.50%
Real Cross-the-Board Salary Increase	0.50%	0.50%	N/A	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.	4.25% to 10.00%	4.25% to 10.00%
Cost of Living Adjustment	2.75% of Tiers 1-6 retirement income	2.75%	N/A	N/A
Healthcare cost trend rates	7.25% then graded down to ultimate 4.50% over 11 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 3.00% for all years for dental and 4.50% Medicare Part B costs.	7.12% graded down to 4.50% over 11 years for Non-Medicare medical plan costs, and 6.37% graded down to 4.50% over 8 years for Medicare medical plan costs. 3.00% for all years for Dental and 4.50% for all years for Medicare Part B subsidy cost.	7.25% graded down to 4.50% over 11 years for non-Medicare medical plan costs; 6.50% graded down to 4.50% over 8 years for Medicare medical plan costs; and 3.0% for all years for dental and 4.50% Medicare Part B costs.	N/A
Mortality Rates:				
Healthy	Pub-2010 Safety Healthy Retiree 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.	Pub-2010 General Healthy Retiree 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 Pub-2010 General Healthy Retiree 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-2021.	Headcount-weighted Above Median Pub-2010 General Healthy Retiree 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-2021.
Disabled	Pub-2010 Safety Disabled Retiree Headcount-Weighted Mortality Table projected generationally 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 generationally 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 generationally 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 generationally with the two-dimensional mortality improvement scale MP-2019.	Same as above	Same as above

CITY OF LOS ANGELES
REQUIRED SUPPLEMENTARY INFORMATION
Fiscal Year Ended June 30, 2023
(Unaudited)

Condition Rating for City Bridges
As of December 31, 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 December 31, 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 August 16, 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, 2023
(Unaudited)

Comparison of Needed-to-Actual Maintenance/Preservation Costs
(amounts expressed in thousands)

	Fiscal Year Ended June 30				
	2019	2020	2021	2022	2023
Needed	\$ 1,317	\$ 1,601	\$ 1,429	\$ 1,189	\$ 1,060
Actual	994	1,130	794	701	839

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 ($S_4=$ 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

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, 2023**

(amounts expressed in thousands)

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Other Governmental Funds
ASSETS				
Cash and Pooled Investments	\$ 4,781,289	\$ 173,195	\$ 289,635	\$ 5,244,119
Taxes Receivable (Net of Allowance for Uncollectibles of \$1,457)	2,084	14,416	--	16,500
Accounts Receivable (Net of Allowance for Uncollectibles of \$5,030)	121,207	--	1,309	122,516
Special Assessments Receivable	6,563	--	1,230	7,793
Investment Income Receivable	18,124	548	1,139	19,811
Intergovernmental Receivable	242,930	--	1,056	243,986
Leases Receivable	13,602	--	--	13,602
Loans Receivable (Net of Allowance of Uncollectibles of \$1,460,978)	2,413,450	--	--	2,413,450
Due from Other Funds	107,815	--	5,051	112,866
Inventories	15,212	--	--	15,212
Prepaid Items and Other Assets	8,864	--	--	8,864
Advances to Other Funds	66,732	--	--	66,732
Restricted Assets	10,776	--	--	10,776
Properties Held for Housing Development	187,618	--	--	187,618
TOTAL ASSETS	\$ 7,996,266	\$ 188,159	\$ 299,420	\$ 8,483,845
LIABILITIES				
Accounts, Contracts and Retainage Payable	\$ 266,121	\$ --	\$ 3,694	\$ 269,815
Obligations Under Securities Lending Transactions	17,537	602	1,118	19,257
Accrued Salaries and Overtime Payable	18,464	--	--	18,464
Intergovernmental Payable	3,730	--	--	3,730
Due to Other Funds	109,547	--	2,783	112,330
Unearned Revenue	83,369	--	--	83,369
Deposits and Advances	233,468	--	4	233,472
Interest Payable	--	247	--	247
Advances from Other Funds	182,476	--	--	182,476
Other Liabilities	48,194	1,458	2,712	52,364
Liability for Excess CRA Bond Proceeds	35,846	--	--	35,846
TOTAL LIABILITIES	998,752	2,307	10,311	1,011,370
DEFERRED INFLOWS OF RESOURCES				
Property Taxes	26	11,269	--	11,295
Taxes Other than Property	36	--	--	36
Receivables from Other Government Agencies	138,750	--	2,239	140,989
Interest Receivable on Loans and Others	741,960	74	876	742,910
Leases	12,897	--	--	12,897
TOTAL DEFERRED INFLOWS OF RESOURCES	893,669	11,343	3,115	908,127
FUND BALANCES				
Nonspendable	24,076	--	--	24,076
Restricted	4,228,852	174,509	285,994	4,689,355
Committed	1,910,869	--	--	1,910,869
Assigned	2,844	--	--	2,844
Unassigned	(62,796)	--	--	(62,796)
TOTAL FUND BALANCES	6,103,845	174,509	285,994	6,564,348
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 7,996,266	\$ 188,159	\$ 299,420	\$ 8,483,845

CITY OF LOS ANGELES

**Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Other Governmental Funds
For the Fiscal Year Ended June 30, 2023
(amounts expressed in thousands)**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Other Governmental Funds
REVENUES				
Property Taxes	\$ 31,314	\$ 127,064	\$ --	\$ 158,378
Other Taxes	81,391	--	3,334	84,725
Licenses and Permits	58,226	--	--	58,226
Intergovernmental	1,866,092	--	15,938	1,882,030
Charges for Services	1,099,767	4,030	1,275	1,105,072
Services to Enterprise Funds	11,668	--	--	11,668
Fines	14,053	--	--	14,053
Special Assessments	144,734	--	24,875	169,609
Investment Earnings	93,699	2,494	5,839	102,032
Change in Fair Value of Investments	(74,669)	(2,573)	(4,265)	(81,507)
Program Income	33,728	--	--	33,728
Other	92,994	--	465	93,459
TOTAL REVENUES	3,452,997	131,015	47,461	3,631,473
EXPENDITURES				
Current:				
General Government	143,741	342	--	144,083
Protection of Persons and Property	439,590	--	--	439,590
Public Works	287,026	--	--	287,026
Health and Sanitation	427,976	--	--	427,976
Transportation	432,075	--	--	432,075
Cultural and Recreational Services	649,724	--	--	649,724
Community Development	802,563	--	--	802,563
Capital Outlay	199,496	--	35,403	234,899
Debt Service:				
Principal	9,690	119,725	--	129,415
Interest	1,771	31,943	--	33,714
Cost of Issuance	1,200	--	--	1,200
TOTAL EXPENDITURES	3,394,852	152,010	35,403	3,582,265
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	58,145	(20,995)	12,058	49,208
OTHER FINANCING SOURCES (USES)				
Transfers In	721,332	48,422	9,391	779,145
Transfers Out	(349,563)	--	(2,001)	(351,564)
Issuance of Long-Term Debt	389,435	--	--	389,435
Premium on Issuance of Long-Term Debt	5,598	--	--	5,598
Lease and Subscription Liabilities Issued	5,586	--	--	5,586
TOTAL OTHER FINANCING SOURCES (USES)	772,388	48,422	7,390	828,200
NET CHANGE IN FUND BALANCES	830,533	27,427	19,448	877,408
FUND BALANCES, JULY 1	5,273,312	147,082	266,546	5,686,940
FUND BALANCES, JUNE 30	\$ 6,103,845	\$ 174,509	\$ 285,994	\$ 6,564,348

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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.

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, 2023

(amounts expressed in thousands)

	Original Adopted Budget	Additional Appropriations and Transfers	Final Budget	Expenditures	Encumbrances June 30, 2023	Total Actual	Variance with Final Budget Positive (Negative)
GENERAL GOVERNMENT							
Cannabis Regulation	\$ 7,593	\$ (78)	\$ 7,515	\$ 4,303	\$ 556	\$ 4,859	\$ 2,656
City Administrative Officer	23,138	17,764	40,902	25,586	4,177	29,763	11,139
City Attorney	157,850	17,864	175,714	158,341	14,664	173,005	2,709
City Clerk	16,556	21,496	38,052	22,237	14,658	36,895	1,157
Civil, Human Rights	4,141	1,351	5,492	3,697	713	4,410	1,082
Controller	21,558	1,941	23,499	17,895	2,628	20,523	2,976
Council	34,609	29,235	63,844	42,808	2,929	45,737	18,107
Employee Relations Board	469	43	512	467	18	485	27
Ethics Commission	4,422	(3)	4,419	4,147	263	4,410	9
Finance	44,475	573	45,048	38,823	3,793	42,616	2,432
General Services	261,908	124,337	386,245	284,762	36,326	321,088	65,157
Information Technology Agency	100,201	38,066	138,267	69,887	54,205	124,092	14,175
Mayor	9,434	58,810	68,244	37,850	17,067	54,917	13,327
Neighborhood Empowerment	3,927	(30)	3,897	3,046	430	3,476	421
Personnel	75,838	5,605	81,443	71,589	4,567	76,156	5,287
Public Accountability	3,604	--	3,604	794	793	1,587	2,017
Non-departmental							
Capital Finance Administration	3,851	(7)	3,844	3,576	268	3,844	--
General City Purposes	263,662	(9,313)	254,349	84,616	23,712	108,328	146,021
Human Resources Benefits	805,331	10,538	815,869	799,045	15,560	814,605	1,264
Leasing	20,263	35,590	55,853	43,886	10,718	54,604	1,249
Liability Claims	87,370	88,272	175,642	157,406	15,137	172,543	3,099
Unappropriated Balance	297,955	(178,003)	119,952	--	--	--	119,952
Water and Electricity	36,887	--	36,887	29,890	6,997	36,887	--
TOTAL GENERAL GOVERNMENT	2,285,042	264,051	2,549,093	1,904,651	230,179	2,134,830	414,263
PROTECTION OF PERSONS AND PROPERTY							
Animal Services	26,941	738	27,679	25,435	1,550	26,985	694
Building and Safety	139,612	2,189	141,801	113,706	4,809	118,515	23,286
Emergency Management	3,597	4	3,601	3,064	158	3,222	379
Fire	782,871	79,846	862,717	788,274	57,294	845,568	17,149
Police	1,876,831	31,452	1,908,283	1,755,626	129,291	1,884,917	23,366
TOTAL PROTECTION OF PERSONS AND PROPERTY	2,829,852	114,229	2,944,081	2,686,105	193,102	2,879,207	64,874
PUBLIC WORKS							
Board of Public Works	30,255	41,802	72,057	37,875	19,104	56,979	15,078
Bureau of Contract Administration	47,572	60	47,632	36,353	2,387	38,740	8,892
Bureau of Engineering	110,407	(996)	109,411	100,325	5,440	105,765	3,646
Bureau of Street Lightning	52,066	12,737	64,803	42,364	6,541	48,905	15,898
Bureau of Street Services	230,090	40,282	270,372	219,370	38,825	258,195	12,177
Non-departmental							
Water and Electricity	6,902	--	6,902	3,390	3,512	6,902	--
TOTAL PUBLIC WORKS	477,292	93,885	571,177	439,677	75,809	515,486	55,691
HEALTH AND SANITATION							
Public Works - Bureau of Sanitation	393,092	(280)	392,812	330,245	29,218	359,463	33,349

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, 2023
(amounts expressed in thousands)**

	Original Adopted Budget	Additional Appropriations and Transfers	Final Budget	Expenditures	Encumbrances June 30, 2023	Total Actual	Variance with Final Budget Positive (Negative)
TRANSPORTATION	\$ 203,722	\$ 2,462	\$ 206,184	\$ 174,524	\$ 13,705	\$ 188,229	\$ 17,955
CULTURAL AND RECREATIONAL SERVICES							
City Tourism	1,590	2	1,592	1,198	76	1,274	318
Cultural Affairs	18,079	6,435	24,514	10,990	4,671	15,661	8,853
El Pueblo De Los Angeles Historical Monument	2,134	296	2,430	1,611	175	1,786	644
Zoo	27,722	67	27,789	23,828	1,757	25,585	2,204
Non-departmental Water and Electricity	5,010	--	5,010	3,992	1,018	5,010	--
TOTAL CULTURAL AND RECREATIONAL SERVICES	54,535	6,800	61,335	41,619	7,697	49,316	12,019
COMMUNITY DEVELOPMENT							
Aging	7,437	12,135	19,572	16,322	1,295	17,617	1,955
Economic and Workforce Environment	26,355	(2,438)	23,917	15,740	1,266	17,006	6,911
Community Investment for Families	19,702	3,848	23,550	13,779	8,171	21,950	1,600
Disability	5,226	409	5,635	3,822	1,315	5,137	498
Los Angeles Housing	81,014	13,067	94,081	73,125	5,585	78,710	15,371
Planning	62,036	721	62,757	48,519	5,465	53,984	8,773
Youth Development	1,876	1,827	3,703	1,837	193	2,030	1,673
TOTAL COMMUNITY DEVELOPMENT	203,646	29,569	233,215	173,144	23,290	196,434	36,781
PENSION AND RETIREMENT CONTRIBUTIONS							
Non-Departmental General City Purposes	2,429	227	2,656	2,525	131	2,656	--
CAPITAL OUTLAY							
Non-Departmental Capital Improvement Projects	153,641	(12,234)	141,407	19,659	17,182	36,841	104,566
TRANSFERS TO OTHER FUNDS							
Non-Departmental Capital Financing Administration	252,295	--	252,295	228,005	--	228,005	24,290
General	1,989,986	83,621	2,073,607	2,072,885	--	2,072,885	722
TOTAL TRANSFERS TO OTHER FUNDS	2,242,281	83,621	2,325,902	2,300,890	--	2,300,890	25,012
GRAND TOTAL	\$ 8,845,532	\$ 582,330	\$ 9,427,862	\$ 8,073,039	\$ 590,313	\$ 8,663,352	\$ 764,510

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, 2023
(amounts expressed in thousands)**

	Original Adopted Budget	Additional Appropriations and Transfers	Final Budget	Expenditures	Encumbrances June 30, 2023	Total Actual	Variance with Final Budget Positive (Negative)
GENERAL GOVERNMENT							
CANNABIS REGULATION							
Salaries	\$ 6,294	\$ (16)	\$ 6,278	\$ 3,622	\$ 196	\$ 3,818	\$ 2,460
Expenses	1,299	(62)	1,237	681	360	1,041	196
Subtotal	7,593	(78)	7,515	4,303	556	4,859	2,656
CITY ADMINISTRATIVE OFFICER							
Salaries	20,425	1,700	22,125	20,544	996	21,540	585
Expenses	2,713	16,064	18,777	5,042	3,181	8,223	10,554
Subtotal	23,138	17,764	40,902	25,586	4,177	29,763	11,139
CITY ATTORNEY							
Salaries	149,739	2,930	152,669	144,379	5,750	150,129	2,540
Expenses	8,111	14,934	23,045	13,962	8,914	22,876	169
Subtotal	157,850	17,864	175,714	158,341	14,664	173,005	2,709
CITY CLERK							
Salaries	13,557	(221)	13,336	11,985	540	12,525	811
Expenses	2,999	21,717	24,716	10,252	14,118	24,370	346
Subtotal	16,556	21,496	38,052	22,237	14,658	36,895	1,157
CIVIL, HUMAN RIGHTS							
Salaries	3,675	(397)	3,278	2,970	158	3,128	150
Expenses	466	1,748	2,214	727	555	1,282	932
Subtotal	4,141	1,351	5,492	3,697	713	4,410	1,082
CONTROLLER							
Salaries	19,780	(343)	19,437	17,053	719	17,772	1,665
Expenses	1,778	2,284	4,062	842	1,909	2,751	1,311
Subtotal	21,558	1,941	23,499	17,895	2,628	20,523	2,976
COUNCIL							
Salaries	33,701	22,652	56,353	38,994	1,469	40,463	15,890
Expenses	908	6,583	7,491	3,814	1,460	5,274	2,217
Subtotal	34,609	29,235	63,844	42,808	2,929	45,737	18,107
EMPLOYEE RELATIONS BOARD							
Salaries	389	13	402	370	17	387	15
Expenses	80	30	110	97	1	98	12
Subtotal	469	43	512	467	18	485	27
ETHICS COMMISSION							
Salaries	4,010	187	4,197	4,019	171	4,190	7
Expenses	412	(190)	222	128	92	220	2
Subtotal	4,422	(3)	4,419	4,147	263	4,410	9
FINANCE							
Salaries	35,695	(1,525)	34,170	31,034	1,282	32,316	1,854
Expenses	8,780	2,086	10,866	7,777	2,511	10,288	578
Equipment	--	12	12	12	--	12	--
Subtotal	44,475	573	45,048	38,823	3,793	42,616	2,432
GENERAL SERVICES							
Salaries	136,285	33,657	169,942	133,795	5,163	138,958	30,984
Expenses	121,968	89,456	211,424	147,169	30,137	177,306	34,118
Equipment	160	726	886	605	241	846	40
Special	3,495	498	3,993	3,193	785	3,978	15
Subtotal	261,908	124,337	386,245	284,762	36,326	321,088	65,157

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, 2023
(amounts expressed in thousands)**

	Original Adopted Budget	Additional Appropriations and Transfers	Final Budget	Expenditures	Encumbrances June 30, 2023	Total Actual	Variance with Final Budget Positive (Negative)
INFORMATION							
TECHNOLOGY AGENCY							
Salaries	\$ 52,399	\$ (703)	\$ 51,696	\$ 42,207	\$ 1,699	\$ 43,906	\$ 7,790
Expenses	29,106	31,015	60,121	19,922	37,700	57,622	2,499
Equipment	153	--	153	82	41	123	30
Special	18,543	7,754	26,297	7,676	14,765	22,441	3,856
Subtotal	<u>100,201</u>	<u>38,066</u>	<u>138,267</u>	<u>69,887</u>	<u>54,205</u>	<u>124,092</u>	<u>14,175</u>
MAYOR							
Salaries	9,045	19,860	28,905	18,761	677	19,438	9,467
Expenses	389	38,815	39,204	19,089	16,390	35,479	3,725
Equipment	--	135	135	--	--	--	135
Subtotal	<u>9,434</u>	<u>58,810</u>	<u>68,244</u>	<u>37,850</u>	<u>17,067</u>	<u>54,917</u>	<u>13,327</u>
NEIGHBORHOOD EMPOWERMENT							
Salaries	3,248	(163)	3,085	2,783	131	2,914	171
Expenses	665	138	803	263	298	561	242
Special	14	(5)	9	--	1	1	8
Subtotal	<u>3,927</u>	<u>(30)</u>	<u>3,897</u>	<u>3,046</u>	<u>430</u>	<u>3,476</u>	<u>421</u>
PERSONNEL							
Salaries	64,266	(1,596)	62,670	57,171	2,369	59,540	3,130
Expenses	9,538	7,201	16,739	13,523	2,031	15,554	1,185
Special	2,034	--	2,034	895	167	1,062	972
Subtotal	<u>75,838</u>	<u>5,605</u>	<u>81,443</u>	<u>71,589</u>	<u>4,567</u>	<u>76,156</u>	<u>5,287</u>
PUBLIC ACCOUNTABILITY							
Salaries	1,652	--	1,652	781	32	813	839
Expenses	1,952	--	1,952	13	761	774	1,178
Subtotal	<u>3,604</u>	<u>--</u>	<u>3,604</u>	<u>794</u>	<u>793</u>	<u>1,587</u>	<u>2,017</u>
NON-DEPARTMENTAL							
Capital Finance Administration	3,851	(7)	3,844	3,576	268	3,844	--
General City Purposes	263,662	(9,313)	254,349	84,616	23,712	108,328	146,021
Human Resources Benefits	805,331	10,538	815,869	799,045	15,560	814,605	1,264
Leasing	20,263	35,590	55,853	43,886	10,718	54,604	1,249
Liability Claims	87,370	88,272	175,642	157,406	15,137	172,543	3,099
Unappropriated Balance	297,955	(178,003)	119,952	--	--	--	119,952
Water and Electricity	36,887	--	36,887	29,890	6,997	36,887	--
Subtotal	<u>1,515,319</u>	<u>(52,923)</u>	<u>1,462,396</u>	<u>1,118,419</u>	<u>72,392</u>	<u>1,190,811</u>	<u>271,585</u>
TOTAL GENERAL GOVERNMENT	<u>2,285,042</u>	<u>264,051</u>	<u>2,549,093</u>	<u>1,904,651</u>	<u>230,179</u>	<u>2,134,830</u>	<u>414,263</u>
PROTECTION OF PERSONS AND PROPERTY							
ANIMAL SERVICES							
Salaries	25,156	(295)	24,861	23,515	852	24,367	494
Expenses	1,785	1,033	2,818	1,920	698	2,618	200
Subtotal	<u>26,941</u>	<u>738</u>	<u>27,679</u>	<u>25,435</u>	<u>1,550</u>	<u>26,985</u>	<u>694</u>
BUILDING AND SAFETY							
Salaries	136,526	2,158	138,684	111,645	4,449	116,094	22,590
Expenses	3,086	31	3,117	2,061	360	2,421	696
Subtotal	<u>139,612</u>	<u>2,189</u>	<u>141,801</u>	<u>113,706</u>	<u>4,809</u>	<u>118,515</u>	<u>23,286</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, 2023
(amounts expressed in thousands)**

	Original Adopted Budget	Additional Appropriations and Transfers	Final Budget	Expenditures	Encumbrances June 30, 2023	Total Actual	Variance with Final Budget Positive (Negative)
EMERGENCY MANAGEMENT							
Salaries	\$ 3,525	\$ (20)	\$ 3,505	\$ 2,996	\$ 141	\$ 3,137	\$ 368
Expenses	72	24	96	68	17	85	11
Subtotal	<u>3,597</u>	<u>4</u>	<u>3,601</u>	<u>3,064</u>	<u>158</u>	<u>3,222</u>	<u>379</u>
FIRE							
Salaries	743,988	32,318	776,306	739,126	27,088	766,214	10,092
Expenses	38,883	47,481	86,364	49,148	30,206	79,354	7,010
Equipment	--	47	47	--	--	--	47
Subtotal	<u>782,871</u>	<u>79,846</u>	<u>862,717</u>	<u>788,274</u>	<u>57,294</u>	<u>845,568</u>	<u>17,149</u>
POLICE							
Salaries	1,747,265	21,000	1,768,265	1,687,465	63,584	1,751,049	17,216
Expenses	110,238	5,423	115,661	65,293	44,302	109,595	6,066
Equipment	19,328	5,029	24,357	2,868	21,405	24,273	84
Subtotal	<u>1,876,831</u>	<u>31,452</u>	<u>1,908,283</u>	<u>1,755,626</u>	<u>129,291</u>	<u>1,884,917</u>	<u>23,366</u>
TOTAL PROTECTION OF PERSONS AND PROPERTY	<u>2,829,852</u>	<u>114,229</u>	<u>2,944,081</u>	<u>2,686,105</u>	<u>193,102</u>	<u>2,879,207</u>	<u>64,874</u>
PUBLIC WORKS							
BOARD OF PUBLIC WORKS							
Salaries	11,497	1,713	13,210	11,411	461	11,872	1,338
Expenses	18,758	40,089	58,847	26,464	18,643	45,107	13,740
Subtotal	<u>30,255</u>	<u>41,802</u>	<u>72,057</u>	<u>37,875</u>	<u>19,104</u>	<u>56,979</u>	<u>15,078</u>
BUREAU OF CONTRACT ADMINISTRATION							
Salaries	45,052	(412)	44,640	35,258	1,369	36,627	8,013
Expenses	2,520	472	2,992	1,095	1,018	2,113	879
Subtotal	<u>47,572</u>	<u>60</u>	<u>47,632</u>	<u>36,353</u>	<u>2,387</u>	<u>38,740</u>	<u>8,892</u>
BUREAU OF ENGINEERING							
Salaries	105,457	(705)	104,752	97,234	3,886	101,120	3,632
Expenses	4,950	(709)	4,241	2,824	1,417	4,241	--
Equipment	--	418	418	267	137	404	14
Subtotal	<u>110,407</u>	<u>(996)</u>	<u>109,411</u>	<u>100,325</u>	<u>5,440</u>	<u>105,765</u>	<u>3,646</u>
BUREAU OF STREET LIGHTING							
Salaries	40,733	7,404	48,137	36,448	1,435	37,883	10,254
Expenses	4,289	2,847	7,136	3,079	961	4,040	3,096
Equipment	1	--	1	--	--	--	1
Special	7,043	2,486	9,529	2,837	4,145	6,982	2,547
Subtotal	<u>52,066</u>	<u>12,737</u>	<u>64,803</u>	<u>42,364</u>	<u>6,541</u>	<u>48,905</u>	<u>15,898</u>
BUREAU OF STREET SERVICES							
Salaries	130,094	2,117	132,211	122,054	4,680	126,734	5,477
Expenses	99,619	38,165	137,784	96,939	34,145	131,084	6,700
Equipment	377	--	377	377	--	377	--
Subtotal	<u>230,090</u>	<u>40,282</u>	<u>270,372</u>	<u>219,370</u>	<u>38,825</u>	<u>258,195</u>	<u>12,177</u>
NON-DEPARTMENTAL							
Water and Electricity	6,902	--	6,902	3,390	3,512	6,902	--
TOTAL PUBLIC WORKS	<u>477,292</u>	<u>93,885</u>	<u>571,177</u>	<u>439,677</u>	<u>75,809</u>	<u>515,486</u>	<u>55,691</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, 2023
(amounts expressed in thousands)**

	Original Adopted Budget	Additional Appropriations and Transfers	Final Budget	Expenditures	Encumbrances June 30, 2023	Total Actual	Variance with Final Budget Positive (Negative)
HEALTH AND SANITATION							
PUBLIC WORKS - BUREAU OF SANITATION							
Salaries	\$ 347,410	\$ (2,349)	\$ 345,061	\$ 307,042	\$ 12,328	\$ 319,370	\$ 25,691
Expenses	45,663	2,069	47,732	23,203	16,874	40,077	7,655
Equipment	19	-	19	-	16	16	3
TOTAL HEALTH AND SANITATION	393,092	(280)	392,812	330,245	29,218	359,463	33,349
TRANSPORTATION							
Salaries	181,821	(5,690)	176,131	156,775	6,207	162,982	13,149
Expenses	21,901	8,052	29,953	17,653	7,498	25,151	4,802
Equipment	--	100	100	96	-	96	4
TOTAL TRANSPORTATION	203,722	2,462	206,184	174,524	13,705	188,229	17,955
CULTURAL AND RECREATIONAL SERVICES							
CITY TOURISM							
Salaries	1,518	(73)	1,445	1,146	45	1,191	254
Expenses	72	75	147	52	31	83	64
Subtotal	1,590	2	1,592	1,198	76	1,274	318
CULTURAL AFFAIRS							
Salaries	9,105	(160)	8,945	7,346	321	7,667	1,278
Expenses	1,105	1,098	2,203	503	378	881	1,322
Special	7,869	5,497	13,366	3,141	3,972	7,113	6,253
Subtotal	18,079	6,435	24,514	10,990	4,671	15,661	8,853
EL PUEBLO DE LOS ANGELES HISTORICAL MONUMENT							
Salaries	1,180	225	1,405	1,145	48	1,193	212
Expenses	954	71	1,025	466	127	593	432
Subtotal	2,134	296	2,430	1,611	175	1,786	644
ZOO							
Salaries	23,533	(449)	23,084	20,425	802	21,227	1,857
Expenses	4,189	516	4,705	3,403	955	4,358	347
Subtotal	27,722	67	27,789	23,828	1,757	25,585	2,204
NON-DEPARTMENTAL							
Water and Electricity	5,010	--	5,010	3,992	1,018	5,010	--
TOTAL CULTURAL AND RECREATIONAL SERVICES	54,535	6,800	61,335	41,619	7,697	49,316	12,019
COMMUNITY DEVELOPMENT							
AGING							
Salaries	4,584	1,265	5,849	4,123	183	4,306	1,543
Expenses	2,853	10,812	13,665	12,199	1,112	13,311	354
Equipment	--	58	58	--	--	--	58
Subtotal	7,437	12,135	19,572	16,322	1,295	17,617	1,955
ECONOMIC AND WORKFORCE DEVELOPMENT							
Salaries	16,034	224	16,258	12,365	511	12,876	3,382
Expenses	10,321	(2,662)	7,659	3,375	755	4,130	3,529
Subtotal	26,355	(2,438)	23,917	15,740	1,266	17,006	6,911

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, 2023
(amounts expressed in thousands)**

	Original Adopted Budget	Additional Appropriations and Transfers	Final Budget	Expenditures	Encumbrances June 30, 2023	Total Actual	Variance with Final Budget Positive (Negative)
COMMUNITY INVESTMENT FOR FAMILIES							
Salaries	\$ 8,614	\$ 438	\$ 9,052	\$ 8,034	\$ 355	\$ 8,389	\$ 663
Expenses	11,088	3,410	14,498	5,745	7,816	13,561	937
Subtotal	19,702	3,848	23,550	13,779	8,171	21,950	1,600
DISABILITY							
Salaries	3,298	(88)	3,210	2,666	124	2,790	420
Expenses	1,835	497	2,332	1,113	1,145	2,258	74
Special	93	--	93	43	46	89	4
Subtotal	5,226	409	5,635	3,822	1,315	5,137	498
LOS ANGELES HOUSING							
Salaries	70,290	1,229	71,519	57,822	2,432	60,254	11,265
Expenses	10,724	11,838	22,562	15,303	3,153	18,456	4,106
Subtotal	81,014	13,067	94,081	73,125	5,585	78,710	15,371
PLANNING							
Salaries	52,976	5	52,981	44,002	1,884	45,886	7,095
Expenses	8,768	716	9,484	4,231	3,581	7,812	1,672
Equipment	292	--	292	286	--	286	6
Subtotal	62,036	721	62,757	48,519	5,465	53,984	8,773
YOUTH DEVELOPMENT							
Salaries	1,353	363	1,716	1,051	56	1,107	609
Expenses	510	1,430	1,940	768	122	890	1,050
Equipment	13	34	47	18	15	33	14
Subtotal	1,876	1,827	3,703	1,837	193	2,030	1,673
TOTAL COMMUNITY DEVELOPMENT							
	203,646	29,569	233,215	173,144	23,290	196,434	36,781
PENSION AND RETIREMENT CONTRIBUTIONS							
Non-Departmental	2,429	227	2,656	2,525	131	2,656	--
CAPITAL OUTLAY							
Non-Departmental	153,641	(12,234)	141,407	19,659	17,182	36,841	104,566
TRANSFERS TO OTHER FUNDS							
Non-Departmental	2,242,281	83,621	2,325,902	2,300,890	--	2,300,890	25,012
GRAND TOTAL							
	<u>\$ 8,845,532</u>	<u>\$ 582,330</u>	<u>\$ 9,427,862</u>	<u>\$ 8,073,039</u>	<u>\$ 590,313</u>	<u>\$ 8,663,352</u>	<u>\$ 764,510</u>

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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.

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 55.8% 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 inspectors.

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, 2021-A, and 2022-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 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 16.6% 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 21.3% 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, 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 6.3% of the combined revenues of the Nonmajor Special Revenue funds. Included in this group are 37 partially budgeted funds: Animal Sterilization Fund, ATSAC Trust Fund, Business Improvement Trust Fund, CASp Certification and Training Fund, CIFD Miscellaneous Grants and Awards Fund, City Attorney Consumer Protection Fund, Climate Equity 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, Equestrian Trails 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, Repair and Demolition Fund, SB 2 Permanent Local Housing Allocation Fund, Short-term Rental 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, 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, 2023
(amounts expressed in thousands)**

	Building and Safety Permit	Citywide Recycling Trust	Proposition C Anti-Gridlock Transit Improvement	Special Parking Revenue
ASSETS				
Cash and Pooled Investments	\$ 371,298	\$ 26,514	\$ 68,632	\$ 51,654
Taxes Receivable	--	--	--	--
Accounts Receivable (Net of Allowance for Uncollectibles of \$5,030)	2,479	6,955	3,100	687
Special Assessments Receivable	526	--	--	--
Investment Income Receivable	1,563	98	281	341
Intergovernmental Receivable	--	--	16,741	--
Leases Receivable	--	--	--	699
Loans Receivable (Net of Allowance for Uncollectibles of \$1,460,978)	--	--	--	--
Due from Other Funds	4,499	991	8,888	--
Inventories	--	--	--	--
Prepaid Items and Other Assets	--	--	--	--
Advances to Other Funds	6	--	--	150
Restricted Assets	--	--	--	--
Properties Held for Housing Development	--	--	--	--
TOTAL ASSETS	\$ 380,371	\$ 34,558	\$ 97,642	\$ 53,531
LIABILITIES				
Accounts, Contracts and Retainage Payable	\$ 3,253	\$ 182	\$ 4,149	\$ 4,636
Obligations Under Securities Lending Transactions	1,524	108	282	212
Accrued Salaries and Overtime Payable	4,044	--	--	--
Intergovernmental Payable	3	--	1	--
Due to Other Funds	1,059	--	275	582
Unearned Revenue	2,965	--	--	--
Deposits and Advances	438	--	--	255
Advances from Other Funds	--	--	--	10,499
Other Liabilities	3,693	264	683	514
Liability for Excess CRA Bond Proceeds	--	--	--	--
TOTAL LIABILITIES	16,979	554	5,390	16,698
DEFERRED INFLOWS OF RESOURCES				
Property Taxes	--	--	--	--
Taxes Other than Property	--	--	--	--
Receivables from Other Government Agencies	--	--	6,443	--
Interest Receivable on Loans and Others	2,463	10	2,998	78
Leases	--	--	--	673
TOTAL DEFERRED INFLOWS OF RESOURCES	2,463	10	9,441	751
FUND BALANCES				
Nonspendable	--	--	--	--
Restricted	--	33,994	82,811	--
Committed	360,929	--	--	36,082
Assigned	--	--	--	--
Unassigned	--	--	--	--
TOTAL FUND BALANCES	360,929	33,994	82,811	36,082
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 380,371	\$ 34,558	\$ 97,642	\$ 53,531

Continued...

CITY OF LOS ANGELES

**Combining Balance Sheet - (Continued)
Nonmajor Special Revenue Funds
June 30, 2023
(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
ASSETS					
Cash and Pooled Investments	\$ 25,300	\$ 21,602	\$ 321,537	\$ 42,489	\$ 226,033
Taxes Receivable	--	--	--	--	--
Accounts Receivable (Net of Allowance for Uncollectibles of \$5,030)	864	3,007	2,336	--	--
Special Assessments Receivable	1,522	2,521	--	--	--
Investment Income Receivable	99	--	1,334	223	1,099
Intergovernmental Receivable	389	--	18,985	--	--
Leases Receivable	--	--	--	--	--
Loans Receivable (Net of Allowance for Uncollectibles of \$1,460,978)	--	--	--	644,930	417,661
Due from Other Funds	1,358	8,402	43	11	--
Inventories	--	1,827	--	--	--
Prepaid Items and Other Assets	--	--	--	--	--
Advances to Other Funds	--	--	--	--	--
Restricted Assets	--	--	--	10,171	--
Properties Held for Housing Development	--	--	--	105,469	80,838
TOTAL ASSETS	\$ 29,532	\$ 37,359	\$ 344,235	\$ 803,293	\$ 725,631
LIABILITIES					
Accounts, Contracts and Retainage Payable	\$ 1,317	\$ 7,876	\$ 24,313	\$ 215	\$ --
Obligations Under Securities Lending Transactions	104	--	1,320	216	927
Accrued Salaries and Overtime Payable	--	--	17	108	--
Intergovernmental Payable	--	--	--	--	--
Due to Other Funds	--	758	133	156	5
Unearned Revenue	--	--	51,124	--	--
Deposits and Advances	--	32	--	849	--
Advances from Other Funds	2,686	8,163	--	--	--
Other Liabilities	252	--	3,198	5,792	2,248
Liability for Excess CRA Bond Proceeds	--	--	--	--	--
TOTAL LIABILITIES	4,359	16,829	80,105	7,336	3,180
DEFERRED INFLOWS OF RESOURCES					
Property Taxes	--	--	--	--	--
Taxes Other than Property	--	--	--	--	--
Receivables from Other Government Agencies	863	2	1,055	--	--
Interest Receivable on Loans and Others	898	8,891	554	216,052	13,149
Leases	--	--	--	--	--
TOTAL DEFERRED INFLOWS OF RESOURCES	1,761	8,893	1,609	216,052	13,149
FUND BALANCES					
Nonspendable	--	1,827	--	--	--
Restricted	23,412	9,810	262,521	579,905	709,302
Committed	--	--	--	--	--
Assigned	--	--	--	--	--
Unassigned	--	--	--	--	--
TOTAL FUND BALANCES	23,412	11,637	262,521	579,905	709,302
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 29,532	\$ 37,359	\$ 344,235	\$ 803,293	\$ 725,631

Continued...

CITY OF LOS ANGELES

Combining Balance Sheet - (Continued)
 Nonmajor Special Revenue Funds
 June 30, 2023
 (amounts expressed in thousands)

	Measure R Local Return	Recreation and Parks	Solid Waste Resources	Special Gas Tax Street Improvement	Covid-19 Federal Relief
ASSETS					
Cash and Pooled Investments	\$ 192,399	\$ 668,015	\$ 93,524	\$ 236,501	\$ 573
Taxes Receivable	--	--	--	--	--
Accounts Receivable (Net of Allowance for Uncollectibles of \$5,030)	6	4	2,593	902	--
Special Assessments Receivable	--	--	--	--	--
Investment Income Receivable	794	2,632	423	1,047	3
Intergovernmental Receivable	23,757	--	--	8,523	--
Leases Receivable	--	2,435	--	--	--
Loans Receivable (Net of Allowance for Uncollectibles of \$1,460,978)	--	--	--	--	--
Due from Other Funds	12,386	864	7,574	18,075	19
Inventories	--	--	--	--	--
Prepaid Items and Other Assets	--	--	--	--	--
Advances to Other Funds	--	--	--	--	--
Restricted Assets	--	--	--	--	--
Properties Held for Housing Development	--	--	--	--	--
TOTAL ASSETS	\$ 229,342	\$ 673,950	\$ 104,114	\$ 265,048	\$ 595
LIABILITIES					
Accounts, Contracts and Retainage Payable	\$ 6,276	\$ 20,827	\$ 26,252	\$ 5,760	\$ --
Obligations Under Securities Lending Transactions	790	2,741	384	971	2
Accrued Salaries and Overtime Payable	--	9,001	--	--	--
Intergovernmental Payable	15	39	--	--	--
Due to Other Funds	2,297	2,103	35	2,256	--
Unearned Revenue	--	225	--	--	--
Deposits and Advances	--	2,284	--	--	--
Advances from Other Funds	--	1,650	25,000	--	--
Other Liabilities	1,914	6,644	930	2,352	6
Liability for Excess CRA Bond Proceeds	--	--	--	--	--
TOTAL LIABILITIES	11,292	45,514	52,601	11,339	8
DEFERRED INFLOWS OF RESOURCES					
Property Taxes	--	--	--	--	--
Taxes Other than Property	--	--	--	--	--
Receivables from Other Government Agencies	430	--	34	902	--
Interest Receivable on Loans and Others	97	324	1,223	126	--
Leases	--	2,305	--	--	--
TOTAL DEFERRED INFLOWS OF RESOURCES	527	2,629	1,257	1,028	--
FUND BALANCES					
Nonspendable	--	--	--	--	--
Restricted	217,523	625,807	5,065	18,155	587
Committed	--	--	45,191	234,526	--
Assigned	--	--	--	--	--
Unassigned	--	--	--	--	--
TOTAL FUND BALANCES	217,523	625,807	50,256	252,681	587
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 229,342	\$ 673,950	\$ 104,114	\$ 265,048	\$ 595

Continued...

CITY OF LOS ANGELES

Combining Balance Sheet - (Continued)
 Nonmajor Special Revenue Funds
 June 30, 2023
 (amounts expressed in thousands)

	Grant Funds				
	Community Development Trust	Section 108 Loan Guarantee Program	Home Investment Partnership Program	Transportation Grants	Workforce Innovation Opportunity Act
ASSETS					
Cash and Pooled Investments	\$ 3,552	\$ 21,348	\$ 63,375	\$ 51,472	\$ 2,463
Taxes Receivable	--	--	--	--	--
Accounts Receivable (Net of Allowance for Uncollectibles of \$5,030)	--	--	--	10,353	--
Special Assessments Receivable	--	--	--	--	--
Investment Income Receivable	10	1	251	251	16
Intergovernmental Receivable	3,361	--	--	17,276	12,029
Leases Receivable	--	--	--	--	--
Loans Receivable (Net of Allowance for Uncollectibles of \$1,460,978)	297,221	39,759	708,658	--	--
Due from Other Funds	116	--	--	138	--
Inventories	--	--	--	--	--
Prepaid Items and Other Assets	2,660	--	5,820	--	252
Advances to Other Funds	--	--	--	--	--
Restricted Assets	--	--	--	--	--
Properties Held for Housing Development	--	--	--	--	--
TOTAL ASSETS	\$ 306,920	\$ 61,108	\$ 778,104	\$ 79,490	\$ 14,760
LIABILITIES					
Accounts, Contracts and Retainage Payable	\$ 6,177	\$ --	\$ 12	\$ 10,567	\$ 8,720
Obligations Under Securities Lending Transactions	15	1	260	211	10
Accrued Salaries and Overtime Payable	261	--	125	--	--
Intergovernmental Payable	265	--	2	--	252
Due to Other Funds	4,598	6	1,781	17,467	3,265
Unearned Revenue	--	--	--	2,869	--
Deposits and Advances	39	364	45	930	--
Advances from Other Funds	7,603	--	--	--	--
Other Liabilities	44	1	630	512	25
Liability for Excess CRA Bond Proceeds	--	--	--	--	--
TOTAL LIABILITIES	19,002	372	2,855	32,556	12,272
DEFERRED INFLOWS OF RESOURCES					
Property Taxes	--	--	--	--	--
Taxes Other than Property	--	--	--	--	--
Receivables from Other Government Agencies	--	--	--	17,284	4,629
Interest Receivable on Loans and Others	107,575	--	212,636	172	2
Leases	--	--	--	--	--
TOTAL DEFERRED INFLOWS OF RESOURCES	107,575	--	212,636	17,456	4,631
FUND BALANCES					
Nonspendable	2,660	--	5,820	--	252
Restricted	177,683	60,736	556,793	29,478	1,075
Committed	--	--	--	--	--
Assigned	--	--	--	--	--
Unassigned	--	--	--	--	(3,470)
TOTAL FUND BALANCES	180,343	60,736	562,613	29,478	(2,143)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 306,920	\$ 61,108	\$ 778,104	\$ 79,490	\$ 14,760

Continued...

CITY OF LOS ANGELES

**Combining Balance Sheet - (Continued)
Nonmajor Special Revenue Funds
June 30, 2023
(amounts expressed in thousands)**

	<u>Grant Funds</u>			<u>Total</u>
	<u>Other Nonmajor Grant Funds</u>	<u>Other Nonmajor Special Revenue Funds</u>	<u>Allocations from Other Governmental Agencies</u>	
ASSETS				
Cash and Pooled Investments	\$ 470,630	\$ 1,491,299	\$ 331,079	\$ 4,781,289
Taxes Receivable	--	2,084	--	2,084
Accounts Receivable (Net of Allowance for Uncollectibles of \$5,030)	1,407	83,624	2,890	121,207
Special Assessments Receivable	--	1,994	--	6,563
Investment Income Receivable	1,823	4,537	1,298	18,124
Intergovernmental Receivable	117,849	14,536	9,484	242,930
Leases Receivable	--	10,468	--	13,602
Loans Receivable (Net of Allowance for Uncollectibles of \$1,460,978)	109,480	174,095	21,646	2,413,450
Due from Other Funds	9,721	31,491	3,239	107,815
Inventories	--	13,385	--	15,212
Prepaid Items and Other Assets	62	70	--	8,864
Advances to Other Funds	--	66,537	39	66,732
Restricted Assets	--	605	--	10,776
Properties Held for Housing Development	1,311	--	--	187,618
TOTAL ASSETS	<u>\$ 712,283</u>	<u>\$ 1,894,725</u>	<u>\$ 369,675</u>	<u>\$ 7,996,266</u>
LIABILITIES				
Accounts, Contracts and Retainage Payable	\$ 46,985	\$ 75,287	\$ 13,317	\$ 266,121
Obligations Under Securities Lending Transactions	1,671	4,499	1,289	17,537
Accrued Salaries and Overtime Payable	270	4,442	196	18,464
Intergovernmental Payable	1,773	1,025	355	3,730
Due to Other Funds	55,675	12,443	4,653	109,547
Unearned Revenue	23,383	2,798	5	83,369
Deposits and Advances	48	227,601	583	233,468
Advances from Other Funds	112,260	14,006	609	182,476
Other Liabilities	4,051	10,906	3,535	48,194
Liability for Excess CRA Bond Proceeds	--	--	35,846	35,846
TOTAL LIABILITIES	<u>246,116</u>	<u>353,007</u>	<u>60,388</u>	<u>998,752</u>
DEFERRED INFLOWS OF RESOURCES				
Property Taxes	--	26	--	26
Taxes Other than Property	--	36	--	36
Receivables from Other Government Agencies	102,010	5,098	--	138,750
Interest Receivable on Loans and Others	24,572	143,668	6,472	741,960
Leases	--	9,919	--	12,897
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>126,582</u>	<u>158,747</u>	<u>6,472</u>	<u>893,669</u>
FUND BALANCES				
Nonspendable	62	13,455	--	24,076
Restricted	379,318	302,145	152,732	4,228,852
Committed	14,568	1,069,490	150,083	1,910,869
Assigned	--	2,844	--	2,844
Unassigned	(54,363)	(4,963)	--	(62,796)
TOTAL FUND BALANCES	<u>339,585</u>	<u>1,382,971</u>	<u>302,815</u>	<u>6,103,845</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 712,283</u>	<u>\$ 1,894,725</u>	<u>\$ 369,675</u>	<u>\$ 7,996,266</u>

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, 2023
(amounts expressed in thousands)**

	Building and Safety Permit	Citywide Recycling Trust	Proposition C Anti-Gridlock Transit Improvement	Special Parking Revenue
REVENUES				
Property Taxes	\$ --	\$ --	\$ --	\$ --
Other Taxes	--	30,350	--	--
Licenses and Permits	43,938	--	--	--
Intergovernmental	--	--	85,836	--
Charges for Services	145,086	--	14,599	61,540
Services to Enterprise Funds	1,364	--	--	--
Fines	--	--	--	--
Special Assessments	--	--	--	--
Investment Earnings	7,881	696	2,241	1,722
Change in Fair Value of Investments	(6,258)	(370)	(1,109)	20
Program Income	--	--	--	--
Other	38	--	4	191
TOTAL REVENUES	192,049	30,676	101,571	63,473
EXPENDITURES				
Current				
General Government	--	--	--	--
Protection of Persons and Property	193,626	--	--	--
Public Works	--	--	--	--
Health and Sanitation	--	41,440	--	--
Transportation	--	--	93,762	41,579
Cultural and Recreational Services	--	--	--	--
Community Development	--	--	--	--
Capital Outlay	6,003	34	4,003	36
Debt Service				
Principal	271	--	50	200
Interest	38	--	--	93
Cost of Issuance	--	--	--	--
TOTAL EXPENDITURES	199,938	41,474	97,815	41,908
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(7,889)	(10,798)	3,756	21,565
OTHER FINANCING SOURCES (USES)				
Transfers In	--	13,139	--	8
Transfers Out	--	--	--	(30,426)
Issuance of Long-Term Debt	--	--	--	--
Premium on Issuance of Long-Term Debt	--	--	--	--
Lease and Subscription Liabilities Issued	2,566	--	145	--
TOTAL OTHER FINANCING SOURCES (USES)	2,566	13,139	145	(30,418)
NET CHANGE IN FUND BALANCES	(5,323)	2,341	3,901	(8,853)
FUND BALANCES, JULY 1	366,252	31,653	78,910	44,935
FUND BALANCES, JUNE 30	\$ 360,929	\$ 33,994	\$ 82,811	\$ 36,082

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, 2023
(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
REVENUES					
Property Taxes	\$ --	\$ --	\$ --	\$ --	\$ --
Other Taxes	--	--	--	--	--
Licenses and Permits	--	780	--	--	--
Intergovernmental	788	3,124	172,839	--	--
Charges for Services	31,336	18,190	2,461	29	--
Services to Enterprise Funds	--	--	--	--	--
Fines	1	--	--	--	--
Special Assessments	--	45,697	--	--	--
Investment Earnings	518	--	7,241	1,283	6,529
Change in Fair Value of Investments	(500)	--	(3,665)	(143)	(5,535)
Program Income	--	--	--	9,317	4,328
Other	1	1,937	38	1,974	10
TOTAL REVENUES	32,144	69,728	178,914	12,460	5,332
EXPENDITURES					
Current					
General Government	--	--	--	--	--
Protection of Persons and Property	--	--	--	--	--
Public Works	--	69,577	--	--	--
Health and Sanitation	25,672	--	--	--	--
Transportation	--	--	165,739	--	--
Cultural and Recreational Services	--	--	--	--	--
Community Development	--	--	--	13,370	103,404
Capital Outlay	3,008	1,195	939	7	--
Debt Service					
Principal	164	45	134	2	--
Interest	18	--	205	--	--
Cost of Issuance	--	--	--	--	1,200
TOTAL EXPENDITURES	28,862	70,817	167,017	13,379	104,604
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	3,282	(1,089)	11,897	(919)	(99,272)
OTHER FINANCING SOURCES (USES)					
Transfers In	--	--	--	--	26,096
Transfers Out	--	--	(3,277)	(1,416)	(30,498)
Issuance of Long-Term Debt	--	--	--	--	389,435
Premium on Issuance of Long-Term Debt	--	--	--	--	5,598
Lease and Subscription Liabilities Issued	--	130	--	7	--
TOTAL OTHER FINANCING SOURCES (USES)	--	130	(3,277)	(1,409)	390,631
NET CHANGE IN FUND BALANCES	3,282	(959)	8,620	(2,328)	291,359
FUND BALANCES, JULY 1	20,130	12,596	253,901	582,233	417,943
FUND BALANCES, JUNE 30	\$ 23,412	\$ 11,637	\$ 262,521	\$ 579,905	\$ 709,302

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, 2023
(amounts expressed in thousands)**

	Measure R Local Return	Recreation and Parks	Solid Waste Resources	Special Gas Tax Street Improvement	Covid-19 Federal Relief
REVENUES					
Property Taxes	\$ --	\$ --	\$ --	\$ --	\$ --
Other Taxes	--	--	--	--	--
Licenses and Permits	--	1,274	--	--	--
Intergovernmental	137,480	500	1,401	193,589	197,219
Charges for Services	--	205,746	289,978	49	--
Services to Enterprise Funds	--	--	7,466	--	--
Fines	--	--	--	--	--
Special Assessments	--	--	--	--	--
Investment Earnings	3,955	13,557	2,396	5,296	180
Change in Fair Value of Investments	(4,048)	(11,172)	(702)	(4,175)	(6)
Program Income	--	--	--	--	--
Other	--	323	5,098	--	--
TOTAL REVENUES	137,387	210,228	305,637	194,759	197,393
EXPENDITURES					
Current					
General Government	--	--	--	--	--
Protection of Persons and Property	--	--	--	--	--
Public Works	--	--	--	124,601	--
Health and Sanitation	--	--	313,527	--	--
Transportation	90,518	--	--	--	--
Cultural and Recreational Services	--	367,243	--	--	--
Community Development	--	--	--	--	603
Capital Outlay	8,622	38,686	1,428	19,921	146
Debt Service					
Principal	61	596	417	--	--
Interest	--	20	56	--	--
Cost of Issuance	--	--	--	--	--
TOTAL EXPENDITURES	99,201	406,545	315,428	144,522	749
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	38,186	(196,317)	(9,791)	50,237	196,644
OTHER FINANCING SOURCES (USES)					
Transfers In	250	275,421	1,582	--	--
Transfers Out	--	(5,650)	(31,853)	--	(197,219)
Issuance of Long-Term Debt	--	--	--	--	--
Premium on Issuance of Long-Term Debt	--	--	--	--	--
Lease and Subscription Liabilities Issued	177	879	862	--	--
TOTAL OTHER FINANCING SOURCES (USES)	427	270,650	(29,409)	--	(197,219)
NET CHANGE IN FUND BALANCES	38,613	74,333	(39,200)	50,237	(575)
FUND BALANCES, JULY 1	178,910	551,474	89,456	202,444	1,162
FUND BALANCES, JUNE 30	\$ 217,523	\$ 625,807	\$ 50,256	\$ 252,681	\$ 587

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, 2023
(amounts expressed in thousands)**

	Grant Funds				
	Community Development Trust	Section 108 Loan Guarantee Program	Home Investment Partnership Program	Transportation Grants	Workforce Innovation Opportunity Act
REVENUES					
Property Taxes	\$ --	\$ --	\$ --	\$ --	\$ --
Other Taxes	--	--	--	--	--
Licenses and Permits	--	--	--	--	--
Intergovernmental	72,751	--	13,381	44,141	40,208
Charges for Services	9	--	--	3,918	--
Services to Enterprise Funds	--	--	--	--	--
Fines	--	--	--	--	--
Special Assessments	--	--	--	--	--
Investment Earnings	67	660	1,397	608	70
Change in Fair Value of Investments	(178)	(2)	(887)	(520)	(4)
Program Income	5,213	571	12,622	--	--
Other	443	--	4	278	96
TOTAL REVENUES	78,305	1,229	26,517	48,425	40,370
EXPENDITURES					
Current					
General Government	--	--	--	--	--
Protection of Persons and Property	--	--	--	--	--
Public Works	--	--	--	--	--
Health and Sanitation	--	--	--	--	--
Transportation	--	--	--	16,788	--
Cultural and Recreational Services	--	--	--	--	--
Community Development	72,454	1	20,406	--	40,087
Capital Outlay	3,517	--	54	31,236	--
Debt Service					
Principal	5	6,866	19	--	--
Interest	--	1,238	--	--	--
Cost of Issuance	--	--	--	--	--
TOTAL EXPENDITURES	75,976	8,105	20,479	48,024	40,087
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	2,329	(6,876)	6,038	401	283
OTHER FINANCING SOURCES (USES)					
Transfers In	1,329	1,369	87	--	--
Transfers Out	(147)	--	--	--	--
Issuance of Long-Term Debt	--	--	--	--	--
Premium on Issuance of Long-Term Debt	--	--	--	--	--
Lease and Subscription Liabilities Issued	14	--	54	--	--
TOTAL OTHER FINANCING SOURCES (USES)	1,196	1,369	141	--	--
NET CHANGE IN FUND BALANCES	3,525	(5,507)	6,179	401	283
FUND BALANCES, JULY 1	176,818	66,243	556,434	29,077	(2,426)
FUND BALANCES, JUNE 30	\$ 180,343	\$ 60,736	\$ 562,613	\$ 29,478	\$ (2,143)

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, 2023
(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>
REVENUES				
Property Taxes	\$ --	\$ 31,314	\$ --	\$ 31,314
Other Taxes	--	51,041	--	81,391
Licenses and Permits	3	7,179	5,052	58,226
Intergovernmental	556,443	191,764	154,628	1,866,092
Charges for Services	4,409	286,541	35,876	1,099,767
Services to Enterprise Funds	--	2,838	--	11,668
Fines	--	7,899	6,153	14,053
Special Assessments	--	94,227	4,810	144,734
Investment Earnings	7,609	23,118	6,675	93,699
Change in Fair Value of Investments	(10,276)	(17,604)	(7,535)	(74,669)
Program Income	454	1,112	111	33,728
Other	15,755	55,032	11,772	92,994
TOTAL REVENUES	<u>574,397</u>	<u>734,461</u>	<u>217,542</u>	<u>3,452,997</u>
EXPENDITURES				
Current				
General Government	91,381	51,593	767	143,741
Protection of Persons and Property	81,775	147,131	17,058	439,590
Public Works	2,405	90,357	86	287,026
Health and Sanitation	12,927	33,563	847	427,976
Transportation	4,571	12,894	6,224	432,075
Cultural and Recreational Services	10,579	271,902	--	649,724
Community Development	157,397	301,712	93,129	802,563
Capital Outlay	33,141	43,950	3,570	199,496
Debt Service				
Principal	76	784	--	9,690
Interest	--	103	--	1,771
Cost of Issuance	--	--	--	1,200
TOTAL EXPENDITURES	<u>394,252</u>	<u>953,989</u>	<u>121,681</u>	<u>3,394,852</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>180,145</u>	<u>(219,528)</u>	<u>95,861</u>	<u>58,145</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	8,680	385,712	7,659	721,332
Transfers Out	(13,220)	(35,557)	(300)	(349,563)
Issuance of Long-Term Debt	--	--	--	389,435
Premium on Issuance of Long-Term Debt	--	--	--	5,598
Lease and Subscription Liabilities Issued	15	737	--	5,586
TOTAL OTHER FINANCING SOURCES (USES)	<u>(4,525)</u>	<u>350,892</u>	<u>7,359</u>	<u>772,388</u>
NET CHANGE IN FUND BALANCES	175,620	131,364	103,220	830,533
FUND BALANCES, JULY 1	163,965	1,251,607	199,595	5,273,312
FUND BALANCES, JUNE 30	<u>\$ 339,585</u>	<u>\$ 1,382,971</u>	<u>\$ 302,815</u>	<u>\$ 6,103,845</u>

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, 2023
(amounts expressed in thousands)

	Building and Safety Permit			
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts (Budgetary Basis)	Final Budget Positive (Negative)
REVENUES AND OTHER FINANCING SOURCES				
Revenues				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses, Permits and Fines	57,030	57,030	43,842	(13,188)
Intergovernmental	--	--	--	--
Charges for Services	157,839	157,839	145,074	(12,765)
Services to Enterprise Funds	2,696	2,696	1,364	(1,332)
Special Assessments	--	--	--	--
Interest	4,497	4,497	7,186	2,689
Program Income	--	--	--	--
Other	--	--	--	--
Total Revenues	<u>222,062</u>	<u>222,062</u>	<u>197,466</u>	<u>(24,596)</u>
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>222,062</u>	<u>222,062</u>	<u>197,466</u>	<u>(24,596)</u>
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	912,987	913,273	81,359	831,914
Public Works	--	--	--	--
Health and Sanitation	--	--	--	--
Transportation	--	--	--	--
Cultural and Recreational Services	--	--	--	--
Community Development	--	--	--	--
Capital Outlay	5,380	5,380	4,655	725
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	<u>918,367</u>	<u>918,653</u>	<u>86,014</u>	<u>832,639</u>
Other Financing Uses				
Transfers to Other Funds	174,822	175,027	115,789	59,238
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>1,093,189</u>	<u>1,093,680</u>	<u>201,803</u>	<u>891,877</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(871,127)	(871,618)	(4,337)	867,281
FUND BALANCES (DEFICIT), JULY 1	310,380	310,380	366,841	56,461
Appropriation of Fund Balances and Carryforward Appropriations	560,747	560,747	--	(560,747)
Encumbrances Lapsed	--	491	491	--
FUND BALANCES (DEFICIT), JUNE 30	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 362,995</u>	<u>\$ 362,995</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, 2023
(amounts expressed in thousands)

	Citywide Recycling Trust			
	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts (Budgetary Basis)	with Final Budget Positive (Negative)
REVENUES AND OTHER FINANCING SOURCES				
Revenues				
Taxes	\$ 29,000	\$ 29,000	\$ 29,132	\$ 132
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	--	--	--	--
Charges for Services	--	--	--	--
Services to Enterprise Funds	--	--	--	--
Special Assessments	--	--	--	--
Interest	200	200	655	455
Program Income	--	--	--	--
Other	650	650	300	(350)
Total Revenues	29,850	29,850	30,087	237
Other Financing Sources				
Transfers from Other Funds	12,839	12,839	12,839	--
TOTAL REVENUES AND OTHER FINANCING SOURCES	42,689	42,689	42,926	237
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	--	--	--	--
Public Works	--	--	--	--
Health and Sanitation	76,609	77,303	25,964	51,339
Transportation	--	--	--	--
Cultural and Recreational Services	--	--	--	--
Community Development	--	--	--	--
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	76,609	77,303	25,964	51,339
Other Financing Uses				
Transfers to Other Funds	30,499	30,399	16,189	14,210
TOTAL EXPENDITURES AND OTHER FINANCING USES	107,108	107,702	42,153	65,549
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(64,419)	(65,013)	773	65,786
FUND BALANCES (DEFICIT), JULY 1	16,049	16,049	24,608	8,559
Appropriation of Fund Balances and Carryforward Appropriations	48,370	48,671	--	(48,671)
Encumbrances Lapsed	--	293	293	--
FUND BALANCES (DEFICIT), JUNE 30	\$ --	\$ --	\$ 25,674	\$ 25,674

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, 2023
(amounts expressed in thousands)

	Proposition C Anti-Gridlock Transit Improvement			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final	Basis)	(Negative)
REVENUES AND OTHER FINANCING SOURCES				
Revenues				
Taxes	\$ --	\$ --	\$ --	--
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	79,395	79,395	85,714	6,319
Charges for Services	13,976	13,976	13,786	(190)
Services to Enterprise Funds	--	--	--	--
Special Assessments	--	--	--	--
Interest	1,124	1,124	2,102	978
Program Income	--	--	--	--
Other	--	--	--	--
Total Revenues	94,495	94,495	101,602	7,107
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
TOTAL REVENUES AND OTHER FINANCING SOURCES	94,495	94,495	101,602	7,107
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	--	--	--	--
Public Works	--	--	--	--
Health and Sanitation	--	--	--	--
Transportation	66,757	66,757	32,463	34,294
Cultural and Recreational Services	--	--	--	--
Community Development	--	--	--	--
Capital Outlay	65	65	51	14
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	66,822	66,822	32,514	34,308
Other Financing Uses				
Transfers to Other Funds	88,768	88,655	61,921	26,734
TOTAL EXPENDITURES AND OTHER FINANCING USES	155,590	155,477	94,435	61,042
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(61,095)	(60,982)	7,167	68,149
FUND BALANCES (DEFICIT), JULY 1	13,583	13,583	62,295	62,295
Appropriation of Fund Balances and Carryforward Appropriations	47,512	47,399	--	(47,399)
FUND BALANCES (DEFICIT), JUNE 30	\$ --	\$ --	\$ 69,462	\$ 69,462

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, 2023
(amounts expressed in thousands)**

	Special Parking Revenue			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES AND OTHER FINANCING SOURCES				
Revenues				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	--	--	--	--
Charges for Services	63,333	63,333	61,214	(2,119)
Services to Enterprise Funds	--	--	--	--
Special Assessments	--	--	--	--
Interest	528	528	1,602	1,074
Program Income	--	--	--	--
Other	245	245	185	(60)
Total Revenues	<u>64,106</u>	<u>64,106</u>	<u>63,001</u>	<u>(1,105)</u>
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>64,106</u>	<u>64,106</u>	<u>63,001</u>	<u>(1,105)</u>
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	--	--	--	--
Public Works	--	--	--	--
Health and Sanitation	--	--	--	--
Transportation	112,587	73,625	43,765	29,860
Cultural and Recreational Services	--	--	--	--
Community Development	--	--	--	--
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	<u>112,587</u>	<u>73,625</u>	<u>43,765</u>	<u>29,860</u>
Other Financing Uses				
Transfers to Other Funds	42,121	39,968	37,229	2,739
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>154,708</u>	<u>113,593</u>	<u>80,994</u>	<u>32,599</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(90,602)	(49,487)	(17,993)	31,494
FUND BALANCES (DEFICIT), JULY 1	26,337	26,337	49,099	22,762
Appropriation of Fund Balances and Carryforward Appropriations	64,265	16,773	--	(16,773)
Encumbrances Lapsed	--	6,377	6,377	--
FUND BALANCES (DEFICIT), JUNE 30	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 37,483</u>	<u>\$ 37,483</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, 2023
(amounts expressed in thousands)

	Stormwater Pollution Abatement			
	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts (Budgetary Basis)	with Final Budget Positive (Negative)
REVENUES AND OTHER FINANCING SOURCES				
Revenues				
Taxes	\$ --	\$ --	\$ --	--
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	129	129	680	551
Charges for Services	30,350	30,350	32,157	1,807
Services to Enterprise Funds	--	--	--	--
Special Assessments	--	--	--	--
Interest	200	200	477	277
Program Income	--	--	--	--
Other	--	--	--	--
Total Revenues	<u>30,679</u>	<u>30,679</u>	<u>33,314</u>	<u>2,635</u>
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>30,679</u>	<u>30,679</u>	<u>33,314</u>	<u>2,635</u>
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	--	--	--	--
Public Works	--	--	--	--
Health and Sanitation	15,054	18,637	3,639	14,998
Transportation	--	--	--	--
Cultural and Recreational Services	--	--	--	--
Community Development	--	--	--	--
Capital Outlay	3,470	3,470	2,858	612
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	<u>18,524</u>	<u>22,107</u>	<u>6,497</u>	<u>15,610</u>
Other Financing Uses				
Transfers to Other Funds	29,990	28,590	21,908	6,682
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>48,514</u>	<u>50,697</u>	<u>28,405</u>	<u>22,292</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(17,835)	(20,018)	4,909	24,927
FUND BALANCES (DEFICIT), JULY 1	3,511	3,511	14,069	10,558
Appropriation of Fund Balances and Carryforward Appropriations	14,324	16,341	--	(16,341)
Encumbrances Lapsed	--	166	166	--
FUND BALANCES (DEFICIT), JUNE 30	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 19,144</u>	<u>\$ 19,144</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, 2023
(amounts expressed in thousands)

	Street Lighting Maintenance Assessment			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES AND OTHER FINANCING SOURCES				
Revenues				
Taxes	\$ --	\$ --	\$ --	--
Licenses, Permits and Fines	1,144	1,144	780	(364)
Intergovernmental	2,198	2,198	3,125	927
Charges for Services	22,080	22,080	18,115	(3,965)
Services to Enterprise Funds	--	--	--	--
Special Assessments	48,676	48,676	46,632	(2,044)
Interest	--	--	--	--
Program Income	--	--	--	--
Other	2,715	2,715	1,735	(980)
Total Revenues	<u>76,813</u>	<u>76,813</u>	<u>70,387</u>	<u>(6,426)</u>
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>76,813</u>	<u>76,813</u>	<u>70,387</u>	<u>(6,426)</u>
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	--	--	--	--
Public Works	73,350	65,311	26,195	39,116
Health and Sanitation	--	--	--	--
Transportation	--	--	--	--
Cultural and Recreational Services	--	--	--	--
Community Development	--	--	--	--
Capital Outlay	2,796	2,796	1,438	1,358
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	<u>76,146</u>	<u>68,107</u>	<u>27,633</u>	<u>40,474</u>
Other Financing Uses				
Transfers to Other Funds	48,755	48,631	40,475	8,156
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>124,901</u>	<u>116,738</u>	<u>68,108</u>	<u>48,630</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(48,088)	(39,925)	2,279	42,204
FUND BALANCES (DEFICIT), JULY 1	5,114	5,114	8,549	3,435
Appropriation of Fund Balances and Carryforward Appropriations	42,974	34,807	--	(34,807)
Encumbrances Lapsed	--	4	4	--
FUND BALANCES (DEFICIT), JUNE 30	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 10,832</u>	<u>\$ 10,832</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, 2023
(amounts expressed in thousands)

	Proposition A Local Transit Assistance			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES AND OTHER FINANCING SOURCES				
Revenues				
Taxes	\$ --	\$ --	\$ --	--
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	164,185	164,185	172,325	8,140
Charges for Services	929	929	2,490	1,561
Services to Enterprise Funds	--	--	--	--
Special Assessments	--	--	--	--
Interest	3,296	3,296	6,755	3,459
Program Income	--	--	--	--
Other	--	--	--	--
Total Revenues	168,410	168,410	181,570	13,160
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
TOTAL REVENUES AND OTHER FINANCING SOURCES	168,410	168,410	181,570	13,160
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	--	--	--	--
Public Works	--	--	--	--
Health and Sanitation	--	--	--	--
Transportation	801,369	624,211	226,599	397,612
Cultural and Recreational Services	--	--	--	--
Community Development	--	--	--	--
Capital Outlay	1,983	1,983	1,473	510
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	803,352	626,194	228,072	398,122
Other Financing Uses				
Transfers to Other Funds	13,411	10,655	7,676	2,979
TOTAL EXPENDITURES AND OTHER FINANCING USES	816,763	636,849	235,748	401,101
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(648,353)	(468,439)	(54,178)	414,261
FUND BALANCES (DEFICIT), JULY 1	129,280	129,280	176,763	47,483
Appropriation of Fund Balances and Carryforward Appropriations	519,073	337,591	--	(337,591)
Encumbrances Lapsed	--	1,568	1,568	--
FUND BALANCES (DEFICIT), JUNE 30	\$ --	\$ --	\$ 124,153	\$ 124,153

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, 2023
(amounts expressed in thousands)

	Measure R Local Return			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final	Basis)	(Negative)
REVENUES AND OTHER FINANCING SOURCES				
Revenues				
Taxes	\$ --	\$ --	\$ --	--
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	127,004	127,004	138,072	11,068
Charges for Services	--	--	--	--
Services to Enterprise Funds	--	--	--	--
Special Assessments	--	--	--	--
Interest	1,275	1,275	3,599	2,324
Program Income	--	--	--	--
Other	--	--	--	--
Total Revenues	128,279	128,279	141,671	13,392
Other Financing Sources				
Transfers from Other Funds	--	250	250	--
TOTAL REVENUES AND OTHER FINANCING SOURCES	128,279	128,529	141,921	13,392
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	--	--	--	--
Public Works	--	--	--	--
Health and Sanitation	--	--	--	--
Transportation	194,705	199,215	44,879	154,336
Cultural and Recreational Services	--	--	--	--
Community Development	--	--	--	--
Capital Outlay	7,119	7,158	5,251	1,907
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	201,824	206,373	50,130	156,243
Other Financing Uses				
Transfers to Other Funds	75,058	68,901	50,348	18,553
TOTAL EXPENDITURES AND OTHER FINANCING USES	276,882	275,274	100,478	174,796
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(148,603)	(146,745)	41,443	188,188
FUND BALANCES (DEFICIT), JULY 1	25,819	25,819	142,496	116,677
Appropriation of Fund Balances and Carryforward Appropriations	122,784	120,209	--	(120,209)
Encumbrances Lapsed	--	717	717	--
FUND BALANCES (DEFICIT), JUNE 30	\$ --	\$ --	\$ 184,656	\$ 184,656

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, 2023
(amounts expressed in thousands)

	Solid Waste Resources			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final	Basis)	(Negative)
REVENUES AND OTHER FINANCING SOURCES				
Revenues				
Taxes	\$ --	\$ --	\$ --	--
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	6,750	6,750	6,562	(188)
Charges for Services	299,377	299,377	289,522	(9,855)
Services to Enterprise Funds	4,000	4,000	6,172	2,172
Special Assessments	--	--	--	--
Interest	500	500	1,980	1,480
Program Income	--	--	--	--
Other	--	--	--	--
Total Revenues	310,627	310,627	304,236	(6,391)
Other Financing Sources				
Transfers from Other Funds	--	--	1,582	1,582
TOTAL REVENUES AND OTHER FINANCING SOURCES	310,627	310,627	305,818	(4,809)
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	--	--	--	--
Public Works	--	--	--	--
Health and Sanitation	193,302	230,382	189,172	41,210
Transportation	--	--	--	--
Cultural and Recreational Services	--	--	--	--
Community Development	--	--	--	--
Capital Outlay	--	--	--	--
Debt Service				
Principal	18,560	24,093	24,093	--
Interest	5,599	7,162	7,162	--
Total Expenditures	217,461	261,637	220,427	41,210
Other Financing Uses				
Transfers to Other Funds	185,382	191,076	174,949	16,127
TOTAL EXPENDITURES AND OTHER FINANCING USES	402,843	452,713	395,376	57,337
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(92,216)	(142,086)	(89,558)	52,528
FUND BALANCES (DEFICIT), JULY 1	31,112	31,112	29,449	(1,663)
Appropriation of Fund Balances and Carryforward Appropriations	61,104	93,460	--	(93,460)
Encumbrances Lapsed	--	17,514	17,514	--
FUND BALANCES (DEFICIT), JUNE 30	\$ --	\$ --	\$ (42,595)	\$ (42,595)

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, 2023
(amounts expressed in thousands)

	Special Gas Tax Street Improvement			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES AND OTHER FINANCING SOURCES				
Revenues				
Taxes	\$ --	\$ --	\$ --	--
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	205,058	205,058	192,262	(12,796)
Charges for Services	48	48	48	--
Services to Enterprise Funds	--	--	--	--
Special Assessments	--	--	--	--
Interest	1,650	1,650	4,842	3,192
Program Income	--	--	--	--
Other	--	--	--	--
Total Revenues	<u>206,756</u>	<u>206,756</u>	<u>197,152</u>	<u>(9,604)</u>
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>206,756</u>	<u>206,756</u>	<u>197,152</u>	<u>(9,604)</u>
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	--	--	--	--
Public Works	214,022	263,811	58,410	205,401
Health and Sanitation	--	--	--	--
Transportation	--	--	--	--
Cultural and Recreational Services	--	--	--	--
Community Development	--	--	--	--
Capital Outlay	21,476	32,857	19,705	13,152
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	<u>235,498</u>	<u>296,668</u>	<u>78,115</u>	<u>218,553</u>
Other Financing Uses				
Transfers to Other Funds	93,890	105,686	94,703	10,983
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>329,388</u>	<u>402,354</u>	<u>172,818</u>	<u>229,536</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(122,632)	(195,598)	24,334	219,932
FUND BALANCE (DEFICIT), JULY 1	8,693	8,693	188,072	179,379
Appropriation of Fund Balances and Carryforward Appropriations	113,939	186,164	--	(186,164)
Encumbrances Lapsed	--	741	741	--
FUND BALANCES (DEFICIT), JUNE 30	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 213,147</u>	<u>\$ 213,147</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, 2023
(amounts expressed in thousands)

	Community Development Trust			
	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts (Budgetary Basis)	with Final Budget Positive (Negative)
REVENUES AND OTHER FINANCING SOURCES				
Revenues				
Taxes	\$ --	\$ --	\$ --	--
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	19,528	73,483	74,954	1,471
Charges for Services	--	--	9	9
Services to Enterprise Funds	--	--	--	--
Special Assessments	--	--	--	--
Interest	--	--	64	64
Program Income	--	--	11,036	11,036
Other	--	--	443	443
Total Revenues	19,528	73,483	86,506	13,023
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
TOTAL REVENUES AND OTHER FINANCING SOURCES	19,528	73,483	86,506	13,023
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	--	--	--	--
Public Works	--	--	--	--
Health and Sanitation	--	--	--	--
Transportation	--	--	--	--
Cultural and Recreational Services	--	--	--	--
Community Development	127,437	164,708	67,301	97,407
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	127,437	164,708	67,301	97,407
Other Financing Uses				
Transfers to Other Funds	30,185	35,763	17,414	18,349
TOTAL EXPENDITURES AND OTHER FINANCING USES	157,622	200,471	84,715	115,756
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(138,094)	(126,988)	1,791	128,779
FUND BALANCES (DEFICIT), JULY 1	--	--	(39,626)	(39,626)
Appropriation of Fund Balances and Carryforward Appropriations	138,094	122,632	--	(122,632)
Encumbrances Lapsed	--	4,356	4,356	--
FUND BALANCES (DEFICIT), JUNE 30	\$ --	\$ --	\$ (33,479)	\$ (33,479)

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, 2023
(amounts expressed in thousands)

	Home Investment Partnership Program			
	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts (Budgetary Basis)	with Final Budget Positive (Negative)
REVENUES AND OTHER FINANCING SOURCES				
Revenues				
Taxes	\$ --	\$ --	\$ --	--
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	6,666	6,666	13,381	6,715
Charges for Services	--	--	--	--
Services to Enterprise Funds	--	--	--	--
Special Assessments	--	--	--	--
Interest	--	--	1,305	1,305
Program Income	--	--	17,754	17,754
Other	--	--	3	3
Total Revenues	6,666	6,666	32,443	25,777
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
TOTAL REVENUES AND OTHER FINANCING SOURCES	6,666	6,666	32,443	25,777
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	--	--	--	--
Public Works	--	--	--	--
Health and Sanitation	--	--	--	--
Transportation	--	--	--	--
Cultural and Recreational Services	--	--	--	--
Community Development	107,142	166,328	17,717	148,611
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	107,142	166,328	17,717	148,611
Other Financing Uses				
Transfers to Other Funds	8,392	9,487	4,020	5,467
TOTAL EXPENDITURES AND OTHER FINANCING USES	115,534	175,815	21,737	154,078
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(108,868)	(169,149)	10,706	179,855
FUND BALANCES (DEFICIT), JULY 1	--	--	45,856	45,856
Appropriation of Fund Balances and Carryforward Appropriations	108,868	169,079	--	(169,079)
Encumbrances Lapsed	--	70	70	--
FUND BALANCES (DEFICIT), JUNE 30	\$ --	\$ --	\$ 56,632	\$ 56,632

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, 2023
(amounts expressed in thousands)

	Workforce Innovation Opportunity Act			
	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts (Budgetary Basis)	with Final Budget Positive (Negative)
REVENUES AND OTHER FINANCING SOURCES				
Revenues				
Taxes	\$ --	\$ --	\$ --	--
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	18,699	18,699	--	(18,699)
Charges for Services	--	--	--	--
Services to Enterprise Funds	--	--	--	--
Special Assessments	--	--	--	--
Interest	--	--	28	28
Program Income	--	--	--	--
Other	--	--	--	--
Total Revenues	18,699	18,699	28	(18,671)
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
TOTAL REVENUES AND OTHER FINANCING SOURCES	18,699	18,699	28	(18,671)
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	--	--	--	--
Public Works	--	--	--	--
Health and Sanitation	--	--	--	--
Transportation	--	--	--	--
Cultural and Recreational Services	--	--	--	--
Community Development	81,513	81,513	--	81,513
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	81,513	81,513	--	81,513
Other Financing Uses				
Transfers to Other Funds	29,174	29,174	--	29,174
TOTAL EXPENDITURES AND OTHER FINANCING USES	110,687	110,687	--	110,687
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(91,988)	(91,988)	28	92,016
FUND BALANCES (DEFICIT), JULY 1	--	--	(7,123)	(7,123)
Appropriation of Fund Balances and Carryforward Appropriations	91,988	91,988	--	(91,988)
FUND BALANCES (DEFICIT), JUNE 30	\$ --	\$ --	\$ (7,095)	\$ (7,095)

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, 2023
(amounts expressed in thousands)

	Other Nonmajor Grant Fund - Disaster Assistance			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES AND OTHER FINANCING SOURCES				
Revenues				
Taxes	\$ --	\$ --	\$ --	--
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	111,716	111,716	96,933	(14,783)
Charges for Services	--	--	--	--
Services to Enterprise Funds	--	--	--	--
Special Assessments	--	--	--	--
Interest	570	570	960	390
Program Income	--	--	--	--
Other	--	--	--	--
Total Revenues	112,286	112,286	97,893	(14,393)
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
TOTAL REVENUES AND OTHER FINANCING SOURCES	112,286	112,286	97,893	(14,393)
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	230,304	230,304	96,300	134,004
Public Works	--	--	--	--
Health and Sanitation	--	--	--	--
Transportation	--	--	--	--
Cultural and Recreational Services	--	--	--	--
Community Development	--	--	--	--
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	230,304	230,304	96,300	134,004
Other Financing Uses				
Transfers to Other Funds	477	477	244	233
TOTAL EXPENDITURES AND OTHER FINANCING USES	230,781	230,781	96,544	134,237
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(118,495)	(118,495)	1,349	119,844
FUND BALANCES (DEFICIT), JULY 1	27,722	27,722	27,488	(234)
Appropriation of Fund Balances and Carryforward Appropriations	90,773	90,773	--	(90,773)
FUND BALANCES (DEFICIT), JUNE 30	\$ --	\$ --	\$ 28,837	\$ 28,837

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, 2023
(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		
REVENUES AND OTHER FINANCING SOURCES				
Revenues				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	2,321	2,321	9,462	7,141
Charges for Services	--	--	--	--
Services to Enterprise Funds	--	--	--	--
Special Assessments	--	--	--	--
Interest	--	--	--	--
Program Income	--	--	--	--
Other	--	--	--	--
Total Revenues	2,321	2,321	9,462	7,141
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
TOTAL REVENUES AND OTHER FINANCING SOURCES	2,321	2,321	9,462	7,141
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	--	--	--	--
Public Works	--	--	--	--
Health and Sanitation	--	--	--	--
Transportation	--	--	--	--
Cultural and Recreational Services	--	--	--	--
Community Development	1,428	10,381	5,652	4,729
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	1,428	10,381	5,652	4,729
Other Financing Uses				
Transfers to Other Funds	2,186	1,784	1,661	123
TOTAL EXPENDITURES AND OTHER FINANCING USES	3,614	12,165	7,313	4,852
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(1,293)	(9,844)	2,149	11,993
FUND BALANCES (DEFICIT), JULY 1	--	--	(1,320)	(1,320)
Appropriation of Fund Balances and Carryforward Appropriations	1,293	9,399	--	(9,399)
Encumbrances Lapsed	--	445	445	--
FUND BALANCES (DEFICIT), JUNE 30	\$ --	\$ --	\$ 1,274	\$ 1,274

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, 2023
(amounts expressed in thousands)

	Other Nonmajor Grant Fund - Forfeited Assets Trust of Police Department			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES AND OTHER FINANCING SOURCES				
Revenues				
Taxes	\$ --	\$ --	\$ --	--
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	--	--	4,471	4,471
Charges for Services	--	--	--	--
Services to Enterprise Funds	--	--	--	--
Special Assessments	--	--	--	--
Interest	--	--	320	320
Program Income	--	--	--	--
Other	--	--	--	--
Total Revenues	--	--	4,791	4,791
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
TOTAL REVENUES AND OTHER FINANCING SOURCES	--	--	4,791	4,791
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	9,864	9,648	697	8,951
Public Works	--	--	--	--
Health and Sanitation	--	--	--	--
Transportation	--	--	--	--
Cultural and Recreational Services	--	--	--	--
Community Development	--	--	--	--
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	9,864	9,648	697	8,951
Other Financing Uses				
Transfers to Other Funds	1,772	1,931	265	1,666
TOTAL EXPENDITURES AND OTHER FINANCING USES	11,636	11,579	962	10,617
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(11,636)	(11,579)	3,829	15,408
FUND BALANCES (DEFICIT), JULY 1	3,416	3,416	12,382	8,966
Appropriation of Fund Balances and Carryforward Appropriations	8,220	8,070	--	(8,070)
Encumbrances Lapsed	--	93	93	--
FUND BALANCES (DEFICIT), JUNE 30	\$ --	\$ --	\$ 16,304	\$ 16,304

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, 2023
(amounts expressed in thousands)

	Other Nonmajor Grant Fund - Household Hazardous Waste			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES AND OTHER FINANCING SOURCES				
Revenues				
Taxes	\$ --	\$ --	\$ --	--
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	3,450	3,450	3,765	315
Charges for Services	--	--	--	--
Services to Enterprise Funds	--	--	--	--
Special Assessments	--	--	--	--
Interest	30	30	112	82
Program Income	--	--	--	--
Other	--	--	--	--
Total Revenues	<u>3,480</u>	<u>3,480</u>	<u>3,877</u>	<u>397</u>
Other Financing Sources				
Transfers from Other Funds	253	253	253	--
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>3,733</u>	<u>3,733</u>	<u>4,130</u>	<u>397</u>
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	--	--	--	--
Public Works	--	--	--	--
Health and Sanitation	21,306	21,843	2,202	19,641
Transportation	--	--	--	--
Cultural and Recreational Services	--	--	--	--
Community Development	--	--	--	--
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	<u>21,306</u>	<u>21,843</u>	<u>2,202</u>	<u>19,641</u>
Other Financing Uses				
Transfers to Other Funds	3,368	3,412	2,780	632
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>24,674</u>	<u>25,255</u>	<u>4,982</u>	<u>20,273</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(20,941)	(21,522)	(852)	20,670
FUND BALANCES (DEFICIT), JULY 1	2,629	2,629	4,274	1,645
Appropriation of Fund Balances and Carryforward Appropriations	18,312	18,312	--	(18,312)
Encumbrances Lapsed	--	581	581	--
FUND BALANCES (DEFICIT), JUNE 30	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 4,003</u>	<u>\$ 4,003</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, 2023
(amounts expressed in thousands)

	Other Nonmajor Grant Fund - Housing Opportunities for Persons with AIDS			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES AND OTHER FINANCING SOURCES				
Revenues				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	806	24,615	25,419	804
Charges for Services	--	--	--	--
Services to Enterprise Funds	--	--	--	--
Special Assessments	--	--	--	--
Interest	--	--	9	9
Program Income	--	--	227	227
Other	--	--	--	--
Total Revenues	806	24,615	25,655	1,040
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
TOTAL REVENUES AND OTHER FINANCING SOURCES	806	24,615	25,655	1,040
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	--	--	--	--
Public Works	--	--	--	--
Health and Sanitation	--	--	--	--
Transportation	--	--	--	--
Cultural and Recreational Services	--	--	--	--
Community Development	12,189	34,534	25,276	9,258
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	12,189	34,534	25,276	9,258
Other Financing Uses				
Transfers to Other Funds	590	605	465	140
TOTAL EXPENDITURES AND OTHER FINANCING USES	12,779	35,139	25,741	9,398
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(11,973)	(10,524)	(86)	10,438
FUND BALANCES (DEFICIT), JULY 1	--	--	(13,587)	(13,587)
Appropriation of Fund Balances and Carryforward Appropriations	11,973	9,176	--	(9,176)
Encumbrances Lapsed	--	1,348	1,348	--
FUND BALANCES (DEFICIT), JUNE 30	\$ --	\$ --	\$ (12,325)	\$ (12,325)

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, 2023
(amounts expressed in thousands)

	Other Nonmajor Grant Fund - Mobile Source Air Pollution Reduction			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES AND OTHER FINANCING SOURCES				
Revenues				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	5,200	5,200	5,291	91
Charges for Services	--	--	--	--
Services to Enterprise Funds	--	--	--	--
Special Assessments	--	--	--	--
Interest	45	45	128	83
Program Income	--	--	--	--
Other	--	--	--	--
Total Revenues	5,245	5,245	5,419	174
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
TOTAL REVENUES AND OTHER FINANCING SOURCES	5,245	5,245	5,419	174
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	--	--	--	--
Public Works	--	--	--	--
Health and Sanitation	8,489	6,045	3,021	3,024
Transportation	--	--	--	--
Community Development	--	--	--	--
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	8,489	6,045	3,021	3,024
Other Financing Uses				
Transfers to Other Funds	3,632	3,928	2,994	934
TOTAL EXPENDITURES AND OTHER FINANCING USES	12,121	9,973	6,015	3,958
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(6,876)	(4,728)	(596)	4,132
FUND BALANCES (DEFICIT), JULY 1	2,510	2,510	4,426	1,916
Appropriation of Fund Balances and Carryforward Appropriations	4,366	1,983	--	(1,983)
Encumbrances Lapsed	--	235	235	--
FUND BALANCES (DEFICIT), JUNE 30	\$ --	\$ --	\$ 4,065	\$ 4,065

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, 2023
(amounts expressed in thousands)

	Other Nonmajor Grant Fund - Older Americans Act			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES AND OTHER FINANCING SOURCES				
Revenues				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	2,833	29,323	22,231	(7,092)
Charges for Services	--	--	--	--
Services to Enterprise Funds	--	--	--	--
Special Assessments	--	--	--	--
Interest	--	--	--	--
Program Income	--	--	--	--
Other	--	--	23	23
Total Revenues	2,833	29,323	22,254	(7,069)
Other Financing Sources				
Transfers from Other Funds	--	468	468	--
TOTAL REVENUES AND OTHER FINANCING SOURCES	2,833	29,791	22,722	(7,069)
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	--	--	--	--
Public Works	--	--	--	--
Health and Sanitation	--	--	--	--
Transportation	--	--	--	--
Cultural and Recreational Services	--	--	--	--
Community Development	26,155	59,004	42,079	16,925
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	26,155	59,004	42,079	16,925
Other Financing Uses				
Transfers to Other Funds	13,971	13,906	2,617	11,289
TOTAL EXPENDITURES AND OTHER FINANCING USES	40,126	72,910	44,696	28,214
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(37,293)	(43,119)	(21,974)	21,145
FUND BALANCES (DEFICIT), JULY 1	--	--	315	315
Appropriation of Fund Balances and Carryforward Appropriations	37,293	43,069	--	(43,069)
Encumbrances Lapsed	--	50	50	--
FUND BALANCES (DEFICIT), JUNE 30	\$ --	\$ --	\$ (21,609)	\$ (21,609)

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, 2023
(amounts expressed in thousands)

	Other Nonmajor Grant Fund - Supplemental Law Enforcement Services			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES AND OTHER FINANCING SOURCES				
Revenues				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	8,981	8,981	9,822	841
Charges for Services	--	--	--	--
Services to Enterprise Funds	--	--	--	--
Special Assessments	--	--	--	--
Interest	147	147	339	192
Program Income	--	--	--	--
Other	--	--	--	--
Total Revenues	9,128	9,128	10,161	1,033
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
TOTAL REVENUES AND OTHER FINANCING SOURCES	9,128	9,128	10,161	1,033
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	7,094	7,094	--	7,094
Public Works	--	--	--	--
Health and Sanitation	--	--	--	--
Transportation	--	--	--	--
Cultural and Recreational Services	--	--	--	--
Community Development	--	--	--	--
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	7,094	7,094	--	7,094
Other Financing Uses				
Transfers to Other Funds	17,989	17,989	8,015	9,974
TOTAL EXPENDITURES AND OTHER FINANCING USES	25,083	25,083	8,015	17,068
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(15,955)	(15,955)	2,146	18,101
FUND BALANCES (DEFICIT), JULY 1	628	628	204	(424)
Appropriation of Fund Balances and Carryforward Appropriations	15,327	15,327	--	(15,327)
FUND BALANCES (DEFICIT), JUNE 30	\$ --	\$ --	\$ 2,350	\$ 2,350

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, 2023
(amounts expressed in thousands)**

	Other Nonmajor Special Revenue Fund - Arts and Cultural Facilities and Services			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES AND OTHER FINANCING SOURCES				
Revenues				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	--	--	--	--
Charges for Services	1,385	1,385	1,742	357
Services to Enterprise Funds	--	--	--	--
Special Assessments	--	--	--	--
Interest	79	79	184	105
Program Income	--	--	--	--
Other	--	--	--	--
Total Revenues	1,464	1,464	1,926	462
Other Financing Sources				
Transfers from Other Funds	20,248	20,248	20,248	--
TOTAL REVENUES AND OTHER FINANCING SOURCES	21,712	21,712	22,174	462
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	--	--	--	--
Public Works	--	--	--	--
Health and Sanitation	--	--	--	--
Transportation	--	--	--	--
Cultural and Recreational Services	13,498	14,170	3,181	10,989
Community Development	--	--	--	--
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	13,498	14,170	3,181	10,989
Other Financing Uses				
Transfers to Other Funds	43,485	34,032	17,837	16,195
TOTAL EXPENDITURES AND OTHER FINANCING USES	56,983	48,202	21,018	27,184
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(35,271)	(26,490)	1,156	27,646
FUND BALANCES (DEFICIT), JULY 1	1,506	1,506	14,864	13,358
Appropriation of Fund Balances and Carryforward Appropriations	33,765	24,983	--	(24,983)
Encumbrances Lapsed	--	1	1	--
FUND BALANCES (DEFICIT), JUNE 30	\$ --	\$ --	\$ 16,021	\$ 16,021

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, 2023
(amounts expressed in thousands)

	Other Nonmajor Special Revenue Fund - Arts Development Fee			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES AND OTHER FINANCING SOURCES				
Revenues				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	--	--	--	--
Charges for Services	2,500	2,500	1,560	(940)
Services to Enterprise Funds	--	--	--	--
Special Assessments	--	--	--	--
Interest	251	251	475	224
Program Income	--	--	--	--
Other	--	--	--	--
Total Revenues	<u>2,751</u>	<u>2,751</u>	<u>2,035</u>	<u>(716)</u>
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>2,751</u>	<u>2,751</u>	<u>2,035</u>	<u>(716)</u>
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	--	--	--	--
Public Works	--	--	--	--
Health and Sanitation	--	--	--	--
Transportation	--	--	--	--
Cultural and Recreational Services	47,386	50,090	2,408	47,682
Community Development	--	--	--	--
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	<u>47,386</u>	<u>50,090</u>	<u>2,408</u>	<u>47,682</u>
Other Financing Uses				
Transfers to Other Funds	9	9	--	9
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>47,395</u>	<u>50,099</u>	<u>2,408</u>	<u>47,691</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(44,644)	(47,348)	(373)	46,975
FUND BALANCES (DEFICIT), JULY 1	384	384	22,258	21,874
Appropriation of Fund Balances and Carryforward Appropriations	44,260	46,963	--	(46,963)
Encumbrances Lapsed	--	1	1	--
FUND BALANCES (DEFICIT), JUNE 30	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 21,886</u>	<u>\$ 21,886</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, 2023
(amounts expressed in thousands)

	Other Nonmajor Special Revenue Fund - City Employees Ridesharing			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES AND OTHER FINANCING SOURCES				
Revenues				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	--	--	--	--
Charges for Services	--	--	--	--
Services to Enterprise Funds	--	--	--	--
Special Assessments	--	--	--	--
Interest	60	60	97	37
Program Income	--	--	--	--
Other	2,436	2,436	1,532	(904)
Total Revenues	2,496	2,496	1,629	(867)
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
TOTAL REVENUES AND OTHER FINANCING SOURCES	2,496	2,496	1,629	(867)
EXPENDITURES AND OTHER FINANCING USES				
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	--	--	--	--
Other Financing Uses				
Transfers to Other Funds	10,438	5,370	2,059	3,311
TOTAL EXPENDITURES AND OTHER FINANCING USES	10,438	5,370	2,059	3,311
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(7,942)	(2,874)	(430)	2,444
FUND BALANCES (DEFICIT), JULY 1	3,748	3,748	4,700	952
Appropriation of Fund Balances and Carryforward Appropriations	4,194	(874)	--	874
FUND BALANCES (DEFICIT), JUNE 30	\$ --	\$ --	\$ 4,270	\$ 4,270

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, 2023
(amounts expressed in thousands)**

	Other Nonmajor Special Revenue Fund - City of Los Angeles Affordable Housing			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES AND OTHER FINANCING SOURCES				
Revenues				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	--	--	--	--
Charges for Services	6	6	924	918
Services to Enterprise Funds	--	--	--	--
Special Assessments	--	--	--	--
Interest	600	600	1,018	418
Program Income	1,883	1,883	649	(1,234)
Other	2	2	5,001	4,999
Total Revenues	2,491	2,491	7,592	5,101
Other Financing Sources				
Transfers from Other Funds	--	15,084	16,769	1,685
TOTAL REVENUES AND OTHER FINANCING SOURCES	2,491	17,575	24,361	6,786
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	--	--	--	--
Public Works	--	--	--	--
Health and Sanitation	--	--	--	--
Transportation	--	--	--	--
Cultural and Recreational Services	--	--	--	--
Community Development	62,361	55,115	15,793	39,322
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	62,361	55,115	15,793	39,322
Other Financing Uses				
Transfers to Other Funds	2,322	2,881	2,281	600
TOTAL EXPENDITURES AND OTHER FINANCING USES	64,683	57,996	18,074	39,922
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(62,192)	(40,421)	6,287	46,708
FUND BALANCES (DEFICIT), JULY 1	12,301	12,301	36,698	24,397
Appropriation of Fund Balances and Carryforward Appropriations	49,891	27,086	--	(27,086)
Encumbrances Lapsed	--	1,034	1,034	--
FUND BALANCES (DEFICIT), JUNE 30	\$ --	\$ --	\$ 44,019	\$ 44,019

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, 2023
(amounts expressed in thousands)**

	Other Nonmajor Special Revenue Fund - El Pueblo de Los Angeles Historical Monument			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES AND OTHER FINANCING SOURCES				
Revenues				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	--	--	--	--
Charges for Services	4,919	4,919	4,583	(336)
Services to Enterprise Funds	--	--	--	--
Special Assessments	--	--	--	--
Interest	19	19	61	42
Program Income	--	--	--	--
Other	11	11	48	37
Total Revenues	4,949	4,949	4,692	(257)
Other Financing Sources				
Transfers from Other Funds	175	175	460	285
TOTAL REVENUES AND OTHER FINANCING SOURCES	5,124	5,124	5,152	28
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	--	--	--	--
Public Works	--	--	--	--
Health and Sanitation	--	--	--	--
Transportation	--	--	--	--
Cultural and Recreational Services	1,606	1,505	1,373	132
Community Development	--	--	--	--
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	1,606	1,505	1,373	132
Other Financing Uses				
Transfers to Other Funds	5,714	5,211	4,216	995
TOTAL EXPENDITURES AND OTHER FINANCING USES	7,320	6,716	5,589	1,127
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(2,196)	(1,592)	(437)	1,155
FUND BALANCES (DEFICIT), JULY 1	1,371	1,371	2,585	1,214
Appropriation of Fund Balances and Carryforward Appropriations	825	221	--	(221)
FUND BALANCES (DEFICIT), JUNE 30	\$ --	\$ --	\$ 2,148	\$ 2,148

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, 2023
(amounts expressed in thousands)**

	Other Nonmajor Special Revenue Fund - Local Public Safety			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES AND OTHER FINANCING SOURCES				
Revenues				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	56,910	56,910	57,189	279
Charges for Services	--	--	--	--
Services to Enterprise Funds	--	--	--	--
Special Assessments	--	--	--	--
Interest	--	--	--	--
Program Income	--	--	--	--
Other	--	--	--	--
Total Revenues	56,910	56,910	57,189	279
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
TOTAL REVENUES AND OTHER FINANCING SOURCES	56,910	56,910	57,189	279
EXPENDITURES AND OTHER FINANCING USES				
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	--	--	--	--
Other Financing Uses				
Transfers to Other Funds	85,803	85,803	63,303	22,500
TOTAL EXPENDITURES AND OTHER FINANCING USES	85,803	85,803	63,303	22,500
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(28,893)	(28,893)	(6,114)	22,779
FUND BALANCES (DEFICIT), JULY 1	6,392	6,392	6,670	278
Appropriation of Fund Balances and Carryforward Appropriations	22,501	22,501	--	(22,501)
FUND BALANCES (DEFICIT), JUNE 30	\$ --	\$ --	\$ 556	\$ 556

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, 2023
(amounts expressed in thousands)**

	Other Nonmajor Special Revenue Fund - Los Angeles Convention and Visitors Bureau			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES AND OTHER FINANCING SOURCES				
Revenues				
Taxes	\$ 20,248	\$ 25,249	\$ 23,852	\$ (1,397)
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	--	--	--	--
Charges for Services	--	--	--	--
Services to Enterprise Funds	--	--	--	--
Special Assessments	--	--	--	--
Interest	--	--	--	--
Program Income	--	--	--	--
Other	--	--	--	--
Total Revenues	<u>20,248</u>	<u>25,249</u>	<u>23,852</u>	<u>(1,397)</u>
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>20,248</u>	<u>25,249</u>	<u>23,852</u>	<u>(1,397)</u>
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	--	--	--	--
Public Works	--	--	--	--
Health and Sanitation	--	--	--	--
Transportation	--	--	--	--
Cultural and Recreational Services	65,690	70,691	23,828	46,863
Community Development	--	--	--	--
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	<u>65,690</u>	<u>70,691</u>	<u>23,828</u>	<u>46,863</u>
Other Financing Uses				
Transfers to Other Funds	458	458	408	50
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>66,148</u>	<u>71,149</u>	<u>24,236</u>	<u>46,913</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(45,900)	(45,900)	(384)	45,516
FUND BALANCES (DEFICIT), JULY 1	2,179	2,179	6,540	4,361
Appropriation of Fund Balances and Carryforward Appropriations	43,721	43,721	--	(43,721)
FUND BALANCES (DEFICIT), JUNE 30	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 6,156</u>	<u>\$ 6,156</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, 2023
(amounts expressed in thousands)

	Other Nonmajor Special Revenue Fund - Multi-Family Bulky Item Fee			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES AND OTHER FINANCING SOURCES				
Revenues				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	--	--	--	--
Charges for Services	7,420	7,420	6,975	(445)
Services to Enterprise Funds	--	--	--	--
Special Assessments	--	--	--	--
Interest	60	60	128	68
Program Income	--	--	--	--
Other	--	--	--	--
Total Revenues	<u>7,480</u>	<u>7,480</u>	<u>7,103</u>	<u>(377)</u>
Other Financing Sources				
Transfers from Other Funds	2,129	2,129	2,129	--
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>9,609</u>	<u>9,609</u>	<u>9,232</u>	<u>(377)</u>
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	--	--	--	--
Public Works	25,926	25,937	3,813	22,124
Health and Sanitation	--	--	--	--
Transportation	--	--	--	--
Cultural and Recreational Services	--	--	--	--
Community Development	--	--	--	--
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	<u>25,926</u>	<u>25,937</u>	<u>3,813</u>	<u>22,124</u>
Other Financing Uses				
Transfers to Other Funds	10,395	10,384	5,568	4,816
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>36,321</u>	<u>36,321</u>	<u>9,381</u>	<u>26,940</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(26,712)	(26,712)	(149)	26,563
FUND BALANCES (DEFICIT), JULY 1	6,718	6,718	6,510	(208)
Appropriation of Fund Balances and Carryforward Appropriations	19,994	19,994	--	(19,994)
FUND BALANCES (DEFICIT), JUNE 30	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 6,361</u>	<u>\$ 6,361</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, 2023
(amounts expressed in thousands)

	Other Nonmajor Special Revenue Fund - Municipal Housing Finance			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES AND OTHER FINANCING SOURCES				
Revenues				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	--	--	--	--
Charges for Services	7,447	7,447	9,582	2,135
Services to Enterprise Funds	--	--	--	--
Special Assessments	--	--	--	--
Interest	391	391	545	154
Program Income	1,653	1,653	449	(1,204)
Other	--	--	--	--
Total Revenues	9,491	9,491	10,576	1,085
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
TOTAL REVENUES AND OTHER FINANCING SOURCES	9,491	9,491	10,576	1,085
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	--	--	--	--
Public Works	--	--	--	--
Health and Sanitation	--	--	--	--
Transportation	--	--	--	--
Cultural and Recreational Services	--	--	--	--
Community Development	35,431	20,749	2,503	18,246
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	35,431	20,749	2,503	18,246
Other Financing Uses				
Transfers to Other Funds	5,198	5,366	4,418	948
TOTAL EXPENDITURES AND OTHER FINANCING USES	40,629	26,115	6,921	19,194
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(31,138)	(16,624)	3,655	20,279
FUND BALANCES (DEFICIT), JULY 1	16,179	16,179	22,022	5,843
Appropriation of Fund Balances and Carryforward Appropriations	14,959	432	--	(432)
Encumbrances Lapsed	--	13	13	--
FUND BALANCES (DEFICIT), JUNE 30	\$ --	\$ --	\$ 25,690	\$ 25,690

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, 2023
(amounts expressed in thousands)

	Other Nonmajor Special Revenue Fund - Planning Case Processing Special			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES AND OTHER FINANCING SOURCES				
Revenues				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	--	--	--	--
Charges for Services	31,885	31,885	25,763	(6,122)
Services to Enterprise Funds	--	--	--	--
Special Assessments	--	--	--	--
Interest	200	200	348	148
Program Income	--	--	--	--
Other	--	--	--	--
Total Revenues	<u>32,085</u>	<u>32,085</u>	<u>26,111</u>	<u>(5,974)</u>
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>32,085</u>	<u>32,085</u>	<u>26,111</u>	<u>(5,974)</u>
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	--	--	--	--
Public Works	--	--	--	--
Health and Sanitation	--	--	--	--
Transportation	--	--	--	--
Cultural and Recreational Services	--	--	--	--
Community Development	8,795	4,132	1,790	2,342
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	<u>8,795</u>	<u>4,132</u>	<u>1,790</u>	<u>2,342</u>
Other Financing Uses				
Transfers to Other Funds	29,402	24,342	20,621	3,721
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>38,197</u>	<u>28,474</u>	<u>22,411</u>	<u>6,063</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(6,112)	3,611	3,700	89
FUND BALANCES (DEFICIT), JULY 1	3,538	3,538	4,612	1,074
Appropriation of Fund Balances and Carryforward Appropriations	<u>2,574</u>	<u>(7,149)</u>	--	<u>7,149</u>
FUND BALANCES (DEFICIT), JUNE 30	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 8,312</u>	<u>\$ 8,312</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, 2023
(amounts expressed in thousands)**

	Other Nonmajor Special Revenue Fund - Rent Stabilization			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES AND OTHER FINANCING SOURCES				
Revenues				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	--	--	--	--
Charges for Services	22,022	22,022	22,604	582
Services to Enterprise Funds	--	--	--	--
Special Assessments	--	--	--	--
Interest	130	130	711	581
Program Income	--	--	--	--
Other	101	101	14	(87)
Total Revenues	22,253	22,253	23,329	1,076
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
TOTAL REVENUES AND OTHER FINANCING SOURCES	22,253	22,253	23,329	1,076
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	--	--	--	--
Public Works	--	--	--	--
Health and Sanitation	--	--	--	--
Transportation	--	--	--	--
Cultural and Recreational Services	--	--	--	--
Community Development	61,146	38,634	9,033	29,601
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	61,146	38,634	9,033	29,601
Other Financing Uses				
Transfers to Other Funds	13,830	12,438	9,783	2,655
TOTAL EXPENDITURES AND OTHER FINANCING USES	74,976	51,072	18,816	32,256
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(52,723)	(28,819)	4,513	33,332
FUND BALANCES (DEFICIT), JULY 1	24,203	24,203	30,528	6,325
Appropriation of Fund Balances and Carryforward Appropriations	28,520	4,565	--	(4,565)
Encumbrances Lapsed	--	51	51	--
FUND BALANCES (DEFICIT), JUNE 30	\$ --	\$ --	\$ 35,092	\$ 35,092

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, 2023
(amounts expressed in thousands)**

	Other Nonmajor Special Revenue Fund - Street Damage Restoration Fee			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES AND OTHER FINANCING SOURCES				
Revenues				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	--	--	--	--
Charges for Services	68,000	82,078	84,288	2,210
Services to Enterprise Funds	--	--	--	--
Special Assessments	--	--	--	--
Interest	150	150	358	208
Program Income	--	--	--	--
Other	--	--	--	--
Total Revenues	68,150	82,228	84,646	2,418
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
TOTAL REVENUES AND OTHER FINANCING SOURCES	68,150	82,228	84,646	2,418
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	--	--	--	--
Public Works	35,289	28,107	5,682	22,425
Health and Sanitation	--	--	--	--
Transportation	--	--	--	--
Cultural and Recreational Services	--	--	--	--
Community Development	--	--	--	--
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	35,289	28,107	5,682	22,425
Other Financing Uses				
Transfers to Other Funds	54,068	61,250	56,327	4,923
TOTAL EXPENDITURES AND OTHER FINANCING USES	89,357	89,357	62,009	27,348
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(21,207)	(7,129)	22,637	29,766
FUND BALANCES (DEFICIT), JULY 1	13,125	13,125	5,953	(7,172)
Appropriation of Fund Balances and Carryforward Appropriations	8,082	(5,996)	--	5,996
FUND BALANCES (DEFICIT), JUNE 30	\$ --	\$ --	\$ 28,590	\$ 28,590

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, 2023
(amounts expressed in thousands)

	Other Nonmajor Special Revenue Fund - Code Enforcement Trust			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES AND OTHER FINANCING SOURCES				
Revenues				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	--	--	--	--
Charges for Services	52,570	52,570	63,070	10,500
Services to Enterprise Funds	--	--	--	--
Special Assessments	--	--	--	--
Interest	508	508	867	359
Program Income	--	--	--	--
Other	441	441	46	(395)
Total Revenues	53,519	53,519	63,983	10,464
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
TOTAL REVENUES AND OTHER FINANCING SOURCES	53,519	53,519	63,983	10,464
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	61,651	46,155	23,571	22,584
Public Works	--	--	--	--
Health and Sanitation	--	--	--	--
Transportation	--	--	--	--
Cultural and Recreational Services	--	--	--	--
Community Development	--	--	--	--
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	61,651	46,155	23,571	22,584
Other Financing Uses				
Transfers to Other Funds	36,586	34,119	29,743	4,376
TOTAL EXPENDITURES AND OTHER FINANCING USES	98,237	80,274	53,314	26,960
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(44,718)	(26,755)	10,669	37,424
FUND BALANCES (DEFICIT), JULY 1	22,819	22,819	29,697	6,878
Appropriation of Fund Balances and Carryforward Appropriations	21,899	3,729	--	(3,729)
Encumbrances Lapsed	--	207	207	--
FUND BALANCES (DEFICIT), JUNE 30	\$ --	\$ --	\$ 40,573	\$ 40,573

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, 2023
(amounts expressed in thousands)

	Other Nonmajor Special Revenue Fund - Telecommunications Liquidated Damages and Lost Franchise Fees			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES AND OTHER FINANCING SOURCES				
Revenues				
Taxes	\$ 6,100	\$ 6,100	\$ 60	\$ (6,040)
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	--	--	--	--
Charges for Services	--	--	--	--
Services to Enterprise Funds	--	--	--	--
Special Assessments	--	--	--	--
Interest	--	--	--	--
Program Income	--	--	--	--
Other	--	--	--	--
Total Revenues	6,100	6,100	60	(6,040)
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
TOTAL REVENUES AND OTHER FINANCING SOURCES	6,100	6,100	60	(6,040)
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	31,766	28,820	1,381	27,439
Public Works	--	--	--	--
Health and Sanitation	--	--	--	--
Transportation	--	--	--	--
Cultural and Recreational Services	--	--	--	--
Community Development	--	--	--	--
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	31,766	28,820	1,381	27,439
Other Financing Uses				
Transfers to Other Funds	1,534	2,112	6	2,106
TOTAL EXPENDITURES AND OTHER FINANCING USES	33,300	30,932	1,387	29,545
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(27,200)	(24,832)	(1,327)	23,505
FUND BALANCES (DEFICIT), JULY 1	2,370	2,370	31,143	28,773
Appropriation of Fund Balances and Carryforward Appropriations	24,830	22,461	--	(22,461)
Encumbrances Lapsed	--	1	1	--
FUND BALANCES (DEFICIT), JUNE 30	\$ --	\$ --	\$ 29,817	\$ 29,817

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, 2023
(amounts expressed in thousands)

	Other Nonmajor Special Revenue Fund - Traffic Safety			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES AND OTHER FINANCING SOURCES				
Revenues				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses, Permits and Fines	1,150	1,150	983	(167)
Intergovernmental	--	--	--	--
Charges for Services	--	--	--	--
Services to Enterprise Funds	--	--	--	--
Special Assessments	--	--	--	--
Interest	--	--	--	--
Program Income	--	--	--	--
Other	--	--	--	--
Total Revenues	1,150	1,150	983	(167)
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
TOTAL REVENUES AND OTHER FINANCING SOURCES	1,150	1,150	983	(167)
EXPENDITURES AND OTHER FINANCING USES				
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	--	--	--	--
Other Financing Uses				
Transfers to Other Funds	1,350	1,350	983	367
TOTAL EXPENDITURES AND OTHER FINANCING USES	1,350	1,350	983	367
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(200)	(200)	--	200
FUND BALANCES (DEFICIT), JULY 1	200	200	360	160
FUND BALANCES (DEFICIT), JUNE 30	\$ --	\$ --	\$ 360	\$ 360

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, 2023
(amounts expressed in thousands)

	Other Nonmajor Special Revenue Fund - Zoo			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES AND OTHER FINANCING SOURCES				
Revenues				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	--	--	--	--
Charges for Services	23,458	23,458	23,475	17
Services to Enterprise Funds	--	--	--	--
Special Assessments	--	--	--	--
Interest	50	50	112	62
Program Income	--	--	--	--
Other	--	--	--	--
Total Revenues	<u>23,508</u>	<u>23,508</u>	<u>23,587</u>	<u>79</u>
Other Financing Sources				
Transfers from Other Funds	3,362	11,362	11,382	20
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>26,870</u>	<u>34,870</u>	<u>34,969</u>	<u>99</u>
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	--	--	--	--
Public Works	--	--	--	--
Health and Sanitation	--	--	--	--
Transportation	--	--	--	--
Cultural and Recreational Services	5,476	11,436	1,327	10,109
Community Development	--	--	--	--
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	<u>5,476</u>	<u>11,436</u>	<u>1,327</u>	<u>10,109</u>
Other Financing Uses				
Transfers to Other Funds	30,334	30,923	26,598	4,325
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>35,810</u>	<u>42,359</u>	<u>27,925</u>	<u>14,434</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(8,940)	(7,489)	7,044	14,533
FUND BALANCES (DEFICIT), JULY 1	1,052	1,052	6,843	5,791
Appropriation of Fund Balances and Carryforward Appropriations	7,888	6,373	--	(6,373)
Encumbrances Lapsed	--	64	64	--
FUND BALANCES (DEFICIT), JUNE 30	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 13,951</u>	<u>\$ 13,951</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, 2023
(amounts expressed in thousands)

	Other Nonmajor Special Revenue Fund - Sidewalk Repair			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES AND OTHER FINANCING SOURCES				
Revenues				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	--	--	--	--
Charges for Services	--	--	--	--
Services to Enterprise Funds	--	--	--	--
Special Assessments	--	--	--	--
Interest	104	104	118	14
Program Income	--	--	--	--
Other	--	--	--	--
Total Revenues	104	104	118	14
Other Financing Sources				
Transfers from Other Funds	17,846	17,846	17,846	--
TOTAL REVENUES AND OTHER FINANCING SOURCES	17,950	17,950	17,964	14
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	14,624	14,589	5,236	9,353
Public Works	--	--	--	--
Health and Sanitation	--	--	--	--
Transportation	--	--	--	--
Cultural and Recreational Services	--	--	--	--
Community Development	--	--	--	--
Capital Outlay	4,000	4,000	2,636	1,364
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	18,624	18,589	7,872	10,717
Other Financing Uses				
Transfers to Other Funds	16,629	14,291	11,472	2,819
TOTAL EXPENDITURES AND OTHER FINANCING USES	35,253	32,880	19,344	13,536
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(17,303)	(14,930)	(1,380)	13,550
FUND BALANCES (DEFICIT), JULY 1	954	954	3,241	2,287
Appropriation of Fund Balances and Carryforward Appropriations	16,349	13,942	--	(13,942)
Encumbrances Lapsed	--	34	34	--
FUND BALANCES (DEFICIT), JUNE 30	\$ --	\$ --	\$ 1,895	\$ 1,895

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, 2023
(amounts expressed in thousands)**

	Other Nonmajor Special Revenue Fund - Code Compliance			
	Budgeted Amount		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES AND OTHER FINANCING SOURCES				
Revenues				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses and Permits	1,218	1,218	1,232	14
Intergovernmental	--	--	--	--
Charges for Services	--	--	--	--
Services to Enterprise Funds	--	--	--	--
Special Assessments	--	--	--	--
Interest	--	--	--	--
Program Income	--	--	--	--
Other	--	--	--	--
Total Revenues	<u>1,218</u>	<u>1,218</u>	<u>1,232</u>	<u>14</u>
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>1,218</u>	<u>1,218</u>	<u>1,232</u>	<u>14</u>
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current	--	--	--	--
General Government	--	--	--	--
Protection of Persons and Property	3,017	3,017	426	2,591
Public Works	--	--	--	--
Health and Sanitation	--	--	--	--
Transportation	--	--	--	--
Cultural and Recreational Services	--	--	--	--
Community Development	--	--	--	--
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	<u>3,017</u>	<u>3,017</u>	<u>426</u>	<u>2,591</u>
Other Financing Uses				
Transfers to Other Funds	1,021	1,021	806	215
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>4,038</u>	<u>4,038</u>	<u>1,232</u>	<u>2,806</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(2,820)	(2,820)	--	2,820
FUND BALANCE, JULY 1	45	45	78	33
Appropriation of Fund Balances and Carryforward Appropriations	<u>2,775</u>	<u>2,775</u>	<u>--</u>	<u>(2,775)</u>
FUND BALANCES (DEFICIT), JUNE 30	<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, 2023
(amounts expressed in thousands)**

	Other Nonmajor Special Revenue Fund - Cannabis Regulation			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES AND OTHER FINANCING SOURCES				
Revenues				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses and Permits	15,000	15,000	7,106	(7,894)
Intergovernmental	6,500	6,500	1,985	(4,515)
Charges for Services	--	--	--	--
Services to Enterprise Funds	--	--	--	--
Special Assessments	--	--	--	--
Interest	360	360	410	50
Program Income	--	--	--	--
Other	--	--	--	--
Total Revenues	21,860	21,860	9,501	(12,359)
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
TOTAL REVENUES AND OTHER FINANCING SOURCES	21,860	21,860	9,501	(12,359)
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current	--	--	--	--
General Government	92,011	94,270	14,809	79,461
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	92,011	94,270	14,809	79,461
Other Financing Uses				
Transfers to Other Funds	16,339	16,339	7,185	9,154
TOTAL EXPENDITURES AND OTHER FINANCING USES	108,350	110,609	21,994	88,615
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(86,490)	(88,749)	(12,493)	76,256
FUND BALANCE, JULY 1	13,669	13,669	27,015	13,346
Appropriation of Fund Balances and Carryforward Appropriations	72,821	74,806	--	(74,806)
Encumbrances Lapsed	--	274	274	--
FUND BALANCES (DEFICIT), JUNE 30	\$ --	\$ --	\$ 14,796	\$ 14,796

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, 2023
(amounts expressed in thousands)**

	Other Nonmajor Special Revenue Fund - Measure W			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES AND OTHER FINANCING SOURCES				
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental	32,000	32,000	36,544	4,544
Charges for Services	-	-	-	-
Services to Enterprise Funds	-	-	-	-
Special Assessments	-	-	-	-
Interest	200	200	975	775
Program Income	-	-	-	-
Other	-	-	-	-
Total Revenues	32,200	32,200	37,519	5,319
Other Financing Sources				
Transfers from Other Funds	-	-	-	-
TOTAL REVENUES AND OTHER FINANCING SOURCES	32,200	32,200	37,519	5,319
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	-	-	-	-
Protection of Persons and Property	-	-	-	-
Public Works	-	-	-	-
Health and Sanitation	46,462	57,645	21,546	36,099
Transportation	-	-	-	-
Cultural and Recreational Services	-	-	-	-
Community Development	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service				
Principal	-	-	-	-
Interest	-	-	-	-
Total Expenditures	46,462	57,645	21,546	36,099
Other Financing Sources				
Transfers to Other Funds	10,401	11,401	5,817	5,584
TOTAL EXPENDITURES AND OTHER FINANCING USES	56,863	69,046	27,363	41,683
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(24,663)	(36,846)	10,156	47,002
FUND BALANCE, JULY 1	4,176	4,176	34,177	34,177
Appropriation of Fund Balances and Carryforward Appropriations	20,487	32,670	-	(32,670)
FUND BALANCES (DEFICIT), JUNE 30	\$ -	\$ -	\$ 44,333	\$ 44,333

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, 2023
(amounts expressed in thousands)

	Other Nonmajor Special Revenue Fund - Central LA Recycling			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES AND OTHER FINANCING SOURCES				
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	4,500	4,500	4,854	354
Services to Enterprise Funds	-	-	-	-
Fines	-	-	-	-
Special Assessments	-	-	-	-
Interest	100	100	192	92
Program Income	-	-	-	-
Other	-	-	-	-
Total Revenues	<u>4,600</u>	<u>4,600</u>	<u>5,046</u>	<u>354</u>
Other Financing Sources				
Transfers from Other Funds	243	243	243	-
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>4,843</u>	<u>4,843</u>	<u>5,289</u>	<u>354</u>
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	-	-	-	-
Protection of Persons and Property	-	-	-	-
Public Works	-	-	-	-
Health and Sanitation	34,643	36,515	3,476	33,039
Transportation	-	-	-	-
Cultural and Recreational Services	-	-	-	-
Community Development	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service				
Principal	-	-	-	-
Interest	-	-	-	-
Total Expenditures	<u>34,643</u>	<u>36,515</u>	<u>3,476</u>	<u>33,039</u>
Other Financing Sources				
Transfers to Other Funds	1,416	1,451	1,350	101
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>36,059</u>	<u>37,966</u>	<u>4,826</u>	<u>33,140</u>
DEFICIENCY OF REVENUES AND OTHER FINANCING SOURCES UNDER EXPENDITURES AND OTHER FINANCING SOURCES	(31,216)	(33,123)	463	33,586
FUND BALANCE, JULY 1	5,712	5,712	4,561	(1,151)
Appropriation of Fund Balances and Carryforward Appropriations	25,504	25,504	-	(25,504)
Encumbrances Lapsed	-	1,907	1,907	-
FUND BALANCES (DEFICIT), JUNE 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,931</u>	<u>\$ 6,931</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, 2023
(amounts expressed in thousands)

	Other Nonmajor Special Revenue Fund - Planning Long-Range Plan			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES AND OTHER FINANCING SOURCES				
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	9,029	9,029	9,357	328
Services to Enterprise Funds	-	-	-	-
Fines	-	-	-	-
Special Assessments	-	-	-	-
Interest	150	150	157	7
Program Income	-	-	-	-
Other	-	-	-	-
Total Revenues	<u>9,179</u>	<u>9,179</u>	<u>9,514</u>	<u>328</u>
Other Financing Sources				
Transfers from Other Funds	-	-	-	-
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>9,179</u>	<u>9,179</u>	<u>9,514</u>	<u>328</u>
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	-	-	-	-
Protection of Persons and Property	-	-	-	-
Public Works	-	-	-	-
Health and Sanitation	-	-	-	-
Transportation	-	-	-	-
Cultural and Recreational Services	-	-	-	-
Community Development	3,954	4,685	2,155	2,530
Capital Outlay	-	-	-	-
Debt Service				
Principal	-	-	-	-
Interest	-	-	-	-
Total Expenditures	<u>3,954</u>	<u>4,685</u>	<u>2,155</u>	<u>2,530</u>
Other Financing Sources				
Transfers to Other Funds	12,313	9,012	8,598	414
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>16,267</u>	<u>13,697</u>	<u>10,753</u>	<u>2,944</u>
DEFICIENCY OF REVENUES AND OTHER FINANCING SOURCES UNDER EXPENDITURES AND OTHER FINANCING SOURCES	(7,088)	(4,518)	(1,239)	3,279
FUND BALANCE, JULY 1	3,451	3,451	4,930	1,479
Appropriation of Fund Balances and Carryforward Appropriations	<u>3,637</u>	<u>1,067</u>	-	<u>(1,067)</u>
FUND BALANCES (DEFICIT), JUNE 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,691</u>	<u>\$ 3,691</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, 2023
(amounts expressed in thousands)

	Other Nonmajor Special Revenue Fund - City Planning System Development			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES AND OTHER FINANCING SOURCES				
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	10,081	10,081	9,408	(673)
Services to Enterprise Funds	-	-	-	-
Fines	-	-	-	-
Special Assessments	-	-	-	-
Interest	-	-	230	230
Program Income	-	-	-	-
Other	-	-	-	-
Total Revenues	<u>10,081</u>	<u>10,081</u>	<u>9,638</u>	<u>(443)</u>
Other Financing Sources				
Transfers from Other Funds	-	-	-	-
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>10,081</u>	<u>10,081</u>	<u>9,638</u>	<u>(673)</u>
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	-	-	-	-
Protection of Persons and Property	-	-	-	-
Public Works	-	-	-	-
Health and Sanitation	-	-	-	-
Transportation	-	-	-	-
Cultural and Recreational Services	-	-	-	-
Community Development	14,459	14,459	4,493	9,966
Capital Outlay	-	-	-	-
Debt Service				
Principal	-	-	-	-
Interest	-	-	-	-
Total Expenditures	<u>14,459</u>	<u>14,459</u>	<u>4,493</u>	<u>9,966</u>
Other Financing Sources				
Transfers to Other Funds	14,224	14,224	7,863	6,361
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>28,683</u>	<u>28,683</u>	<u>12,356</u>	<u>16,327</u>
DEFICIENCY OF REVENUES AND OTHER FINANCING SOURCES UNDER EXPENDITURES AND OTHER FINANCING SOURCES	(18,602)	(18,602)	(2,718)	15,884
FUND BALANCE, JULY 1	9,277	9,277	10,280	1,003
Appropriation of Fund Balances and Carryforward Appropriations	<u>9,325</u>	<u>9,325</u>	-	<u>(9,325)</u>
FUND BALANCES (DEFICIT), JUNE 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,562</u>	<u>\$ 7,562</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, 2023
(amounts expressed in thousands)**

	Allocations from Other Governmental Agencies			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		(Negative)
REVENUES AND OTHER FINANCING SOURCES				
Revenues				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses, Permits and Fines	12,665	12,665	11,201	(1,464)
Intergovernmental	9,965	9,965	7,422	(2,543)
Charges for Services	10,495	10,495	10,314	(181)
Services to Enterprise Funds	--	--	--	--
Special Assessments	2,118	2,118	2,050	(68)
Interest	5,419	5,419	4,221	(1,198)
Program Income	5,282	5,282	4,300	(982)
Other	219	219	18	(201)
Total Revenues	46,163	46,163	39,526	(6,637)
Other Financing Sources				
Transfers from Other Funds	12,188	12,188	2,179	(10,009)
TOTAL REVENUES AND OTHER FINANCING SOURCES	58,351	58,351	41,705	(16,646)
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	414	414	275	139
Protection of Persons and Property	5,491	5,177	4,273	904
Public Works	--	--	--	--
Health and Sanitation	--	--	--	--
Transportation	4,934	4,934	1,831	3,103
Cultural and Recreational Services	--	--	--	--
Community Development	5,186	6,211	4,377	1,834
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	16,025	16,736	10,756	5,980
Other Financing Uses				
Transfers to Other Funds	42,326	47,808	22,759	25,049
TOTAL EXPENDITURES AND OTHER FINANCING USES	58,351	64,544	33,515	31,029
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	--	(6,193)	8,190	14,383
FUND BALANCES (DEFICIT), JULY 1	--	--	18,039	18,039
Appropriation of Fund Balances and Carryforward Appropriations	--	6,193	--	(6,193)
FUND BALANCES (DEFICIT), JUNE 30	\$ --	\$ --	\$ 26,229	\$ 26,229

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, 2023
(amounts expressed in thousands)**

	Other Nonmajor General Fund - Department of Neighborhood Empowerment			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES AND OTHER FINANCING SOURCES				
Revenues				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	--	--	--	--
Charges for Services	--	--	--	--
Services to Enterprise Funds	--	--	--	--
Special Assessments	--	--	--	--
Interest	--	--	--	--
Program Income	--	--	--	--
Other	15	15	35	20
Total Revenues	<u>15</u>	<u>15</u>	<u>35</u>	<u>20</u>
Other Financing Sources				
Transfers from Other Funds	3,892	3,892	3,892	--
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>3,907</u>	<u>3,907</u>	<u>3,927</u>	<u>20</u>
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	578	831	17	814
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>578</u>	<u>831</u>	<u>17</u>	<u>814</u>
Other Financing Uses				
Transfers to Other Funds	4,288	4,288	3,444	844
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>4,866</u>	<u>5,119</u>	<u>3,461</u>	<u>1,658</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(959)	(1,212)	466	1,678
FUND BALANCES (DEFICIT), JULY 1	224	224	547	323
Appropriation of Fund Balances and Carryforward Appropriations	735	988	--	(988)
Encumbrances Lapsed	--	--	--	--
FUND BALANCES (DEFICIT), JUNE 30	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 1,013</u>	<u>\$ 1,013</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, 2023
(amounts expressed in thousands)**

	Other Nonmajor General Fund - City Ethics Commission			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES AND OTHER FINANCING SOURCES				
Revenues				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	--	--	--	--
Charges for Services	--	--	--	--
Services to Enterprise Funds	--	--	--	--
Special Assessments	--	--	--	--
Interest	--	--	--	--
Program Income	--	--	--	--
Other	--	--	--	--
Total Revenues	--	--	--	--
Other Financing Sources				
Transfers from Other Funds	4,159	4,159	4,159	--
TOTAL REVENUES AND OTHER FINANCING SOURCES	4,159	4,159	4,159	--
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	3,853	3,853	--	3,853
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	3,853	3,853	--	3,853
Other Financing Uses				
Transfers to Other Funds	8,425	8,425	4,288	4,137
TOTAL EXPENDITURES AND OTHER FINANCING USES	12,278	12,278	4,288	7,990
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(8,119)	(8,119)	(129)	7,990
FUND BALANCES (DEFICIT), JULY 1	497	497	386	(111)
Appropriation of Fund Balances and Carryforward Appropriations	7,622	7,622	--	(7,622)
FUND BALANCES (DEFICIT), JUNE 30	\$ --	\$ --	\$ 257	\$ 257

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, 2023
(amounts expressed in thousands)

	Other Nonmajor General Fund - Accessible Housing			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES AND OTHER FINANCING SOURCES				
Revenues				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	--	--	--	--
Charges for Services	--	--	--	--
Services to Enterprise Funds	--	--	--	--
Special Assessments	--	--	--	--
Interest	--	--	--	--
Program Income	--	--	--	--
Other	--	--	12	12
Total Revenues	--	--	12	12
Other Financing Sources				
Transfers from Other Funds	19,569	19,569	19,569	--
TOTAL REVENUES AND OTHER FINANCING SOURCES	19,569	19,569	19,581	12
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	--	--	--	--
Public Works	--	--	--	--
Health and Sanitation	--	--	--	--
Transportation	--	--	--	--
Cultural and Recreational Services	--	--	--	--
Community Development	34,903	22,904	17,467	5,437
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	34,903	22,904	17,467	5,437
Other Financing Uses				
Transfers to Other Funds	12,773	10,593	8,221	2,372
TOTAL EXPENDITURES AND OTHER FINANCING USES	47,676	33,497	25,688	7,809
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(28,107)	(13,928)	(6,107)	7,821
FUND BALANCES (DEFICIT), JULY 1	6,826	6,826	13,758	6,932
Appropriation of Fund Balances and Carryforward Appropriations	21,281	6,887	--	(6,887)
Encumbrances Lapsed	--	215	215	--
FUND BALANCES (DEFICIT), JUNE 30	\$ --	\$ --	\$ 7,866	\$ 7,866

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, 2023
(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		
REVENUES AND OTHER FINANCING SOURCES				
Revenues				
Taxes	\$ 55,348	\$ 60,349	\$ 53,044	\$ (7,305)
Licenses, Permits and Fines	88,207	88,207	65,144	(23,063)
Intergovernmental	870,294	974,548	967,609	(6,939)
Charges for Services	843,649	857,727	840,914	(16,813)
Services to Enterprise Funds	6,696	6,696	7,536	840
Special Assessments	50,794	50,794	48,682	(2,112)
Interest	22,893	22,893	43,670	20,777
Program Income	8,818	8,818	34,415	25,597
Other	6,835	6,835	9,395	2,560
Total Revenues	<u>1,953,534</u>	<u>2,076,867</u>	<u>2,070,409</u>	<u>(6,458)</u>
Other Financing Sources				
Transfers from Other Funds	96,903	120,705	114,268	(6,437)
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>2,050,437</u>	<u>2,197,572</u>	<u>2,184,677</u>	<u>(12,895)</u>
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	96,856	99,368	15,101	84,267
Protection of Persons and Property	1,276,798	1,258,077	213,243	1,044,834
Public Works	348,587	383,166	94,100	289,066
Health and Sanitation	395,865	448,370	249,020	199,350
Transportation	1,180,352	968,742	349,537	619,205
Cultural and Recreational Services	133,656	147,892	32,117	115,775
Community Development	582,099	683,357	215,636	467,721
Capital Outlay	46,289	57,709	38,067	19,642
Debt Service				
Principal	18,560	24,093	24,093	--
Interest	5,599	7,162	7,162	--
Total Expenditures	<u>4,084,661</u>	<u>4,077,936</u>	<u>1,238,076</u>	<u>2,839,860</u>
Other Financing Uses				
Transfers to Other Funds	1,365,513	1,360,945	987,616	373,329
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>5,450,174</u>	<u>5,438,881</u>	<u>2,225,692</u>	<u>3,213,189</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(3,399,737)	(3,241,309)	(41,015)	3,200,294
FUND BALANCES (DEFICIT), JULY 1	769,699	769,699	1,444,524	674,825
Appropriation of Fund Balances and Carryforward Appropriations	2,630,038	2,432,759	--	(2,432,759)
Encumbrances Lapsed	--	38,851	38,851	--
FUND BALANCES (DEFICIT), JUNE 30	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 1,442,360</u>	<u>\$ 1,442,360</u>

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, 2023
(amounts expressed in thousands)**

Excess (Deficiency) of Revenues and Other Financing Sources Over (Under)	
Expenditures and Other Financing Uses - Budgetary	\$ (41,015)
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.	(32,001)
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).	973
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	345,178
Prior year encumbrances expended in current year	(159,506)
Perspective Difference	
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.	714,887
Certain Budgeted Funds reclassified as General category:	
Department of Neighborhood Empowerment	(471)
City Ethics Commission	128
Accessible Housing	2,360
Net Change in Fund Balances - Nonmajor Special Revenue Funds	\$ 830,533
 DETAILS OF RESTATEMENT OF JULY 1 FUND BALANCES	
Fund Balances, July 1, as previously reported	\$ 1,427,148
Certain funds were not budgeted in prior year and others were included in this year's budget.	17,376
Fund Balances, July 1, as restated	\$ 1,444,524

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, 2023
(amounts expressed in thousands)**

	Original Adopted Budget	Additional Appropriations, Carryforward and Transfers	Final Budget	Expenditures	Encumbrances June 30, 2023	Total Actual	Variance with Final Budget Positive (Negative)
NONMAJOR FUNDS							
BUILDING AND SAFETY PERMIT							
Current - Special Purpose	\$ 912,987	\$ 286	\$ 913,273	\$ 72,701	\$ 8,658	\$ 81,359	\$ 831,914
Capital Outlay	5,380	--	5,380	4,655	--	4,655	725
Transfers to Other Funds	174,822	205	175,027	115,789	--	115,789	59,238
TOTAL	1,093,189	491	1,093,680	193,145	8,658	201,803	891,877
CITYWIDE RECYCLING TRUST							
Current - Special Purpose	76,609	694	77,303	24,313	1,651	25,964	51,339
Transfers to Other Funds	30,499	(100)	30,399	16,189	--	16,189	14,210
TOTAL	107,108	594	107,702	40,502	1,651	42,153	65,549
PROPOSITION C ANTI-GRIDLOCK TRANSIT IMPROVEMENT							
Current - Special Purpose	66,757	--	66,757	30,688	1,775	32,463	34,294
Capital Outlay	65	--	65	51	--	51	14
Transfers to Other Funds	88,768	(113)	88,655	61,921	--	61,921	26,734
TOTAL	155,590	(113)	155,477	92,660	1,775	94,435	61,042
SPECIAL PARKING REVENUE							
Current - Special Purpose	112,587	(38,962)	73,625	29,193	14,572	43,765	29,860
Transfers to Other Funds	42,121	(2,153)	39,968	37,229	--	37,229	2,739
TOTAL	154,708	(41,115)	113,593	66,422	14,572	80,994	32,599
STORMWATER POLLUTION ABATEMENT							
Current - Special Purpose	15,054	3,583	18,637	1,629	2,010	3,639	14,998
Capital Outlay	3,470	--	3,470	2,764	94	2,858	612
Transfers to Other Funds	29,990	(1,400)	28,590	21,908	--	21,908	6,682
TOTAL	48,514	2,183	50,697	26,301	2,104	28,405	22,292
STREET LIGHTING MAINTENANCE ASSESSMENT							
Current - Special Purpose	73,350	(8,039)	65,311	22,952	3,243	26,195	39,116
Capital Outlay	2,796	--	2,796	566	872	1,438	1,358
Transfers to Other Funds	48,755	(124)	48,631	40,475	--	40,475	8,156
TOTAL	124,901	(8,163)	116,738	63,993	4,115	68,108	48,630
PROPOSITION A LOCAL TRANSIT ASSISTANCE							
Current - Special Purpose	801,369	(177,158)	624,211	141,713	84,886	226,599	397,612
Capital Outlay	1,983	--	1,983	1,473	--	1,473	510
Transfers to Other Funds	13,411	(2,756)	10,655	7,676	--	7,676	2,979
TOTAL	816,763	(179,914)	636,849	150,862	84,886	235,748	401,101
MEASURE R LOCAL RETURN							
Current - Special Purpose	194,705	4,510	199,215	34,724	10,155	44,879	154,336
Capital Outlay	7,119	39	7,158	4,523	728	5,251	1,907
Transfers to Other Funds	75,058	(6,157)	68,901	50,348	--	50,348	18,553
TOTAL	276,882	(1,608)	275,274	89,595	10,883	100,478	174,796

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, 2023
(amounts expressed in thousands)**

	Original Adopted Budget	Additional Appropriations, Carryforward and Transfers	Final Budget	Expenditures	Encumbrances June 30, 2023	Total Actual	Variance with Final Budget Positive (Negative)
SOLID WASTE RESOURCES							
Current - Special Purpose Debt Service	\$ 193,302	\$ 37,080	\$ 230,382	\$ 103,036	\$ 86,136	\$ 189,172	\$ 41,210
Principal	18,560	5,533	24,093	24,093	--	24,093	--
Interest	5,599	1,563	7,162	7,162	--	7,162	--
Transfers to Other Funds	185,382	5,694	191,076	174,949	--	174,949	16,127
TOTAL	402,843	49,870	452,713	309,240	86,136	395,376	57,337
SPECIAL GAS TAX STREET IMPROVEMENT							
Current - Special Purpose Capital Outlay	214,022	49,789	263,811	38,783	19,627	58,410	205,401
Transfers to Other Funds	21,476	11,381	32,857	11,824	7,881	19,705	13,152
Transfers to Other Funds	93,890	11,796	105,686	94,703	--	94,703	10,983
TOTAL	329,388	72,966	402,354	145,310	27,508	172,818	229,536
COMMUNITY DEVELOPMENT TRUST							
Current - Special Purpose Transfers to Other Funds	127,437	37,271	164,708	49,122	18,179	67,301	97,407
Transfers to Other Funds	30,185	5,578	35,763	17,414	--	17,414	18,349
TOTAL	157,622	42,849	200,471	66,536	18,179	84,715	115,756
HOME INVESTMENT PARTNERSHIP PROGRAM							
Current - Special Purpose Transfers to Other Funds	107,142	59,186	166,328	12,377	5,340	17,717	148,611
Transfers to Other Funds	8,392	1,095	9,487	4,020	--	4,020	5,467
TOTAL	115,534	60,281	175,815	16,397	5,340	21,737	154,078
WORKFORCE INNOVATION OPPORTUNITY ACT							
Current - Special Purpose Transfers to Other Funds	81,513	--	81,513	--	--	--	81,513
Transfers to Other Funds	29,174	--	29,174	--	--	--	29,174
TOTAL	110,687	--	110,687	--	--	--	110,687
DISASTER ASSISTANCE							
Current - Special Purpose Transfers to Other Funds	230,304	--	230,304	96,300	--	96,300	134,004
Transfers to Other Funds	477	--	477	244	--	244	233
TOTAL	230,781	--	230,781	96,544	--	96,544	134,237
COMMUNITY SERVICES BLOCK GRANT							
Current - Special Purpose Transfers to Other Funds	1,428	8,953	10,381	5,652	--	5,652	4,729
Transfers to Other Funds	2,186	(402)	1,784	1,661	--	1,661	123
TOTAL	3,614	8,551	12,165	7,313	--	7,313	4,852
FORFEITED ASSETS TRUST OF POLICE DEPARTMENT							
Current - Special Purpose Transfers to Other Funds	9,864	(216)	9,648	463	234	697	8,951
Transfers to Other Funds	1,772	159	1,931	265	--	265	1,666
TOTAL	11,636	(57)	11,579	728	234	962	10,617
HOUSEHOLD HAZARDOUS WASTE							
Current - Special Purpose Transfers to Other Funds	21,306	537	21,843	636	1,566	2,202	19,641
Transfers to Other Funds	3,368	44	3,412	2,780	--	2,780	632
TOTAL	24,674	581	25,255	3,416	1,566	4,982	20,273

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, 2023
(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, 2023</u>	<u>Total Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS							
Current - Special Purpose	\$ 12,189	\$ 22,345	\$ 34,534	\$ 14,908	\$ 10,368	\$ 25,276	\$ 9,258
Transfers to Other Funds	590	15	605	465	--	465	140
TOTAL	<u>12,779</u>	<u>22,360</u>	<u>35,139</u>	<u>15,373</u>	<u>10,368</u>	<u>25,741</u>	<u>9,398</u>
MOBILE SOURCE AIR POLLUTION REDUCTION							
Current - Special Purpose	8,489	(2,444)	6,045	3,017	4	3,021	3,024
Transfers to Other Funds	3,632	296	3,928	2,994	--	2,994	934
TOTAL	<u>12,121</u>	<u>(2,148)</u>	<u>9,973</u>	<u>6,011</u>	<u>4</u>	<u>6,015</u>	<u>3,958</u>
OLDER AMERICANS ACT							
Current - Special Purpose	26,155	32,849	59,004	15,805	26,274	42,079	16,925
Transfers to Other Funds	13,971	(65)	13,906	2,617	--	2,617	11,289
TOTAL	<u>40,126</u>	<u>32,784</u>	<u>72,910</u>	<u>18,422</u>	<u>26,274</u>	<u>44,696</u>	<u>28,214</u>
SUPPLEMENTAL LAW ENFORCEMENT SERVICES							
Current - Special Purpose	7,094	--	7,094	--	--	--	7,094
Transfers to Other Funds	17,989	--	17,989	8,015	--	8,015	9,974
TOTAL	<u>25,083</u>	<u>--</u>	<u>25,083</u>	<u>8,015</u>	<u>--</u>	<u>8,015</u>	<u>17,068</u>
ARTS AND CULTURAL FACILITIES AND SERVICES							
Current - Special Purpose	13,498	672	14,170	2,923	258	3,181	10,989
Transfers to Other Funds	43,485	(9,453)	34,032	17,837	--	17,837	16,195
TOTAL	<u>56,983</u>	<u>(8,781)</u>	<u>48,202</u>	<u>20,760</u>	<u>258</u>	<u>21,018</u>	<u>27,184</u>
ARTS DEVELOPMENT FEE							
Current - Special Purpose	47,386	2,704	50,090	1,381	1,027	2,408	47,682
Transfers to Other Funds	9	--	9	--	--	--	9
TOTAL	<u>47,395</u>	<u>2,704</u>	<u>50,099</u>	<u>1,381</u>	<u>1,027</u>	<u>2,408</u>	<u>47,691</u>
CITY EMPLOYEES RIDESHARING							
Transfers to Other Funds	10,438	(5,068)	5,370	2,059	--	2,059	3,311
CITY OF LOS ANGELES AFFORDABLE HOUSING							
Current - Special Purpose	62,361	(7,246)	55,115	2,987	12,806	15,793	39,322
Transfers to Other Funds	2,322	559	2,881	2,281	--	2,281	600
TOTAL	<u>64,683</u>	<u>(6,687)</u>	<u>57,996</u>	<u>5,268</u>	<u>12,806</u>	<u>18,074</u>	<u>39,922</u>
EL PUEBLO DE LOS ANGELES HISTORICAL MONUMENT							
Current - Special Purpose	1,606	(101)	1,505	1,373	--	1,373	132
Transfers to Other Funds	5,714	(503)	5,211	4,216	--	4,216	995
TOTAL	<u>7,320</u>	<u>(604)</u>	<u>6,716</u>	<u>5,589</u>	<u>--</u>	<u>5,589</u>	<u>1,127</u>
LOCAL PUBLIC SAFETY							
Transfers to Other Funds	85,803	--	85,803	63,303	--	63,303	22,500

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, 2023
(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, 2023</u>	<u>Total Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
LOS ANGELES CONVENTION AND VISITORS BUREAU							
Current - Special Purpose	\$ 65,690	\$ 5,001	\$ 70,691	\$ 23,828	\$ --	\$ 23,828	\$ 46,863
Transfers to Other Funds	458	--	458	408	--	408	50
TOTAL	<u>66,148</u>	<u>5,001</u>	<u>71,149</u>	<u>24,236</u>	<u>--</u>	<u>24,236</u>	<u>46,913</u>
MULTI-FAMILY BULK ITEM FEE							
Current - Special Purpose	25,926	11	25,937	3,813	--	3,813	22,124
Transfers to Other Funds	10,395	(11)	10,384	5,568	--	5,568	4,816
TOTAL	<u>36,321</u>	<u>--</u>	<u>36,321</u>	<u>9,381</u>	<u>--</u>	<u>9,381</u>	<u>26,940</u>
MUNICIPAL HOUSING FINANCE							
Current - Special Purpose	35,431	(14,682)	20,749	2,434	69	2,503	18,246
Transfers to Other Funds	5,198	168	5,366	4,418	--	4,418	948
TOTAL	<u>40,629</u>	<u>(14,514)</u>	<u>26,115</u>	<u>6,852</u>	<u>69</u>	<u>6,921</u>	<u>19,194</u>
PLANNING CASE PROCESSING SPECIAL							
Current - Special Purpose	8,795	(4,663)	4,132	1,790	--	1,790	2,342
Transfers to Other Funds	29,402	(5,060)	24,342	20,621	--	20,621	3,721
TOTAL	<u>38,197</u>	<u>(9,723)</u>	<u>28,474</u>	<u>22,411</u>	<u>--</u>	<u>22,411</u>	<u>6,063</u>
RENT STABILIZATION							
Current - Special Purpose	61,146	(22,512)	38,634	6,640	2,393	9,033	29,601
Transfers to Other Funds	13,830	(1,392)	12,438	9,783	--	9,783	2,655
TOTAL	<u>74,976</u>	<u>(23,904)</u>	<u>51,072</u>	<u>16,423</u>	<u>2,393</u>	<u>18,816</u>	<u>32,256</u>
STREET DAMAGE RESTORATION FEE							
Current - Special Purpose	35,289	(7,182)	28,107	5,682	--	5,682	22,425
Transfers to Other Funds	54,068	7,182	61,250	56,327	--	56,327	4,923
TOTAL	<u>89,357</u>	<u>--</u>	<u>89,357</u>	<u>62,009</u>	<u>--</u>	<u>62,009</u>	<u>27,348</u>
CODE ENFORCEMENT TRUST							
Current - Special Purpose	61,651	(15,496)	46,155	22,273	1,298	23,571	22,584
Transfers to Other Funds	36,586	(2,467)	34,119	29,743	--	29,743	4,376
TOTAL	<u>98,237</u>	<u>(17,963)</u>	<u>80,274</u>	<u>52,016</u>	<u>1,298</u>	<u>53,314</u>	<u>26,960</u>
TELECOMMUNICATIONS LIQUIDATED DAMAGES AND LOST FRANCHISE FEES							
Current - Special Purpose	31,766	(2,946)	28,820	769	612	1,381	27,439
Transfers to Other Funds	1,534	578	2,112	6	--	6	2,106
TOTAL	<u>33,300</u>	<u>(2,368)</u>	<u>30,932</u>	<u>775</u>	<u>612</u>	<u>1,387</u>	<u>29,545</u>
TRAFFIC SAFETY							
Transfers to Other Funds	1,350	--	1,350	983	--	983	367

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, 2023
(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, 2023</u>	<u>Total Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
ZOO							
Current - Special Purpose	\$ 5,476	\$ 5,960	\$ 11,436	\$ 1,299	\$ 28	\$ 1,327	\$ 10,109
Transfers to Other Funds	30,334	589	30,923	26,598	--	26,598	4,325
TOTAL	<u>35,810</u>	<u>6,549</u>	<u>42,359</u>	<u>27,897</u>	<u>28</u>	<u>27,925</u>	<u>14,434</u>
SIDEWALK REPAIR							
Current - Special Purpose	14,624	(35)	14,589	5,090	146	5,236	9,353
Capital Outlay	4,000	--	4,000	440	2,196	2,636	1,364
Transfers to Other Funds	16,629	(2,338)	14,291	11,472	--	11,472	2,819
TOTAL	<u>35,253</u>	<u>(2,373)</u>	<u>32,880</u>	<u>17,002</u>	<u>2,342</u>	<u>19,344</u>	<u>13,536</u>
CODE COMPLIANCE							
Current - Special Purpose	3,017	--	3,017	383	43	426	2,591
Transfers to Other Funds	1,021	--	1,021	806	--	806	215
TOTAL	<u>4,038</u>	<u>--</u>	<u>4,038</u>	<u>1,189</u>	<u>43</u>	<u>1,232</u>	<u>2,806</u>
CANNABIS REGULATION							
Current - Special Purpose	92,011	2,259	94,270	13,910	899	14,809	79,461
Transfers to Other Funds	16,339	--	16,339	7,185	--	7,185	9,154
TOTAL	<u>108,350</u>	<u>2,259</u>	<u>110,609</u>	<u>21,095</u>	<u>899</u>	<u>21,994</u>	<u>88,615</u>
MEASURE W							
Current - Special Purpose	46,462	11,183	57,645	9,990	11,556	21,546	36,099
Transfers to Other Funds	10,401	1,000	11,401	5,817	--	5,817	5,584
TOTAL	<u>56,863</u>	<u>12,183</u>	<u>69,046</u>	<u>15,807</u>	<u>11,556</u>	<u>27,363</u>	<u>41,683</u>
CENTRAL LA RECYCLING							
Current - Special Purpose	34,643	1,872	36,515	2,147	1,329	3,476	33,039
Transfers to Other Funds	1,416	35	1,451	1,350	--	1,350	101
TOTAL	<u>36,059</u>	<u>1,907</u>	<u>37,966</u>	<u>3,497</u>	<u>1,329</u>	<u>4,826</u>	<u>33,140</u>
PLANNING LONG-RANGE PLAN							
Current - Special Purpose	3,954	731	4,685	2,155	--	2,155	2,530
Transfers to Other Funds	12,313	(3,301)	9,012	8,598	--	8,598	414
TOTAL	<u>16,267</u>	<u>(2,570)</u>	<u>13,697</u>	<u>10,753</u>	<u>--</u>	<u>10,753</u>	<u>2,944</u>
CITY PLANNING SYSTEM DEVELOPMENT							
Current-Special Purpose	14,459	--	14,459	4,493	--	4,493	9,966
Transfers to Other Funds	14,224	--	14,224	7,863	--	7,863	6,361
TOTAL	<u>28,683</u>	<u>--</u>	<u>28,683</u>	<u>12,356</u>	<u>--</u>	<u>12,356</u>	<u>16,327</u>
ALLOCATIONS FROM OTHER GOVERNMENTAL AGENCIES							
Current - Special Purpose	16,025	711	16,736	10,756	--	10,756	5,980
Transfers to Other Funds	42,326	5,482	47,808	22,759	--	22,759	25,049
TOTAL	<u>58,351</u>	<u>6,193</u>	<u>64,544</u>	<u>33,515</u>	<u>--</u>	<u>33,515</u>	<u>31,029</u>
TOTAL BUDGETED SPECIAL REVENUE FUNDS	<u>\$ 5,385,354</u>	<u>\$ 2,633</u>	<u>\$ 5,387,987</u>	<u>\$ 1,853,342</u>	<u>\$ 338,913</u>	<u>\$ 2,192,255</u>	<u>\$ 3,195,732</u>

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, 2023
(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, 2023</u>	<u>Total Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
ALL ANNUALLY BUDGETED SPECIAL REVENUE FUNDS							
Current - Special Purpose	\$ 3,974,879	\$ (13,495)	\$ 3,961,384	\$ 824,128	\$ 327,142	\$ 1,151,270	\$ 2,810,114
Capital Outlay	46,289	11,420	57,709	26,296	11,771	38,067	19,642
Debt Service							
Principal	18,560	5,533	24,093	24,093	--	24,093	--
Interest	5,599	1,563	7,162	7,162	--	7,162	--
Transfers to Other Funds	1,340,027	(2,388)	1,337,639	971,663	--	971,663	365,976
TOTAL	<u>\$ 5,385,354</u>	<u>\$ 2,633</u>	<u>\$ 5,387,987</u>	<u>\$ 1,853,342</u>	<u>\$ 338,913</u>	<u>\$ 2,192,255</u>	<u>\$ 3,195,732</u>
<u>NONMAJOR GENERAL FUNDS</u>							
DEPARTMENT OF NEIGHBORHOOD EMPOWERMENT							
Current - Special Purpose	\$ 578	\$ 253	\$ 831	\$ 15	\$ 2	\$ 17	\$ 814
Transfers to Other Funds	4,288	--	4,288	3,444	--	3,444	844
TOTAL	<u>4,866</u>	<u>253</u>	<u>5,119</u>	<u>3,459</u>	<u>2</u>	<u>3,461</u>	<u>1,658</u>
CITY ETHICS COMMISSION							
Current - Special Purpose	3,853	--	3,853	--	--	--	3,853
Transfers to Other Funds	8,425	--	8,425	4,288	--	4,288	4,137
TOTAL	<u>12,278</u>	<u>--</u>	<u>12,278</u>	<u>4,288</u>	<u>--</u>	<u>4,288</u>	<u>7,990</u>
ACCESSIBLE HOUSING							
Current - Special Purpose	34,903	(11,999)	22,904	11,204	6,263	17,467	5,437
Transfers to Other Funds	12,773	(2,180)	10,593	8,221	--	8,221	2,372
TOTAL	<u>47,676</u>	<u>(14,179)</u>	<u>33,497</u>	<u>19,425</u>	<u>6,263</u>	<u>25,688</u>	<u>7,809</u>
TOTAL BUDGETED GENERAL FUND	<u>\$ 64,820</u>	<u>\$ (13,926)</u>	<u>\$ 50,894</u>	<u>\$ 27,172</u>	<u>\$ 6,265</u>	<u>\$ 33,437</u>	<u>\$ 17,457</u>
ALL ANNUALLY BUDGETED GENERAL FUNDS							
Current - Special Purpose	\$ 39,334	\$ (11,746)	\$ 27,588	\$ 11,219	\$ 6,265	\$ 17,484	\$ 10,104
Transfers to Other Funds	25,486	(2,180)	23,306	15,953	--	15,953	7,353
TOTAL	<u>64,820</u>	<u>(13,926)</u>	<u>50,894</u>	<u>27,172</u>	<u>6,265</u>	<u>33,437</u>	<u>17,457</u>
GRAND TOTAL	<u>\$ 5,450,174</u>	<u>\$ (11,293)</u>	<u>\$ 5,438,881</u>	<u>\$ 1,880,514</u>	<u>\$ 345,178</u>	<u>\$ 2,225,692</u>	<u>\$ 3,213,189</u>

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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, 2023
(amounts expressed in thousands)**

	General Obligation Bonds				
	Refunding Series 2016-A	Proposition HHH - Debt Service	Refunding Series 2017-B	Refunding Series 2018-B	Refunding Series 2018-C
ASSETS					
Cash and Pooled Investments	\$ 19,930	\$ 86,631	\$ 5,703	\$ 1,149	\$ 251
Taxes Receivable (Net of Allowance for Uncollectibles of \$1,457)	985	10,743	703	1,205	359
Investment Income Receivable	75	321	22	4	1
TOTAL ASSETS	\$ 20,990	\$ 97,695	\$ 6,428	\$ 2,358	\$ 611
LIABILITIES					
Obligations Under Securities Lending Transactions	\$ 82	\$ 356	\$ 23	\$ 5	\$ 1
Interest Payable	--	--	--	--	--
Other Liabilities	197	862	57	10	3
TOTAL LIABILITIES	279	1,218	80	15	4
DEFERRED INFLOWS OF RESOURCES					
Property Taxes	770	8,397	550	942	281
Interest Receivable on Loans and Others	10	44	3	1	--
TOTAL DEFERRED INFLOWS OF RESOURCES	780	8,441	553	943	281
FUND BALANCES					
Restricted	19,931	88,036	5,795	1,400	326
TOTAL FUND BALANCES	19,931	88,036	5,795	1,400	326
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 20,990	\$ 97,695	\$ 6,428	\$ 2,358	\$ 611

Continued...

CITY OF LOS ANGELES

**Combining Balance Sheet - (Continued)
Nonmajor Debt Service Funds
June 30, 2023
(amounts expressed in thousands)**

	<u>General Obligation Bonds</u>		<u>Other Nonmajor Debt Service Funds</u>	<u>Total</u>
	<u>Refunding Series 2021-B</u>	<u>Solid Waste Resources</u>		
ASSETS				
Cash and Pooled Investments	\$ 25,795	\$ 26,321	\$ 7,415	\$ 173,195
Taxes Receivable (Net of Allowance for Uncollectibles of \$1,457)	421	--	--	14,416
Investment Income Receivable	98	--	27	548
TOTAL ASSETS	<u>\$ 26,314</u>	<u>\$ 26,321</u>	<u>\$ 7,442</u>	<u>\$ 188,159</u>
LIABILITIES				
Obligations Under Securities Lending Transactions	\$ 106	\$ --	\$ 29	\$ 602
Interest Payable	--	--	247	247
Other Liabilities	257	--	72	1,458
TOTAL LIABILITIES	<u>363</u>	<u>--</u>	<u>348</u>	<u>2,307</u>
DEFERRED INFLOWS OF RESOURCES				
Property Taxes	329	--	--	11,269
Interest Receivable on Loans and Others	13	--	3	74
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>342</u>	<u>--</u>	<u>3</u>	<u>11,343</u>
FUND BALANCES				
Restricted	<u>25,609</u>	<u>26,321</u>	<u>7,091</u>	<u>174,509</u>
TOTAL FUND BALANCES	<u>25,609</u>	<u>26,321</u>	<u>7,091</u>	<u>174,509</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 26,314</u>	<u>\$ 26,321</u>	<u>\$ 7,442</u>	<u>\$ 188,159</u>

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, 2023
(amounts expressed in thousands)**

	General Obligation Bonds				
	Refunding Series 2016-A	Proposition HHH - Debt Service	Refunding Series 2017-B	Refunding Series 2018-B	Refunding Series 2018-C
REVENUES					
Property Taxes	\$ 16,166	\$ 83,992	\$ 4,848	\$ 1,894	\$ 434
Charges for Services	--	--	--	--	--
Investment Earnings	314	1,103	98	19	4
Change in Fair Value of Investments	(154)	(2,854)	70	(14)	(3)
TOTAL REVENUES	16,326	82,241	5,016	1,899	435
EXPENDITURES					
General Government	--	--	141	--	--
Debt Service					
Principal	16,535	28,735	7,025	--	--
Interest	2,470	17,036	1,075	1,733	378
TOTAL EXPENDITURES	19,005	45,771	8,241	1,733	378
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(2,679)	36,470	(3,225)	166	57
OTHER FINANCING SOURCES					
Transfers In	--	4,401	--	--	--
TOTAL OTHER FINANCING SOURCES	--	4,401	--	--	--
NET CHANGE IN FUND BALANCES	(2,679)	40,871	(3,225)	166	57
FUND BALANCES, JULY 1	22,610	47,165	9,020	1,234	269
FUND BALANCES, JUNE 30	\$ 19,931	\$ 88,036	\$ 5,795	\$ 1,400	\$ 326

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, 2023
(amounts expressed in thousands)**

	<u>General Obligation Bonds</u>		<u>Other Nonmajor Debt Service Funds</u>	<u>Total</u>
	<u>Refunding Series 2021-B</u>	<u>Solid Waste Resources</u>		
REVENUES				
Property Taxes	\$ 19,730	\$ --	\$ --	\$ 127,064
Charges for Services	--	--	4,030	4,030
Investment Earnings	467	344	145	2,494
Change in Fair Value of Investments	492	--	(110)	(2,573)
TOTAL REVENUES	<u>20,689</u>	<u>344</u>	<u>4,065</u>	<u>131,015</u>
EXPENDITURES				
General Government	--	--	201	342
Debt Service				
Principal	36,475	18,560	12,395	119,725
Interest	3,281	5,600	370	31,943
TOTAL EXPENDITURES	<u>39,756</u>	<u>24,160</u>	<u>12,966</u>	<u>152,010</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(19,067)</u>	<u>(23,816)</u>	<u>(8,901)</u>	<u>(20,995)</u>
OTHER FINANCING SOURCES				
Transfers In	--	31,255	12,766	48,422
TOTAL OTHER FINANCING SOURCES	<u>--</u>	<u>31,255</u>	<u>12,766</u>	<u>48,422</u>
NET CHANGE IN FUND BALANCES	(19,067)	7,439	3,865	27,427
FUND BALANCES, JULY 1	<u>44,676</u>	<u>18,882</u>	<u>3,226</u>	<u>147,082</u>
FUND BALANCES, JUNE 30	<u>\$ 25,609</u>	<u>\$ 26,321</u>	<u>\$ 7,091</u>	<u>\$ 174,509</u>

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, 2023
(amounts expressed in thousands)**

	General Obligation Bonds Refunding Series 2016-A			
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts (Budgetary Basis)	Final Budget Positive (Negative)
REVENUES				
Revenues				
Taxes	\$ 19,005	\$ 19,005	\$ 17,165	\$ (1,840)
Charges for Services	--	--	--	--
Interest	--	--	288	288
TOTAL REVENUES	<u>19,005</u>	<u>19,005</u>	<u>17,453</u>	<u>(1,552)</u>
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Debt Service				
Principal	16,535	16,535	16,535	--
Interest	2,470	2,470	2,470	--
Total Expenditures	<u>19,005</u>	<u>19,005</u>	<u>19,005</u>	<u>--</u>
Other Financing Uses				
Transfers to Other Funds	--	--	--	--
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>19,005</u>	<u>19,005</u>	<u>19,005</u>	<u>--</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	--	--	(1,552)	(1,552)
FUND BALANCES, JULY 1	--	--	22,312	22,312
FUND BALANCES, JUNE 30	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 20,760</u>	<u>\$ 20,760</u>

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, 2023
(amounts expressed in thousands)

	Proposition HHH - Debt Service			
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts (Budgetary Basis)	Final Budget Positive (Negative)
REVENUES				
Revenues				
Taxes	\$ 45,771	\$ 45,771	\$ 43,844	\$ (1,927)
Charges for Services	--	--	--	--
Interest	--	--	600	600
TOTAL REVENUES	<u>45,771</u>	<u>45,771</u>	<u>44,444</u>	<u>(1,327)</u>
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Debt Service				
Principal	28,735	28,735	28,735	--
Interest	17,036	17,036	17,036	--
Total Expenditures	45,771	45,771	45,771	--
Other Financing Uses				
Transfers to Other Funds	--	--	--	--
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>45,771</u>	<u>45,771</u>	<u>45,771</u>	<u>--</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	--	--	(1,327)	(1,327)
FUND BALANCES, JULY 1	--	--	45,955	45,955
FUND BALANCES, JUNE 30	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 44,628</u>	<u>\$ 44,628</u>

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, 2023
(amounts expressed in thousands)

	General Obligation Bonds Refunding Series 2017-B			
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts (Budgetary Basis)	Final Budget Positive (Negative)
REVENUES				
Revenues				
Taxes	\$ 8,100	\$ 8,100	\$ 5,038	\$ (3,062)
Charges for Services	--	--	--	--
Interest	--	--	96	96
TOTAL REVENUES	<u>8,100</u>	<u>8,100</u>	<u>5,134</u>	<u>(2,966)</u>
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	140	(140)
Debt Service				
Principal	7,025	7,025	7,025	--
Interest	1,075	1,075	1,075	--
Total Expenditures	<u>8,100</u>	<u>8,100</u>	<u>8,240</u>	<u>(140)</u>
Other Financing Uses				
Transfers to Other Funds	--	--	--	--
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>8,100</u>	<u>8,100</u>	<u>8,240</u>	<u>(140)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	--	--	(3,106)	(3,106)
FUND BALANCES, JULY 1	--	--	9,047	9,047
FUND BALANCES, JUNE 30	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 5,941</u>	<u>\$ 5,941</u>

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, 2023
(amounts expressed in thousands)

	General Obligation Bonds Refunding Series 2018-B			
	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts (Budgetary Basis)	with Final Budget Positive (Negative)
REVENUES				
Revenues				
Taxes	\$ 1,733	\$ 1,733	\$ 1,756	\$ 23
Charges for Services	--	--	--	--
Interest	--	--	17	17
TOTAL REVENUES	<u>1,733</u>	<u>1,733</u>	<u>1,773</u>	<u>40</u>
EXPENDITURES AND OTHER FINANCING USES				
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	--	--	--	--
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>1,733</u>	<u>1,733</u>	<u>1,733</u>	<u>--</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	--	--	40	40
FUND BALANCES, JULY 1	--	--	1,157	1,157
FUND BALANCES, JUNE 30	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 1,197</u>	<u>\$ 1,197</u>

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, 2023
(amounts expressed in thousands)

	General Obligation Bonds Refunding Series 2018-C			
	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts (Budgetary Basis)	with Final Budget Positive (Negative)
REVENUES				
Revenues				
Taxes	\$ 378	\$ 378	\$ 383	\$ 5
Charges for Services	--	--	--	--
Interest	--	--	4	4
TOTAL REVENUES	<u>378</u>	<u>378</u>	<u>387</u>	<u>9</u>
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	378	378	378	--
Total Expenditures	<u>378</u>	<u>378</u>	<u>378</u>	<u>--</u>
Other Financing Uses				
Transfers to Other Funds	--	--	--	--
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>378</u>	<u>378</u>	<u>378</u>	<u>--</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	--	--	9	9
FUND BALANCES, JULY 1	--	--	252	252
FUND BALANCES, JUNE 30	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 261</u>	<u>\$ 261</u>

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, 2023
(amounts expressed in thousands)

	General Obligation Bonds Refunding Series 2021-B			
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts (Budgetary Basis)	Final Budget Positive (Negative)
REVENUES				
Revenues				
Taxes	\$ 39,756	\$ 39,756	\$ 21,142	\$ (18,614)
Charges for Services	--	--	--	--
Interest	--	--	461	461
TOTAL REVENUES	<u>39,756</u>	<u>39,756</u>	<u>21,603</u>	<u>(18,153)</u>
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Debt Service				
Principal	36,475	36,475	36,475	--
Interest	3,281	3,281	3,281	--
Total Expenditures	<u>39,756</u>	<u>39,756</u>	<u>39,756</u>	<u>--</u>
Other Financing Uses				
Transfers to Other Funds	--	--	--	--
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>39,756</u>	<u>39,756</u>	<u>39,756</u>	<u>--</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	--	--	(18,153)	(18,153)
FUND BALANCES, JULY 1	--	--	45,023	45,023
FUND BALANCES, JUNE 30	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 26,870</u>	<u>\$ 26,870</u>

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, 2023
(amounts expressed in thousands)

	Other Nonmajor Debt Service Fund - Convention Center - Staples Arena Account			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenues				
Taxes	\$ --	\$ --	\$ --	\$ --
Charges for Services	5,972	5,972	4,030	(1,942)
Interest	94	94	131	37
TOTAL REVENUES	<u>6,066</u>	<u>6,066</u>	<u>4,161</u>	<u>(1,905)</u>
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	8,613	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	<u>8,613</u>	<u>--</u>	<u>--</u>	<u>--</u>
Other Financing Uses				
Transfers to Other Funds	3,446	3,446	3,446	--
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>12,059</u>	<u>3,446</u>	<u>3,446</u>	<u>--</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(5,993)	2,620	715	(1,905)
FUND BALANCES, JULY 1	5,993	5,993	6,750	757
Appropriation of Fund Balances and Carryforward Appropriations	--	(8,613)	--	8,613
FUND BALANCES, JUNE 30	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 7,465</u>	<u>\$ 7,465</u>

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, 2023
(amounts expressed in thousands)

	Total Annually Budgeted Nonmajor Debt Service Funds			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenues				
Taxes	\$ 114,743	\$ 114,743	\$ 89,328	\$ (25,415)
Charges for Services	5,972	5,972	4,030	(1,942)
Interest	94	94	1,597	1,503
TOTAL REVENUES	<u>120,809</u>	<u>120,809</u>	<u>94,955</u>	<u>(25,854)</u>
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	8,613	--	140	(140)
Debt Service				
Principal	88,770	88,770	88,770	--
Interest	25,973	25,973	25,973	--
Total Expenditures	<u>123,356</u>	<u>114,743</u>	<u>114,883</u>	<u>(140)</u>
Other Financing Uses				
Transfers to Other Funds	3,446	3,446	3,446	--
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>126,802</u>	<u>118,189</u>	<u>118,329</u>	<u>(140)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(5,993)	2,620	(23,374)	(25,994)
FUND BALANCES, JULY 1	5,993	5,993	130,495	124,502
Appropriation of Fund Balances and Carryforward Appropriations	--	(8,613)	--	8,613
FUND BALANCES, JUNE 30	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 107,121</u>	<u>\$ 107,121</u>

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, 2023
(amounts expressed in thousands)

Deficiency of Revenues Under	
Expenditures and Other Financing Uses - Budgetary	\$ (23,374)
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.	(1,016)
Perspective Difference	
Certain Nonmajor Debt Service funds are not included in the legally adopted budget	51,817
Net Change in Fund Balances - Nonmajor Debt Service Funds	<u>\$ 27,427</u>
 DETAILS OF RESTATEMENT OF JULY 1 FUND BALANCES	
Fund Balances, July 1, as previously reported	\$ 67,801
Certain funds were not budgeted in prior year and others were included in this year's budget.	<u>62,694</u>
Fund Balances, July 1, as restated	<u>\$ 130,495</u>

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.

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. Nine funds are separately identified. These funds represent 84.5% 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, and Series 2011-A. These funds account for the proceeds from the sales of bonds authorized by the voters in November 2000, March 2002, November 2004 and November 2016 for the acquisition, improvement, and construction of certain police and fire safety facilities, animal shelter and stormwater infrastructure assets.

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 15.5% 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, 2023
(amounts expressed in thousands)**

	General Obligation Bonds					
	Series 2003-A	Series 2004-A	Series 2005-A	Series 2006-A	Series 2008-A	Series 2009
ASSETS						
Cash and Pooled Investments	\$ 297	\$ 830	\$ 2,453	\$ 4,647	\$ 1,167	\$ 6,121
Accounts Receivable	--	--	--	--	--	106
Special Assessments Receivable	--	--	--	--	--	--
Investment Income Receivable	1	3	10	19	5	29
Intergovernmental Receivable	--	--	--	--	--	--
Due from Other Funds	--	--	--	--	--	--
TOTAL ASSETS	\$ 298	\$ 833	\$ 2,463	\$ 4,666	\$ 1,172	\$ 6,256
LIABILITIES						
Accounts, Contracts and Retainage Payable	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Obligations Under Securities Lending						
Transactions	1	3	10	19	5	25
Due to Other Funds	--	25	4	493	363	1,029
Deposits and Advances	--	--	--	--	--	--
Other Liabilities	3	8	24	46	12	61
TOTAL LIABILITIES	4	36	38	558	380	1,115
DEFERRED INFLOWS OF RESOURCES						
Receivables from Other Government Agencies	--	--	--	--	--	106
Interest Receivable on Loans and Others	--	--	1	2	1	3
TOTAL DEFERRED INFLOWS OF RESOURCES	--	--	1	2	1	109
FUND BALANCES						
Restricted	294	797	2,424	4,106	791	5,032
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 298	\$ 833	\$ 2,463	\$ 4,666	\$ 1,172	\$ 6,256

Continued...

CITY OF LOS ANGELES

Combining Balance Sheet - (Continued)
 Nonmajor Capital Projects Funds
 June 30, 2023
 (amounts expressed in thousands)

	<u>General Obligation Bonds</u>		<u>Parks Assessment</u>	<u>Other Nonmajor Capital Projects Funds</u>		<u>Total</u>
	<u>Series 2011-A</u>	<u>Recreation and Parks Grant</u>				
ASSETS						
Cash and Pooled Investments	\$ 34,717	\$ 74,372	\$ 143,478	\$ 21,553	\$	289,635
Accounts Receivable	1,053	150	--	--	--	1,309
Special Assessments Receivable	--	--	1,230	--	--	1,230
Investment Income Receivable	146	296	621	9	--	1,139
Intergovernmental Receivable	--	1,056	--	--	--	1,056
Due from Other Funds	--	749	3,397	905	--	5,051
TOTAL ASSETS	<u>\$ 35,916</u>	<u>\$ 76,623</u>	<u>\$ 148,726</u>	<u>\$ 22,467</u>	<u>\$</u>	<u>299,420</u>
LIABILITIES						
Accounts, Contracts and Retainage Payable	\$ 763	\$ 1,980	\$ 208	\$ 743	\$	3,694
Obligations Under Securities Lending						
Transactions	142	305	589	19	--	1,118
Due to Other Funds	266	--	560	43	--	2,783
Deposits and Advances	--	--	--	4	--	4
Other Liabilities	345	740	1,427	46	--	2,712
TOTAL LIABILITIES	<u>1,516</u>	<u>3,025</u>	<u>2,784</u>	<u>855</u>	<u>\$</u>	<u>10,311</u>
DEFERRED INFLOWS OF RESOURCES						
Receivables from Other Government Agencies	1,053	1,080	--	--	--	2,239
Interest Receivable on Loans and Others	19	37	812	1	--	876
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>1,072</u>	<u>1,117</u>	<u>812</u>	<u>1</u>	<u>\$</u>	<u>3,115</u>
FUND BALANCES						
Restricted	<u>33,328</u>	<u>72,481</u>	<u>145,130</u>	<u>21,611</u>	<u>\$</u>	<u>285,994</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 35,916</u>	<u>\$ 76,623</u>	<u>\$ 148,726</u>	<u>\$ 22,467</u>	<u>\$</u>	<u>299,420</u>

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, 2023
(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>
REVENUES						
Other Taxes	\$ --	\$ --	\$ --	\$ --	\$ --	--
Intergovernmental	--	--	--	--	--	--
Charges for Services	--	--	--	--	30	--
Special Assessments	--	--	--	--	--	--
Investment Earnings	7	19	55	104	26	162
Change in Fair Value of Investments	(4)	(10)	(29)	(52)	(16)	(9)
Other	--	--	--	--	--	--
TOTAL REVENUES	<u>3</u>	<u>9</u>	<u>26</u>	<u>52</u>	<u>40</u>	<u>153</u>
EXPENDITURES						
Capital Outlay	--	--	--	--	1	1,240
TOTAL EXPENDITURES	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>1</u>	<u>1,240</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>3</u>	<u>9</u>	<u>26</u>	<u>52</u>	<u>39</u>	<u>(1,087)</u>
OTHER FINANCING SOURCES (USES)						
Transfers In	--	--	--	--	11	--
Transfers Out	--	--	--	(78)	--	--
TOTAL OTHER FINANCING SOURCES (USES)	<u>--</u>	<u>--</u>	<u>--</u>	<u>(78)</u>	<u>11</u>	<u>--</u>
NET CHANGE IN FUND BALANCES	<u>3</u>	<u>9</u>	<u>26</u>	<u>(26)</u>	<u>50</u>	<u>(1,087)</u>
FUND BALANCES, JULY 1	<u>291</u>	<u>788</u>	<u>2,398</u>	<u>4,132</u>	<u>741</u>	<u>6,119</u>
FUND BALANCES, JUNE 30	<u>\$ 294</u>	<u>\$ 797</u>	<u>\$ 2,424</u>	<u>\$ 4,106</u>	<u>\$ 791</u>	<u>\$ 5,032</u>

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, 2023
(amounts expressed in thousands)**

	<u>General Obligation Bonds</u>		<u>Parks Assessment</u>	<u>Other Nonmajor Capital Projects Funds</u>	<u>Total</u>
	<u>Series 2011-A</u>	<u>Recreation and Parks Grant</u>			
REVENUES					
Other Taxes	\$ --	\$ --	\$ --	\$ 3,334	\$ 3,334
Intergovernmental	1,053	10,761	--	4,124	15,938
Charges for Services	--	1,245	--	--	1,275
Special Assessments	--	--	24,875	--	24,875
Investment Earnings	793	1,528	3,103	42	5,839
Change in Fair Value of Investments	(397)	(1,322)	(2,305)	(121)	(4,265)
Other	--	465	--	--	465
TOTAL REVENUES	<u>1,449</u>	<u>12,677</u>	<u>25,673</u>	<u>7,379</u>	<u>47,461</u>
EXPENDITURES					
Capital Outlay	2,245	14,220	13,187	4,510	35,403
TOTAL EXPENDITURES	<u>2,245</u>	<u>14,220</u>	<u>13,187</u>	<u>4,510</u>	<u>35,403</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(796)</u>	<u>(1,543)</u>	<u>12,486</u>	<u>2,869</u>	<u>12,058</u>
OTHER FINANCING SOURCES (USES)					
Transfers In	--	7,553	1,827	--	9,391
Transfers Out	--	--	--	(1,923)	(2,001)
TOTAL OTHER FINANCING SOURCES (USES)	<u>--</u>	<u>7,553</u>	<u>1,827</u>	<u>(1,923)</u>	<u>7,390</u>
NET CHANGE IN FUND BALANCES	<u>(796)</u>	<u>6,010</u>	<u>14,313</u>	<u>946</u>	<u>19,448</u>
FUND BALANCES, JULY 1	34,124	66,471	130,817	20,665	266,546
FUND BALANCES, JUNE 30	<u>\$ 33,328</u>	<u>\$ 72,481</u>	<u>\$ 145,130</u>	<u>\$ 21,611</u>	<u>\$ 285,994</u>

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, 2023
(amounts expressed in thousands)**

	Other Nonmajor Capital Projects Fund - Local Transportation			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenues				
Taxes	\$ --	\$ --	\$ --	\$ --
Intergovernmental	4,193	4,193	4,123	(70)
Interest	--	--	40	40
TOTAL REVENUES	<u>4,193</u>	<u>4,193</u>	<u>4,163</u>	<u>(30)</u>
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Capital Outlay	12,067	12,817	4,798	8,019
Other Financing Uses				
Transfers to Other Funds	89	89	--	89
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>12,156</u>	<u>12,906</u>	<u>4,798</u>	<u>8,108</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(7,963)	(8,713)	(635)	8,078
FUND BALANCES (DEFICIT), JULY 1	2	2	(110)	(112)
Appropriation of Fund Balances and Carryforward Appropriations	7,961	8,006	--	(8,006)
Encumbrances Lapsed	--	705	705	--
FUND BALANCES (DEFICIT), JUNE 30	<u>\$ --</u>	<u>\$ --</u>	<u>\$ (40)</u>	<u>\$ (40)</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, 2023
(amounts expressed in thousands)**

	Other Nonmajor Capital Projects Fund - Parks and Recreation Sites and Facilities			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenues				
Taxes	\$ 3,100	\$ 3,100	\$ 3,317	\$ 217
Intergovernmental	--	--	--	--
Interest	--	--	--	--
TOTAL REVENUES	<u>3,100</u>	<u>3,100</u>	<u>3,317</u>	<u>217</u>
EXPENDITURES AND OTHER FINANCING USES				
Capital Outlay	4,168	14,890	1,239	13,651
Other Financing Uses				
Transfers to Other Funds	1,269	3,442	3,456	(14)
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>5,437</u>	<u>18,332</u>	<u>4,695</u>	<u>13,637</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(2,337)	(15,232)	(1,378)	13,854
FUND BALANCES (DEFICIT), JULY 1	--	--	17,314	17,314
Appropriation of Fund Balances and Carryforward Appropriations	2,337	14,850	--	(14,850)
Encumbrances Lapsed	--	382	382	--
FUND BALANCES (DEFICIT), JUNE 30	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 16,318</u>	<u>\$ 16,318</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, 2023
(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		
REVENUES				
Revenues				
Taxes	\$ 3,100	\$ 3,100	\$ 3,317	\$ 217
Intergovernmental	4,193	4,193	4,123	(70)
Interest	--	--	40	40
TOTAL REVENUES	<u>7,293</u>	<u>7,293</u>	<u>7,480</u>	<u>187</u>
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Capital Outlay	16,235	27,707	6,037	21,670
Other Financing Uses				
Transfers to Other Funds	1,358	3,531	3,456	75
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>17,593</u>	<u>31,238</u>	<u>9,493</u>	<u>21,745</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(10,300)	(23,945)	(2,013)	21,932
FUND BALANCES (DEFICIT), JULY 1	2	2	17,204	17,202
Appropriation of Fund Balances and Carryforward Appropriations	10,298	22,856	--	(22,856)
Encumbrances Lapsed	--	1,087	1,087	--
FUND BALANCES (DEFICIT), JUNE 30	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 16,278</u>	<u>\$ 16,278</u>

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, 2023
(amounts expressed in thousands)

Deficiency of Revenues Under

Expenditures and Other Financing Uses - Budgetary \$ (2,013)

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. 374

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 3,744

Prior year encumbrances expended in current year (1,066)

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. 18,409

Net Change in Fund Balances - Nonmajor Capital Projects Funds \$ 19,448

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, 2023
(amounts expressed in thousands)

	Original Adopted Budget	Additional Appropriations, Carryforward and Transfers	Final Budget	Expenditures	Encumbrances June 30, 2023	Total Actual	Variance with Final Budget Positive (Negative)
LOCAL TRANSPORTATION							
Capital Outlay	\$ 12,067	\$ 750	\$ 12,817	\$ 1,390	\$ 3,408	\$ 4,798	\$ 8,019
Transfers to Other Funds	89	--	89	--	--	--	89
TOTAL	<u>12,156</u>	<u>750</u>	<u>12,906</u>	<u>1,390</u>	<u>3,408</u>	<u>4,798</u>	<u>8,108</u>
PARKS AND RECREATION							
SITES AND FACILITIES							
Capital Outlay	4,168	10,722	14,890	903	336	1,239	13,651
Transfers to Other Funds	1,269	2,173	3,442	3,456	--	3,456	(14)
TOTAL	<u>5,437</u>	<u>12,895</u>	<u>18,332</u>	<u>4,359</u>	<u>336</u>	<u>4,695</u>	<u>13,637</u>
TOTAL BUDGETED CAPITAL PROJECTS FUNDS	<u>\$ 17,593</u>	<u>\$ 13,645</u>	<u>\$ 31,238</u>	<u>\$ 5,749</u>	<u>\$ 3,744</u>	<u>\$ 9,493</u>	<u>\$ 21,745</u>
ALL ANNUALLY BUDGETED CAPITAL PROJECTS FUNDS							
Capital Outlay	\$ 16,235	\$ 11,472	\$ 27,707	\$ 2,293	\$ 3,744	\$ 6,037	\$ 21,670
Transfers to Other Funds	1,358	2,173	3,531	3,456	--	3,456	75
TOTAL	<u>\$ 17,593</u>	<u>\$ 13,645</u>	<u>\$ 31,238</u>	<u>\$ 5,749</u>	<u>\$ 3,744</u>	<u>\$ 9,493</u>	<u>\$ 21,745</u>

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.

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, 2023
(amounts expressed in thousands)**

	Pension Trust Funds	Other Postemployment Benefits Trust Funds	Total
ASSETS			
Cash and Pooled Investments	\$ 84,607	\$ 6,571	\$ 91,178
Receivables			
Contributions	77,161	2,895	80,056
Accrued Investment Income	218,316	33,765	252,081
Contingent Disability Benefit Advance	3,310	--	3,310
Other Receivables	21,780	2,151	23,931
Advance to Other Entities	883,904	117,090	1,000,994
Other Investments			
Short-Term Investments	1,540,803	238,590	1,779,393
U.S. Government Obligations	4,901,763	729,717	5,631,480
U.S. Agency Notes	1,014,955	189,569	1,204,524
Municipal Bonds	17,242	3,334	20,576
Domestic Corporate Bonds	4,383,388	618,915	5,002,303
International Bonds	1,656,615	309,099	1,965,714
Other Fixed Income	797,106	154,482	951,588
Bank Loans	87,803	17,223	105,026
Opportunistic Debt	392,553	77,001	469,554
Domestic Stocks	17,290,593	2,578,138	19,868,731
International Stocks	11,948,452	1,903,438	13,851,890
Mortgage-Backed Securities	801,027	154,912	955,939
Government Agencies	9,289	1,822	11,111
Derivative Instruments - Current	(1,576)	(310)	(1,886)
Real Estate	4,078,468	653,132	4,731,600
Alternative Investments	12,338,244	1,934,333	14,272,577
Securities Lending Collateral	1,781,345	305,019	2,086,364
Prepaid Expense	53	--	53
Prepaid Health Subsidy	1	13,122	13,123
Capital Assets			
Land, Furniture, Equipment and Software (Net of Accumulated Depreciation and Amortization of \$17,140)	70,495	12,162	82,657
TOTAL ASSETS	64,397,697	10,056,170	74,453,867
LIABILITIES			
Accounts Payable and Accrued Expenses	178,793	28,928	207,721
Accrued Investment Expenses	7,373	1,446	8,819
Benefits in Process of Payment	28,397	7,018	35,415
Due to Brokers	1,280,223	170,007	1,450,230
Obligations Under Securities Lending Transactions	1,781,345	305,019	2,086,364
Mortgage Loan Payable - Current Portion	12,228	1,365	13,593
Mortgage Loan Payable - Noncurrent Portion	155,979	17,419	173,398
Deposits and Advances	24	3	27
TOTAL LIABILITIES	3,444,362	531,205	3,975,567
DEFERRED INFLOWS OF RESOURCES			
Leases	1,102	177	1,279
TOTAL DEFERRED INFLOWS OF RESOURCES	1,102	177	1,279
NET POSITION			
Restricted for Pension and Other Postemployment Benefits			
Pension Plans	60,910,977	--	60,910,977
Disability Plan	41,256	--	41,256
Death Benefit Plan	--	46,533	46,533
Postemployment Healthcare Plans	--	9,478,255	9,478,255
TOTAL NET POSITION	\$ 60,952,233	\$ 9,524,788	\$ 70,477,021

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, 2023
(amounts expressed in thousands)

	Pension Trust Funds	Other Postemployment Benefits Trust Funds	Total
ADDITIONS			
Contributions			
Employer	\$ 1,535,370	\$ 408,115	\$ 1,943,485
Plan Member	557,166	378	557,544
Total Contributions	<u>2,092,536</u>	<u>408,493</u>	<u>2,501,029</u>
Self-Funded Insurance Premium	--	12,809	12,809
Health Insurance Premium Reserve	--	1,423	1,423
Investment Income			
Net Appreciation in Fair Value of Investments	3,255,773	538,252	3,794,025
Interest Income	536,553	82,978	619,531
Income from Alternative Investments	53,142	5,954	59,096
Dividend Income	632,773	92,330	725,103
Securities Lending Income	40,814	8,871	49,685
Other Investment Income	59,847	10,568	70,415
Income from Real Estate Investments	86,241	12,292	98,533
Investment Income	<u>4,665,143</u>	<u>751,245</u>	<u>5,416,388</u>
Investment Expense	(297,093)	(50,898)	(347,991)
Securities Lending Expense	(29,902)	(7,165)	(37,067)
Net Investment Income	<u>4,338,148</u>	<u>693,182</u>	<u>5,031,330</u>
Other Income	495	65	560
TOTAL ADDITIONS	<u>6,431,179</u>	<u>1,115,972</u>	<u>7,547,151</u>
DEDUCTIONS			
Benefits Payments	3,313,763	449,796	3,763,559
Refunds of Member Contributions	32,796	--	32,796
Administrative Expenses	56,030	12,847	68,877
TOTAL DEDUCTIONS	<u>3,402,589</u>	<u>462,643</u>	<u>3,865,232</u>
CHANGE IN NET POSITION			
Pension Plans	3,032,184	--	3,032,184
Disability Plan	(3,594)	--	(3,594)
Death Benefit Plan	--	6,008	6,008
Postemployment Healthcare Plans	--	647,321	647,321
TOTAL CHANGE IN NET POSITION	<u>3,028,590</u>	<u>653,329</u>	<u>3,681,919</u>
Net Position Restricted for Pension and Postemployment Benefits, July 1			
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
NET POSITION RESTRICTED FOR PENSION AND OTHER POSTEMPLOYMENT BENEFITS, JUNE 30	<u>\$ 60,952,233</u>	<u>\$ 9,524,788</u>	<u>\$ 70,477,021</u>

CITY OF LOS ANGELES

**Combining Statement of Fiduciary Net Position
Pension Trust Funds
June 30, 2023
(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
ASSETS				
Cash and Pooled Investments	\$ 7,166	\$ 5,855	\$ 71,586	\$ 84,607
Receivables				
Contributions	5,870	--	71,291	77,161
Accrued Investment Income	96,036	74,593	47,687	218,316
Contingent Disability Benefit Advance	--	--	3,310	3,310
Other Receivables	483	10,585	10,712	21,780
Advance to Other Entities	548,112	78,567	257,225	883,904
Other Investments				
Short-Term Investments	698,991	351,781	490,031	1,540,803
U.S. Government Obligations	2,645,966	1,375,416	880,381	4,901,763
U.S. Agency Notes	--	--	1,014,955	1,014,955
Municipal Bonds	--	12,071	5,171	17,242
Domestic Corporate Bonds	2,753,588	746,441	883,359	4,383,388
International Bonds	114,639	884,175	657,801	1,656,615
Other Fixed Income	--	597,234	199,872	797,106
Bank Loans	--	87,803	--	87,803
Opportunistic Debt	--	392,553	--	392,553
Domestic Stocks	9,257,101	4,679,367	3,354,125	17,290,593
International Stocks	4,846,294	3,808,020	3,294,138	11,948,452
Mortgage-Backed Securities	--	564,991	236,036	801,027
Government Agencies	--	9,289	--	9,289
Derivative Instruments - Current	--	(1,576)	--	(1,576)
Real Estate	1,558,524	1,055,373	1,464,571	4,078,468
Alternative Investments	5,023,902	3,473,159	3,841,183	12,338,244
Securities Lending Collateral	894,231	176,236	710,878	1,781,345
Prepaid Expense	--	--	53	53
Prepaid Health Subsidy	1	--	--	1
Capital Assets				
Land, Furniture, Equipment and Software (Net of Accumulated Depreciation and Amortization of \$14,937)	19,727	50,768	--	70,495
TOTAL ASSETS	28,470,631	18,432,701	17,494,365	64,397,697
LIABILITIES				
Accounts Payable and Accrued Expenses	20,107	78,305	80,381	178,793
Accrued Investment Expenses	--	7,373	--	7,373
Benefits in Process of Payment	28,397	--	--	28,397
Due to Brokers	921,902	121,272	237,049	1,280,223
Obligations Under Securities Lending Transactions	894,231	176,236	710,878	1,781,345
Mortgage Loan Payable - Current Portion	12,228	--	--	12,228
Mortgage Loan Payable - Noncurrent Portion	155,979	--	--	155,979
Deposits and Advances	24	--	--	24
TOTAL LIABILITIES	2,032,868	383,186	1,028,308	3,444,362
DEFERRED INFLOWS OF RESOURCES				
Leases	466	636	--	1,102
TOTAL DEFERRED INFLOWS OF RESOURCES	466	636	--	1,102
NET POSITION				
Restricted for Pension Benefits				
Pension Plans	26,437,297	18,048,879	16,424,801	60,910,977
Disability Plan	--	--	41,256	41,256
TOTAL NET POSITION	\$ 26,437,297	\$ 18,048,879	\$ 16,466,057	\$ 60,952,233

CITY OF LOS ANGELES

**Combining Statement of Changes in Fiduciary Net Position
Pension Trust Funds
For the Fiscal Year Ended June 30, 2023
(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
ADDITIONS				
Contributions				
Employer	\$ 481,824	\$ 669,438	\$ 384,108	\$ 1,535,370
Plan Member	151,935	259,977	145,254	557,166
Total Contributions	<u>633,759</u>	<u>929,415</u>	<u>529,362</u>	<u>2,092,536</u>
Investment Income				
Net Appreciation in Fair Value of Investments	1,423,682	960,978	871,113	3,255,773
Interest Income	205,885	157,772	172,896	536,553
Income from Alternative Investments	31,057	--	22,085	53,142
Dividend Income	330,439	190,501	111,833	632,773
Securities Lending Income	5,469	3,723	31,622	40,814
Other Investment Income	575	59,030	242	59,847
Income from Real Estate Investments	43,987	--	42,254	86,241
Investment Income	<u>2,041,094</u>	<u>1,372,004</u>	<u>1,252,045</u>	<u>4,665,143</u>
Investment Expense	(120,281)	(106,372)	(70,440)	(297,093)
Securities Lending Expense	(765)	(534)	(28,603)	(29,902)
Net Investment Income	<u>1,920,048</u>	<u>1,265,098</u>	<u>1,153,002</u>	<u>4,338,148</u>
Other Income	413	82	--	495
TOTAL ADDITIONS	<u>2,554,220</u>	<u>2,194,595</u>	<u>1,682,364</u>	<u>6,431,179</u>
DEDUCTIONS				
Benefits Payments	1,342,885	1,211,894	758,984	3,313,763
Refunds of Member Contributions	9,580	14,397	8,819	32,796
Administrative Expenses	22,994	25,758	7,278	56,030
TOTAL DEDUCTIONS	<u>1,375,459</u>	<u>1,252,049</u>	<u>775,081</u>	<u>3,402,589</u>
CHANGE IN NET POSITION				
Pension Plans	1,178,761	942,546	910,877	3,032,184
Disability Plan	--	--	(3,594)	(3,594)
TOTAL CHANGE IN NET POSITION	<u>1,178,761</u>	<u>942,546</u>	<u>907,283</u>	<u>3,028,590</u>
Net Position Restricted for Pension, July 1				
Pension Plans	25,258,536	17,106,333	15,513,924	57,878,793
Disability Plan	--	--	44,850	44,850
NET POSITION RESTRICTED FOR PENSION, JUNE 30	<u>\$ 26,437,297</u>	<u>\$ 18,048,879</u>	<u>\$ 16,466,057</u>	<u>\$ 60,952,233</u>

CITY OF LOS ANGELES

**Combining Statement of Fiduciary Net Position
Other Postemployment Benefits Trust Funds
June 30, 2023
(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
ASSETS				
Cash and Pooled Investments	\$ 797	\$ 1,148	\$ 4,626	\$ 6,571
Receivables				
Contributions	--	--	2,895	2,895
Accrued Investment Income	10,725	14,632	8,408	33,765
Accounts Receivable	54	2,077	20	2,151
Advance to Other Entities	61,211	15,411	40,468	117,090
Other Investments				
Short-Term Investments	78,060	69,004	91,526	238,590
U.S. Government Obligations	295,488	269,795	164,434	729,717
U.S. Agency Notes	--	--	189,569	189,569
Municipal Bonds	--	2,368	966	3,334
Domestic Corporate Bonds	307,507	146,418	164,990	618,915
International Bonds	12,802	173,436	122,861	309,099
Other Fixed Income	--	117,151	37,331	154,482
Bank Loans	--	17,223	--	17,223
Opportunistic Debt	--	77,001	--	77,001
Domestic Stocks	1,033,785	917,884	626,469	2,578,138
International Stocks	541,209	746,964	615,265	1,903,438
Mortgage-Backed Securities	--	110,826	44,086	154,912
Government Agencies	--	1,822	--	1,822
Derivative Instruments - Current	--	(310)	--	(310)
Real Estate	174,048	207,017	272,067	653,132
Alternative Investments	561,044	681,279	692,010	1,934,333
Securities Lending Collateral	99,863	34,570	170,586	305,019
Prepaid Health Subsidy	13,122	--	--	13,122
Capital Assets				
Land, Furniture, Equipment and Software (Net of Accumulated Depreciation and Amortization of \$2,203)	2,203	9,959	--	12,162
TOTAL ASSETS	3,191,918	3,615,675	3,248,577	10,056,170
LIABILITIES				
Accounts Payable and Accrued Expenses	2,245	15,360	11,323	28,928
Accrued Investment Expenses	--	1,446	--	1,446
Benefits in Process of Payment	1,204	--	5,814	7,018
Due to Brokers	102,953	23,788	43,266	170,007
Obligations Under Securities Lending Transactions	99,863	34,570	170,586	305,019
Mortgage Loan Payable - Current Portion	1,365	--	--	1,365
Mortgage Loan Payable - Noncurrent Portion	17,419	--	--	17,419
Deposits and Advances	3	--	--	3
TOTAL LIABILITIES	225,052	75,164	230,989	531,205
DEFERRED INFLOWS OF RESOURCES				
Leases	52	125	--	177
TOTAL DEFERRED INFLOWS OF RESOURCES	52	125	--	177
NET POSITION				
Restricted for Postemployment Benefits				
Death Benefit Plan	--	--	46,533	46,533
Postemployment Healthcare Plans	2,966,814	3,540,386	2,971,055	9,478,255
TOTAL NET POSITION	\$ 2,966,814	\$ 3,540,386	\$ 3,017,588	\$ 9,524,788

CITY OF LOS ANGELES

Combining Statement of Changes in Fiduciary Net Position
Other Postemployment Benefits Trust Funds
For the Fiscal Year Ended June 30, 2023
(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
ADDITIONS				
Contributions				
Employer	\$ 186,419	\$ 90,581	\$ 131,115	\$ 408,115
Plan Member	--	--	378	378
Total Contributions	<u>186,419</u>	<u>90,581</u>	<u>131,493</u>	<u>408,493</u>
Self-Funded Insurance Premium	--	12,809	--	12,809
Health Insurance Premium Reserve	--	1,423	--	1,423
Investment Income				
Net Appreciation in Fair Value of Investments	159,209	220,469	158,574	538,252
Interest Income	23,024	28,005	31,949	82,978
Income from Alternative Investments	3,473	--	2,481	5,954
Dividend Income	36,953	33,814	21,563	92,330
Securities Lending Income	610	661	7,600	8,871
Other Investment Income	64	10,478	26	10,568
Income from Real Estate Investments	4,919	--	7,373	12,292
Investment Income	<u>228,252</u>	<u>293,427</u>	<u>229,566</u>	<u>751,245</u>
Investment Expense	(13,451)	(24,404)	(13,043)	(50,898)
Securities Lending Expense	(85)	(123)	(6,957)	(7,165)
Net Investment Income	<u>214,716</u>	<u>268,900</u>	<u>209,566</u>	<u>693,182</u>
Other Income	46	19	--	65
TOTAL ADDITIONS	<u>401,181</u>	<u>373,732</u>	<u>341,059</u>	<u>1,115,972</u>
DEDUCTIONS				
Benefits Payments	153,918	173,583	122,295	449,796
Administrative Expenses	2,571	7,534	2,742	12,847
TOTAL DEDUCTIONS	<u>156,489</u>	<u>181,117</u>	<u>125,037</u>	<u>462,643</u>
CHANGE IN NET POSITION				
Death Benefit Plan	--	--	6,008	6,008
Postemployment Healthcare Plans	244,692	192,615	210,014	647,321
TOTAL CHANGE IN NET POSITION	<u>244,692</u>	<u>192,615</u>	<u>216,022</u>	<u>653,329</u>
Net Position Restricted for Postemployment Benefits, July 1				
Death Benefit Plan	--	--	40,525	40,525
Postemployment Healthcare Plans	2,722,122	3,347,771	2,761,041	8,830,934
NET POSITION RESTRICTED FOR POSTEMPLOYMENT BENEFITS, JUNE 30	<u>\$ 2,966,814</u>	<u>\$ 3,540,386</u>	<u>\$ 3,017,588</u>	<u>\$ 9,524,788</u>

CITY OF LOS ANGELES

**Combining Statement of Fiduciary Net Position
Custodial Funds
June 30, 2023
(amounts expressed in thousands)**

	Unclaimed Money Seized	Bond Deposit Trust Fund	Custodial Assessment Funds	Clean Fuel Funds	Total
ASSETS					
Cash and Pooled Investments	\$ 6,513	\$ 4,178	\$ 10,214	\$ 4,000	\$ 24,905
Special Assessments Receivable	--	--	270	--	270
Investment Income Receivable	--	--	37	--	37
TOTAL ASSETS	6,513	4,178	10,521	4,000	25,212
LIABILITIES					
Fiduciary Liabilities	--	--	190	--	190
Obligations Under Securities Lending Transactions	--	--	41	--	41
Due to Other Entities	--	4,178	163	--	4,341
Deposits and Advances	6,513	--	--	--	6,513
TOTAL LIABILITIES	6,513	4,178	394	--	11,085
NET POSITION					
Restricted for Individuals, Organizations and Other Governments	--	--	10,127	4,000	14,127
TOTAL NET POSITION	\$ --	\$ --	\$ 10,127	\$ 4,000	\$ 14,127

CITY OF LOS ANGELES

**Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
For the Fiscal Year Ended June 30, 2023
(amounts expressed in thousands)**

	Custodial Assessment Funds	Clean Fuel Funds	Total
ADDITIONS			
Tax Collections from Community Facilities Districts	\$ 9,499	\$ --	\$ 9,499
Collections for Clean Fuel Rewards Program	--	169,689	169,689
Net Depreciation in Fair Value of Investments	(232)	--	(232)
Interest Income	18	--	18
TOTAL ADDITIONS	9,285	169,689	178,974
DEDUCTIONS			
Debt Service Payments for Community Facilities Districts	7,123	--	7,123
Payments for Clean Fuel Reward Program	--	175,689	175,689
TOTAL DEDUCTIONS	7,123	175,689	182,812
CHANGE IN NET POSITION			
Net Position Restricted for Individuals, Organizations and Other Governments, July 1	2,162	(6,000)	(3,838)
	7,965	10,000	17,965
NET POSITION RESTRICTED FOR INDIVIDUALS, ORGANIZATIONS, AND OTHER GOVERNMENTS, JUNE 30	\$ 10,127	\$ 4,000	\$ 14,127

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STATISTICAL SECTION

CITY OF LOS ANGELES

Statistical Section
For the Fiscal Year Ended June 30, 2023

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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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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CITY OF LOS ANGELES

Statistical Section
For the Fiscal Year Ended June 30, 2023

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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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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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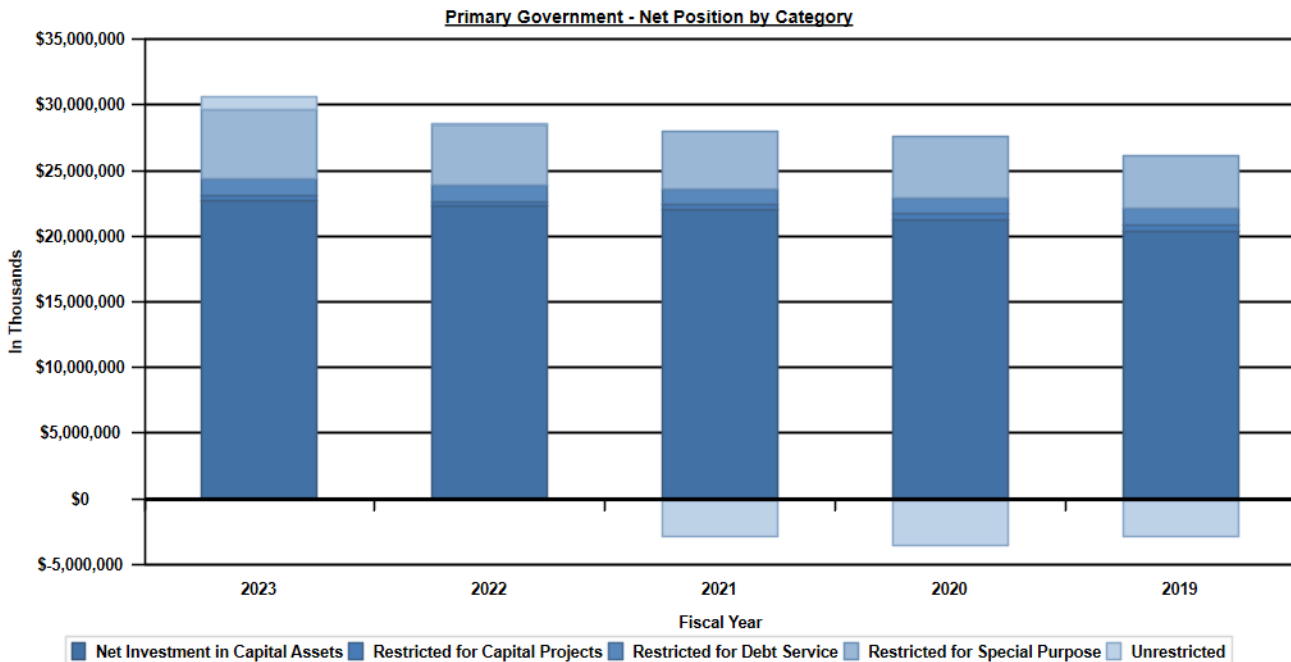
CITY OF LOS ANGELES

Net Position by Category
Accrual Basis of Accounting
Last Ten Fiscal Years
(amounts expressed in thousands)

	Fiscal Year				
	2023	2022	2021	2020	2019
GOVERNMENTAL ACTIVITIES					
Net Investment in Capital Assets	\$ 6,546,170	\$ 6,465,677	\$ 6,288,850	\$ 6,113,258	\$ 5,890,308
Restricted Net Position					
Capital Projects	315,377	320,098	362,062	407,609	474,603
Debt Service	307,232	286,112	281,238	346,878	379,192
Special Purposes	4,068,324	3,701,108	3,452,726	3,371,035	2,643,601
Unrestricted (Deficit)	(5,227,304)	(5,240,118)	(7,534,065)	(7,444,581)	(6,980,964)
SUBTOTAL GOVERNMENTAL ACTIVITIES NET POSITION	6,009,799	5,532,877	2,850,811	2,794,199	2,406,740
BUSINESS-TYPE ACTIVITIES					
Net Investment in Capital Assets	16,195,874	15,874,735	15,744,950	15,181,630	14,515,311
Restricted Net Position					
Debt Service	987,294	920,182	901,679	871,541	848,900
Special Purposes	1,195,648	866,804	938,385	1,351,593	1,352,280
Unrestricted	6,199,195	5,354,516	4,701,295	3,912,652	4,086,882
SUBTOTAL BUSINESS-TYPE ACTIVITIES NET POSITION	24,578,011	23,016,237	22,286,309	21,317,416	20,803,373
PRIMARY GOVERNMENT					
Net Investment in Capital Assets	22,742,044	22,340,412	22,033,800	21,294,888	20,405,619
Restricted Net Position					
Capital Projects	315,377	320,098	362,062	407,609	474,603
Debt Service	1,294,526	1,206,294	1,182,917	1,218,419	1,228,092
Special Purpose	5,263,972	4,567,912	4,391,111	4,722,628	3,995,881
Unrestricted (Deficit)	971,891	114,398	(2,832,770)	(3,531,929)	(2,894,082)
TOTAL PRIMARY GOVERNMENT NET POSITION	\$ 30,587,810	\$ 28,549,114	\$ 25,137,120	\$ 24,111,615	\$ 23,210,113

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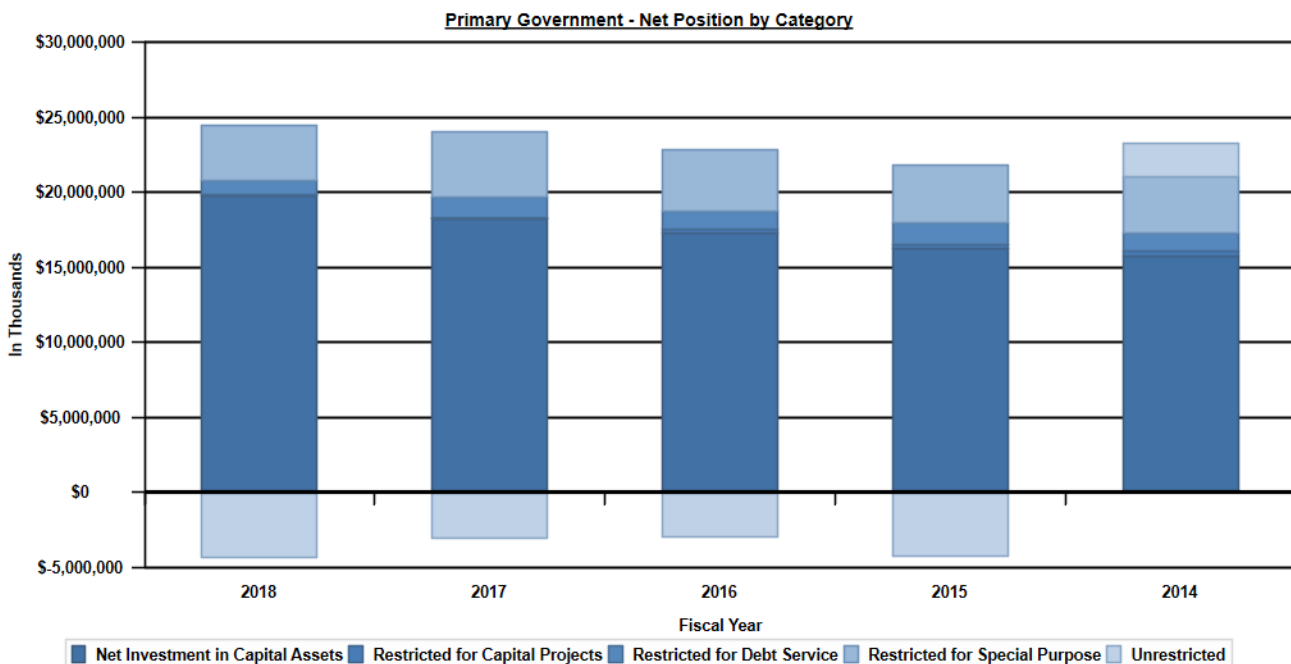
Note: GASB Statement No. 68, 75, 84, 87, 94 and 96 were implemented in fiscal year 2015, 2018, 2020, 2022 and 2023, respectively. FY22 figures have not been restated for the effect of GASB 96.



CITY OF LOS ANGELES

**Net Position by Category
Accrual Basis of Accounting - (Continued)
Last Ten Fiscal Years
(amounts expressed in thousands)**

	Fiscal Year				
	2018	2017	2016	2015	2014
GOVERNMENTAL ACTIVITIES					
Net Investment in Capital Assets	\$ 5,699,812	\$ 5,385,062	\$ 5,267,860	\$ 4,760,372	\$ 4,646,514
Restricted Net Position					
Capital Projects	90,884	98,258	96,477	100,835	204,181
Debt Service	208,037	181,685	162,142	322,336	130,104
Special Purposes	2,387,135	2,191,572	1,877,242	1,663,223	1,467,249
Unrestricted (Deficit)	(8,022,270)	(6,579,324)	(6,559,669)	(7,383,558)	(1,276,678)
SUBTOTAL GOVERNMENTAL ACTIVITIES NET POSITION	363,598	1,277,253	844,052	(536,792)	5,171,370
BUSINESS-TYPE ACTIVITIES					
Net Investment in Capital Assets	14,032,397	12,798,720	11,990,919	11,489,529	11,113,795
Restricted Net Position					
Capital Projects	--	--	143,033	138,759	135,700
Debt Service	797,375	1,172,984	1,086,557	1,118,078	1,045,688
Special Purposes	1,204,517	2,248,391	2,177,049	2,203,721	2,332,259
Unrestricted	3,680,122	3,481,621	3,625,643	3,169,708	3,506,415
SUBTOTAL BUSINESS-TYPE ACTIVITIES NET POSITION	19,714,411	19,701,716	19,023,201	18,119,795	18,133,857
PRIMARY GOVERNMENT					
Net Investment in Capital Assets	19,732,209	18,183,782	17,258,779	16,249,901	15,760,309
Restricted Net Position					
Capital Projects	90,884	98,258	239,510	239,594	339,881
Debt Service	1,005,412	1,354,669	1,248,699	1,440,414	1,175,792
Special Purpose	3,591,652	4,439,963	4,054,291	3,866,944	3,799,508
Unrestricted (Deficit)	(4,342,148)	(3,097,703)	(2,934,026)	(4,213,850)	2,229,737
TOTAL PRIMARY GOVERNMENT NET POSITION	\$ 20,078,009	\$ 20,978,969	\$ 19,867,253	\$ 17,583,003	\$ 23,305,227



CITY OF LOS ANGELES

**Changes in Net Position
Accrual Basis of Accounting
Last Ten Fiscal Years
(amounts expressed in thousands)**

	Fiscal Year				
	2023	2022	2021	2020	2019
EXPENSES					
Governmental Activities					
General Government	\$ 2,331,602	\$ 1,726,188	\$ 1,935,804	\$ 1,686,640	\$ 1,409,022
Protection of Persons and Property	3,632,760	2,624,309	3,990,018	3,660,482	3,176,379
Public Works	642,030	513,475	587,359	580,169	468,463
Health and Sanitation	735,974	552,619	677,878	634,141	605,078
Transportation	641,789	563,804	577,318	580,613	532,348
Cultural and Recreational Services	822,487	713,767	704,490	746,670	714,265
Community Development	988,699	987,179	909,542	657,301	295,571
Interest on Long-Term Debt	154,114	98,054	99,628	135,580	146,491
Subtotal Governmental Activities Expenses	9,949,455	7,779,395	9,482,037	8,681,596	7,347,617
Business-Type Activities					
Airports	2,050,387	1,742,407	1,558,137	1,684,907	1,483,713
Harbor	539,951	462,493	453,024	461,393	408,602
Power	4,698,985	4,370,903	3,886,405	3,816,543	3,916,279
Water	1,476,345	1,487,767	1,293,737	1,184,170	1,158,635
Sewer	793,809	669,062	627,866	669,193	678,253
Convention Center	55,917	43,337	36,847	52,138	62,846
Subtotal Business-type Activities Expenses	9,615,394	8,775,969	7,856,016	7,868,344	7,708,328
TOTAL PRIMARY GOVERNMENT EXPENSES	19,564,849	16,555,364	17,338,053	16,549,940	15,055,945
PROGRAM REVENUES					
Governmental Activities					
Charges for Services					
General Government	302,757	139,567	243,716	249,774	251,549
Protection of Persons and Property	629,643	764,516	575,127	691,176	650,442
Public Works	261,685	302,181	262,553	264,334	242,493
Health and Sanitation	502,944	497,516	484,383	506,121	554,868
Transportation	120,712	121,011	98,855	138,652	116,704
Cultural and Recreational Services	246,746	195,270	157,638	167,934	202,485
Community Development	255,808	215,229	171,533	186,120	176,811
Operating Grants and Contributions	1,857,329	2,086,187	2,123,367	1,331,396	1,697,057
Capital Grants and Contributions	136,257	99,390	99,905	153,045	136,649
Subtotal Governmental Activities Program Revenues	4,313,881	4,420,867	4,217,077	3,688,552	4,029,058
Business-type Activities					
Charges for Services					
Airports	1,752,855	1,407,938	1,072,156	1,365,494	1,537,949
Harbor	656,400	627,842	572,011	467,666	506,427
Power	4,958,539	4,593,760	4,268,478	3,807,291	4,070,930
Water	1,661,278	1,606,678	1,463,781	1,275,067	1,253,503
Sewer	775,945	739,666	788,755	752,727	694,963
Convention Center	49,972	33,606	18,897	39,502	50,996
Operating Grants and Contributions	119,074	367,456	--	--	--
Capital Grants and Contributions	616,983	211,269	554,659	226,943	144,066
Subtotal Business-type Activities Program Revenues	10,591,046	9,588,215	8,738,737	7,934,690	8,258,834
TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES	14,904,927	14,009,082	12,955,814	11,623,242	12,287,892

Continued...

Note: FY22 figures have not been restated for the effect of GASB 96.

CITY OF LOS ANGELES

**Changes in Net Position
Accrual Basis of Accounting - (Continued)
Last Ten Fiscal Years
(amounts expressed in thousands)**

	Fiscal Year				
	2018	2017	2016	2015	2014
EXPENSES					
Governmental Activities					
General Government	\$ 1,380,143	\$ 1,480,735	\$ 1,348,442	\$ 1,240,898	\$ 1,481,977
Protection of Persons and Property	3,209,073	3,348,298	2,797,651	2,872,296	2,963,882
Public Works	485,045	411,168	235,840	422,558	383,433
Health and Sanitation	496,132	478,040	504,364	467,548	519,519
Transportation	504,166	506,782	420,799	406,573	425,967
Cultural and Recreational Services	682,076	556,152	595,454	541,758	524,282
Community Development	216,225	242,636	187,453	169,121	321,263
Interest on Long-Term Debt	127,970	124,364	131,893	146,896	159,991
Subtotal Governmental Activities Expenses	<u>7,100,830</u>	<u>7,148,175</u>	<u>6,221,896</u>	<u>6,267,648</u>	<u>6,780,314</u>
Business-Type Activities					
Airports	1,388,201	1,284,299	1,174,620	1,092,463	984,754
Harbor	410,133	412,315	398,954	379,809	372,645
Power	3,429,928	3,414,456	3,229,174	3,204,535	3,092,108
Water	1,053,783	1,049,397	1,039,575	1,037,652	1,053,150
Sewer	568,199	577,240	584,971	513,226	542,007
Convention Center	59,408	53,686	49,531	43,871	38,450
Subtotal Business-type Activities Expenses	<u>6,909,652</u>	<u>6,791,393</u>	<u>6,476,825</u>	<u>6,271,556</u>	<u>6,083,114</u>
TOTAL PRIMARY GOVERNMENT EXPENSES	<u>14,010,482</u>	<u>13,939,568</u>	<u>12,698,721</u>	<u>12,539,204</u>	<u>12,863,428</u>
PROGRAM REVENUES					
Governmental Activities					
Charges for Services					
General Government	290,901	8,265	96,117	285,973	246,641
Protection of Persons and Property	540,702	600,720	520,550	439,901	443,352
Public Works	177,530	232,095	253,103	182,758	165,229
Health and Sanitation	480,670	565,941	600,117	494,420	492,238
Transportation	206,240	186,386	179,288	151,813	143,103
Cultural and Recreational Services	214,499	203,719	179,046	160,736	153,544
Community Development	150,932	194,568	183,890	139,509	117,097
Operating Grants and Contributions	866,203	774,953	827,258	834,075	903,146
Capital Grants and Contributions	152,315	145,509	123,757	42,705	46,878
Subtotal Governmental Activities Program Revenues	<u>3,079,992</u>	<u>2,912,156</u>	<u>2,963,126</u>	<u>2,731,890</u>	<u>2,711,228</u>
Business-type Activities					
Charges for Services					
Airports	1,446,226	1,372,730	1,285,816	1,121,584	1,038,506
Harbor	490,760	474,532	441,249	446,895	425,951
Power	3,804,221	3,697,924	3,517,040	3,336,963	3,319,820
Water	1,190,181	1,118,547	1,131,777	1,082,581	1,141,823
Sewer	677,886	634,060	613,092	594,024	571,570
Convention Center	50,174	47,173	44,311	36,158	24,937
Operating Grants and Contributions	--	--	--	--	--
Capital Grants and Contributions	153,892	186,635	232,183	270,637	367,841
Subtotal Business-type Activities Program Revenues	<u>7,813,340</u>	<u>7,531,601</u>	<u>7,265,468</u>	<u>6,888,842</u>	<u>6,890,448</u>
TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES	<u>10,893,332</u>	<u>10,443,757</u>	<u>10,228,594</u>	<u>9,620,732</u>	<u>9,601,676</u>

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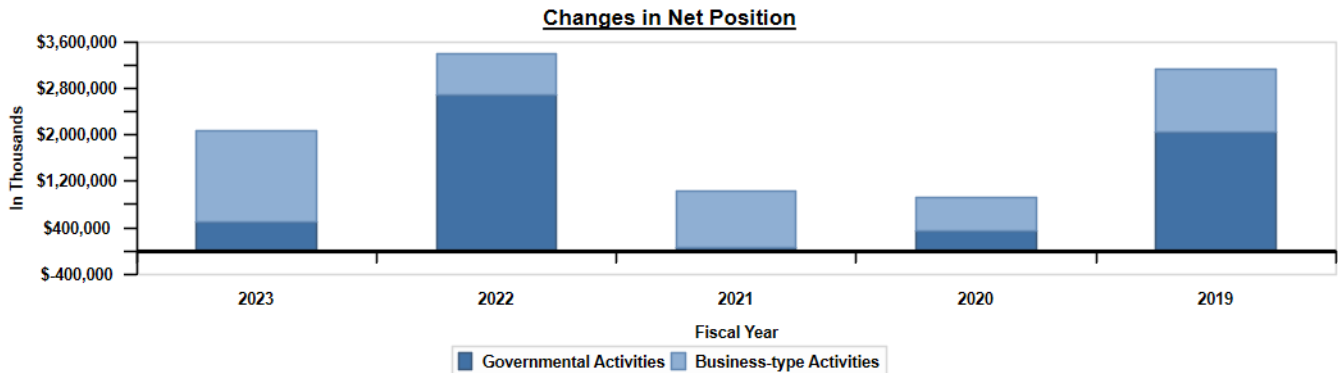
CITY OF LOS ANGELES

Changes in Net Position
Accrual Basis of Accounting - (Continued)
Last Ten Fiscal Years
(amounts expressed in thousands)

	Fiscal Year				
	2023	2022	2021	2020	2019
NET (EXPENSE)/REVENUE					
Governmental Activities	\$ (5,635,574)	\$ (3,358,528)	\$ (5,264,960)	\$ (4,993,044)	\$ (3,318,559)
Business-type Activities	975,652	812,246	882,721	66,346	550,506
TOTAL PRIMARY GOVERNMENT NET EXPENSE	(4,659,922)	(2,546,282)	(4,382,239)	(4,926,698)	(2,768,053)
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION					
Governmental Activities					
Taxes					
Property Taxes	2,819,290	2,628,691	2,551,138	2,374,311	2,251,463
Utility Users Taxes	698,003	634,186	604,106	642,036	621,192
Business Taxes	626,620	1,019,226	743,877	677,241	607,786
Sales Taxes	704,815	693,438	560,962	534,631	607,211
Other Taxes	935,405	842,715	564,069	706,645	819,807
Unrestricted Grants and Contributions					
Other	49,341	35,874	41,161	24,703	22,001
Unrestricted Investment Earnings (Losses)	36,818	(110,102)	(4,485)	94,910	86,819
Other General Revenues	40,446	71,551	42,389	64,767	112,865
Transfers	232,043	225,015	218,355	229,913	232,557
Extraordinary Items					
Gain (Loss) on Loan Settlement	--	--	--	--	--
Transfer of Properties from CRA	--	--	--	--	--
Transfer of Assets from CRA	--	--	--	--	--
Subtotal Governmental Activities	6,142,781	6,040,594	5,321,572	5,349,157	5,361,701
Business-Type Activities					
Unrestricted Investment Earnings (Losses)	154,710	(281,224)	125	322,371	281,122
Other	663,168	409,490	304,402	398,696	489,891
Transfers	(232,043)	(225,015)	(218,355)	(229,913)	(232,557)
Special Item	--	--	--	--	--
Extraordinary Item	--	--	--	--	--
Subtotal Business-type Activities	585,835	(96,749)	86,172	491,154	538,456
TOTAL PRIMARY GOVERNMENT GENERAL REVENUES AND OTHER CHANGES IN NET POSITION	6,728,616	5,943,845	5,407,744	5,840,311	5,900,157
CHANGES IN NET POSITION					
Governmental Activities	507,207	2,682,066	56,612	356,113	2,043,142
Business-Type Activities	1,561,487	715,497	968,893	557,500	1,088,962
TOTAL PRIMARY GOVERNMENT CHANGE IN NET POSITION	\$ 2,068,694	\$ 3,397,563	\$ 1,025,505	\$ 913,613	\$ 3,132,104

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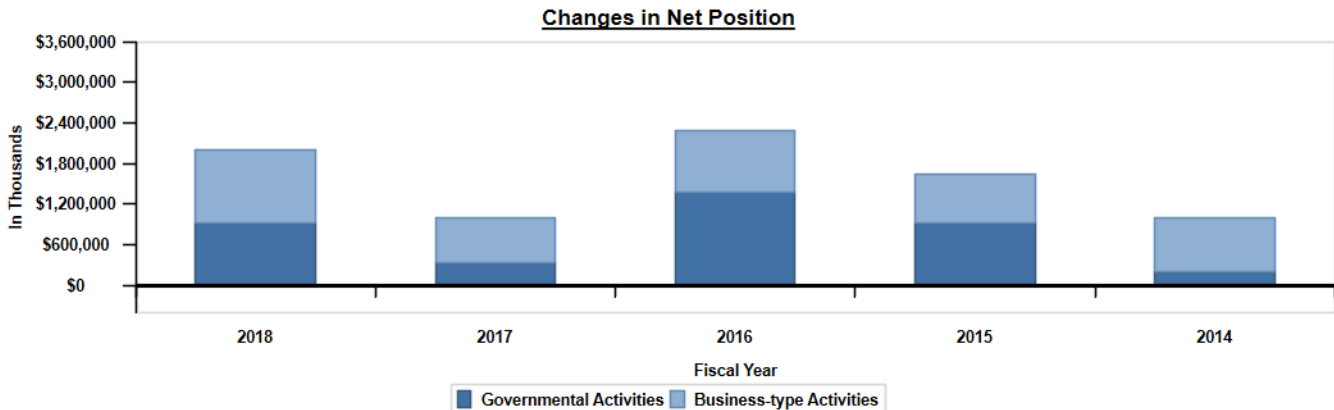
Note: GASB Statement No. 68, 75, 84, 87, 94 and 96 were implemented in fiscal year 2015, 2018, 2020, 2022 and 2023, respectively. FY22 figures have not been restated for the effect of GASB 96.



CITY OF LOS ANGELES

**Changes in Net Position
Accrual Basis of Accounting - (Continued)
Last Ten Fiscal Years
(amounts expressed in thousands)**

	Fiscal Year				
	2018	2017	2016	2015	2014
NET (EXPENSE)/REVENUE					
Governmental Activities	\$ (4,020,838)	\$ (4,236,019)	\$ (3,258,770)	\$ (3,535,758)	\$ (4,069,086)
Business-type Activities	903,688	740,208	788,643	617,286	807,334
TOTAL PRIMARY GOVERNMENT NET EXPENSE	(3,117,150)	(3,495,811)	(2,470,127)	(2,918,472)	(3,261,752)
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION					
Governmental Activities:					
Taxes					
Property Taxes	2,108,154	1,991,949	1,844,945	1,782,124	1,653,067
Utility Users Taxes	614,335	629,952	613,748	637,248	626,919
Business Taxes	542,349	433,985	610,467	541,844	463,602
Sales Taxes	542,349	433,985	538,123	494,685	478,291
Other Taxes	802,548	727,376	660,072	625,889	565,567
Unrestricted Grants and Contributions					
Other	22,053	16,758	8,009	16,421	55,149
Unrestricted Investment Earnings (Losses)	7,142	1,291	39,737	20,724	19,935
Other General Revenues	57,051	63,831	57,531	81,303	117,579
Transfers	241,848	265,427	266,982	260,586	253,000
Extraordinary Items					
Transfer of Assets from CRA	--	--	--	4,855	44,155
Subtotal Governmental Activities	4,937,829	4,564,554	4,639,614	4,465,679	4,277,264
Business-Type Activities:					
Unrestricted Investment Earnings	54,763	32,997	129,316	86,367	98,264
Other	377,160	386,934	252,429	275,885	122,160
Transfers	(241,848)	(265,427)	(266,982)	(260,586)	(253,000)
Pollution Remediation Liabilities Adjustment	--	--	--	--	15,002
Special Item	--	(225,347)	--	--	--
Extraordinary Item	--	9,150	--	--	--
Subtotal Business-type Activities	190,075	(61,693)	114,763	101,666	(17,574)
TOTAL PRIMARY GOVERNMENT GENERAL REVENUES AND OTHER CHANGES IN NET POSITION	5,127,904	4,502,861	4,754,377	4,567,345	4,259,690
CHANGES IN NET POSITION					
Governmental Activities	916,991	328,535	1,380,844	929,921	208,178
Business-Type Activities	1,093,763	678,515	903,406	718,952	789,760
TOTAL PRIMARY GOVERNMENT CHANGE IN NET POSITION	\$ 2,010,754	\$ 1,007,050	\$ 2,284,250	\$ 1,648,873	\$ 997,938

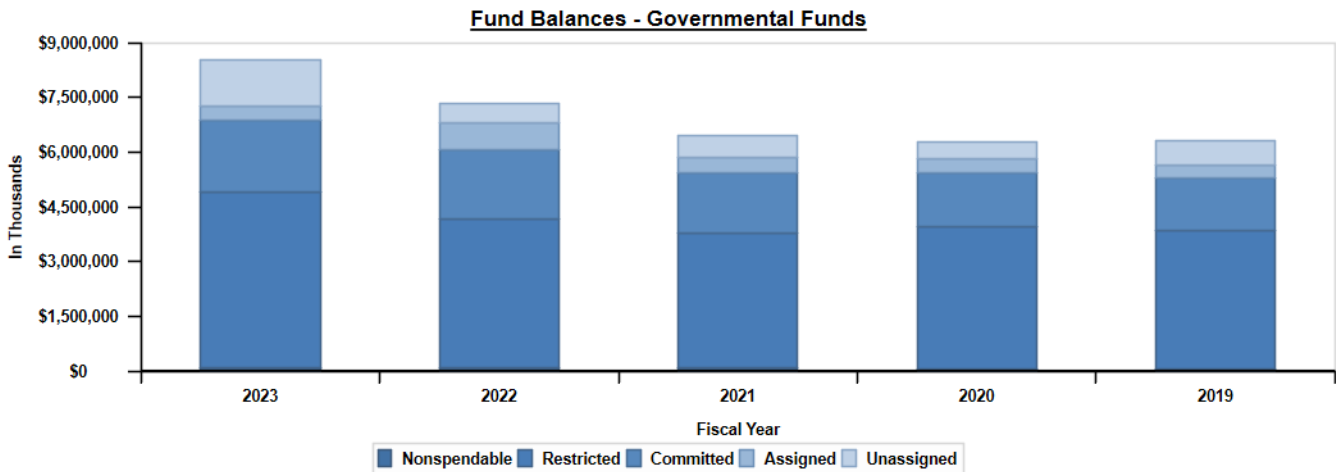


CITY OF LOS ANGELES

**Fund Balances - Governmental Funds
Modified Accrual Basis of Accounting
Last Ten Fiscal Years
(amounts expressed in thousands)**

	Fiscal Year				
	2023	2022	2021	2020	2019
GENERAL FUND					
Nonspendable	\$ 69,936	\$ 66,495	\$ 61,168	\$ 62,895	\$ 55,348
Committed	52,600	85,078	71,733	37,386	33,092
Assigned	397,413	724,278	426,654	356,167	334,195
Unassigned	1,333,631	621,843	664,422	535,681	683,406
SUBTOTAL GENERAL FUND	1,853,580	1,497,694	1,223,977	992,129	1,106,041
ALL OTHER GOVERNMENTAL FUNDS					
Nonspendable	24,076	21,901	19,473	10,771	10,025
Restricted	4,821,912	4,089,885	3,723,738	3,888,937	3,780,744
Committed	1,910,869	1,810,604	1,563,121	1,458,310	1,428,812
Assigned	2,844	2,814	2,938	3,982	1,843
Unassigned	(62,796)	(92,822)	(60,562)	(60,438)	(15,207)
SUBTOTAL ALL OTHER GOVERNMENTAL FUNDS	6,696,905	5,832,382	5,248,708	5,301,562	5,206,217
ALL GOVERNMENTAL FUNDS					
Nonspendable	94,012	88,396	80,641	73,666	65,373
Restricted	4,821,912	4,089,885	3,723,738	3,888,937	3,780,744
Committed	1,963,469	1,895,682	1,634,854	1,495,696	1,461,904
Assigned	400,257	727,092	429,592	360,149	336,038
Unassigned	1,270,835	529,021	603,860	475,243	668,199
TOTAL ALL GOVERNMENTAL FUNDS	\$ 8,550,485	\$ 7,330,076	\$ 6,472,685	\$ 6,293,691	\$ 6,312,258

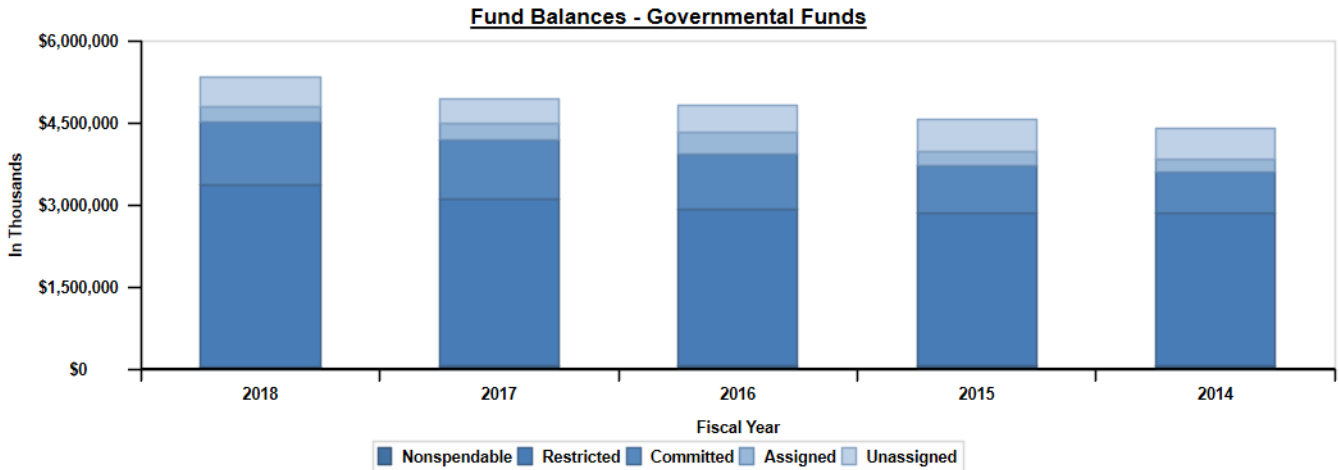
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CITY OF LOS ANGELES

Fund Balances - Governmental Funds
 Modified Accrual Basis of Accounting - (Continued)
 Last Ten Fiscal Years
 (amounts expressed in thousands)

	Fiscal Year				
	2018	2017	2016	2015	2014
GENERAL FUND					
Nonspendable	\$ 41,823	\$ 45,480	\$ 44,210	\$ 42,146	\$ 43,146
Committed	25,151	9,723	1,296	2,457	--
Assigned	289,080	304,482	392,418	253,388	230,717
Unassigned	573,161	526,543	590,441	647,558	622,208
SUBTOTAL GENERAL FUND	929,215	886,228	1,028,365	945,549	896,071
ALL OTHER GOVERNMENTAL FUNDS					
Nonspendable	8,833	8,884	8,893	10,473	10,946
Restricted	3,313,393	3,045,932	2,880,111	2,806,864	2,788,734
Committed	1,129,752	1,080,301	1,000,834	862,471	761,828
Assigned	1,770	153	15	14	--
Unassigned	(55,447)	(72,758)	(96,668)	(50,270)	(49,742)
SUBTOTAL ALL OTHER GOVERNMENTAL FUNDS	4,398,301	4,062,512	3,793,185	3,629,552	3,511,766
ALL GOVERNMENTAL FUNDS					
Nonspendable	50,656	54,364	53,103	52,619	54,092
Restricted	3,313,393	3,045,932	2,880,111	2,806,864	2,788,734
Committed	1,154,903	1,090,024	1,002,130	864,928	761,828
Assigned	290,850	304,635	392,433	253,402	230,717
Unassigned	517,714	453,785	493,773	597,288	572,466
TOTAL ALL GOVERNMENTAL FUNDS	\$ 5,327,516	\$ 4,948,740	\$ 4,821,550	\$ 4,575,101	\$ 4,407,837



CITY OF LOS ANGELES

**Changes in Fund Balances - Governmental Funds
Modified Accrual Basis of Accounting
Last Ten Fiscal Years
(amounts expressed in thousands)**

	Fiscal Year				
	2023	2022	2021	2020	2019
REVENUES					
Taxes	\$ 5,950,252	\$ 5,553,699	\$ 4,990,767	\$ 4,897,805	\$ 4,867,801
Licenses and Permits	91,570	97,301	89,661	101,810	110,289
Intergovernmental	1,935,773	2,256,069	2,037,881	1,181,220	1,127,369
Charges for Services	1,472,545	1,432,769	1,265,196	1,397,862	1,399,841
Services to Enterprise Funds	388,888	332,381	336,153	375,175	334,185
Fines	134,723	129,863	104,907	119,972	149,096
Special Assessments	172,201	151,865	134,223	147,799	154,572
Investment Earnings (Losses)	59,120	(284,555)	(36,801)	267,449	219,097
Other	173,569	146,385	169,086	146,148	220,104
TOTAL REVENUES	10,378,641	9,815,777	9,091,073	8,635,240	8,582,354
EXPENDITURES					
General Government	1,731,814	1,636,073	1,555,165	1,596,223	1,373,924
Protection of Persons and Property	3,858,849	3,844,946	3,745,662	3,686,179	3,540,565
Public Works	546,580	479,912	444,853	482,006	409,688
Health and Sanitation	638,682	537,022	577,572	553,694	554,102
Transportation	557,261	512,520	484,973	514,264	484,307
Cultural and Recreational Services	741,844	681,816	593,209	656,045	646,414
Community Development	966,485	990,688	879,769	637,264	285,920
Capital Outlay	444,717	420,068	611,105	507,531	609,672
Debt Service					
Principal	317,307	500,814	473,753	338,584	523,918
Interest	134,451	88,620	95,206	130,386	139,617
Cost of Issuance	2,006	3,084	3,346	735	2,791
Payment to Refunded Bond Escrow Agent	--	--	--	--	50,252
TOTAL EXPENDITURES	9,939,996	9,695,563	9,464,613	9,102,911	8,621,170
EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES	438,645	120,214	(373,540)	(467,671)	(38,816)
OTHER FINANCING SOURCES (USES)					
Transfers In	1,448,526	2,078,886	1,458,925	1,113,738	1,113,917
Transfers Out	(1,216,483)	(1,853,871)	(1,240,570)	(883,825)	(881,360)
Issuance of Long-Term Debt	523,435	291,940	182,088	187,845	481,770
Loans from Financed Purchase	--	--	--	--	78,393
Loans from HUD	--	--	--	--	217
Discount on Issuance of Long-term Debt	--	--	--	--	--
Premium on Issuance of Long-Term Debt	5,598	2,859	--	--	18,319
Issuance of Refunding Bonds	--	219,695	505,791	--	234,460
Premium on Issuance of Refunding Bonds	--	45,268	50,110	--	34,854
Payment to Refunding Bond Escrow Agent	--	(69,369)	(403,810)	--	(70,661)
Proceeds of Refunding Loan	--	--	--	--	--
Lease and Subscription Liabilities Issued	20,688	21,769	--	--	--
TOTAL OTHER FINANCING SOURCES (USES)	781,764	737,177	552,534	417,758	1,009,909
EXTRAORDINARY ITEMS					
Transfer of Assets from CRA	--	--	--	--	--
TOTAL EXTRAORDINARY ITEMS	--	--	--	--	--
NET CHANGE IN FUND BALANCES	\$ 1,220,409	\$ 857,391	\$ 178,994	\$ (49,913)	\$ 971,093
DEBT SERVICE AS A PERCENTAGE OF NON-CAPITAL EXPENDITURES	4.8 %	6.4 %	6.4 %	5.4 %	8.3 %

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CITY OF LOS ANGELES

**Changes in Fund Balances - Governmental Funds
Modified Accrual Basis of Accounting - (Continued)
Last Ten Fiscal Years
(amounts expressed in thousands)**

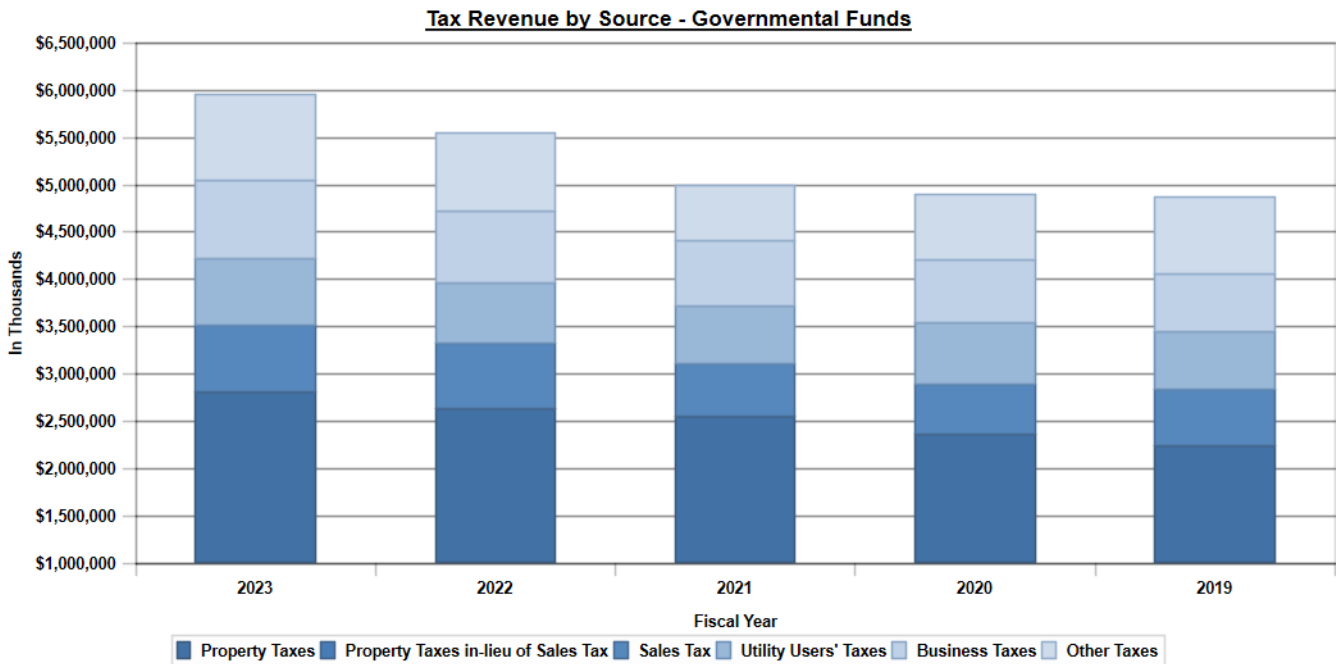
	Fiscal Year				
	2018	2017	2016	2015	2014
REVENUES					
Taxes	\$ 4,584,006	\$ 4,392,121	\$ 4,163,430	\$ 4,016,005	\$ 3,861,140
Licenses and Permits	103,485	97,096	85,910	74,428	66,915
Intergovernmental	986,991	805,064	860,867	783,412	842,540
Charges for Services	1,267,718	1,221,306	1,209,467	1,456,007	1,392,820
Services to Enterprise Funds	325,183	335,416	326,481	278,875	259,912
Fines	147,224	153,014	159,254	164,137	176,503
Special Assessments	147,387	146,113	140,994	132,239	130,459
Investment Earnings (Losses)	75,848	56,535	88,844	48,735	53,628
Other	96,593	108,633	160,957	194,408	192,483
TOTAL REVENUES	7,734,435	7,315,298	7,196,204	7,148,246	6,976,400
EXPENDITURES					
General Government	1,357,581	1,379,386	1,339,233	1,354,114	1,288,088
Protection of Persons and Property	3,397,912	3,261,974	3,166,098	3,097,860	2,919,246
Public Works	413,393	414,443	361,380	399,365	379,260
Health and Sanitation	475,410	471,576	487,570	492,721	500,921
Transportation	452,610	434,815	378,821	390,155	405,721
Cultural and Recreational Services	599,560	490,530	512,474	496,172	460,274
Community Development	206,704	245,596	189,865	199,420	345,905
Capital Outlay	513,595	506,648	474,868	425,267	345,432
Debt Service					
Principal	376,188	298,189	465,129	452,305	436,801
Interest	121,139	120,357	139,030	145,663	158,206
Cost of Issuance	2,538	2,818	6,225	2,107	1,312
Payment to Refunded Bond Escrow Agent	--	--	--	--	--
TOTAL EXPENDITURES	7,916,630	7,626,332	7,520,693	7,455,149	7,241,166
EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES	(182,195)	(311,034)	(324,489)	(306,903)	(264,766)
OTHER FINANCING SOURCES (USES)					
Transfers In	1,023,374	992,041	1,117,660	1,100,486	1,092,258
Transfers Out	(781,526)	(726,614)	(850,678)	(839,900)	(839,258)
Issuance of Long-Term Debt	241,370	172,298	117,369	209,058	--
Loans from Financed Purchase	--	--	--	--	--
Loans from HUD	4,005	1,827	2,500	2,102	8,578
Discount on Issuance of Long-term Debt	--	--	--	--	149,479
Premium on Issuance of Long-Term Debt	582	--	150,216	4,629	--
Issuance of Refunding Bonds	193,225	143,815	1,102,920	76,670	--
Premium on Issuance of Refunding Bonds	27,027	--	--	17,682	--
Payment to Refunding Bond Escrow Agent	(146,932)	(142,256)	(1,084,399)	(155,196)	--
Proceeds of Refunding Loan	--	--	--	51,730	--
Lease and Subscription Liabilities Issued	--	--	--	--	--
TOTAL OTHER FINANCING SOURCES (USES)	561,125	441,111	555,588	467,261	411,057
EXTRAORDINARY ITEMS					
Transfer of Assets from CRA	--	--	--	4,855	44,155
TOTAL EXTRAORDINARY ITEMS	--	--	--	4,855	44,155
NET CHANGE IN FUND BALANCES	\$ 378,930	\$ 130,077	\$ 231,099	\$ 165,213	\$ 190,446
DEBT SERVICE AS A PERCENTAGE OF NON-CAPITAL EXPENDITURES	6.8 %	5.8 %	8.8 %	8.5 %	8.6 %

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 2014-					
	2023	2023	2022	2021	2020	2019
Property Taxes	\$ 2,816,768	67 %	\$ 2,632,145	\$ 2,551,219	\$ 2,358,299	\$ 2,243,485
Property Tax In-lieu of Sales Tax	--	(100)	--	--	--	--
Sales Taxes	704,915	97	694,218	562,217	536,362	596,465
Utility Users Taxes	705,538	12	632,433	610,946	643,564	606,369
Business Taxes	817,325	71	756,960	686,520	668,035	617,169
Other Taxes	905,706	55	837,943	579,865	691,545	804,313
TOTAL REVENUES	\$ 5,950,252	54	\$ 5,553,699	\$ 4,990,767	\$ 4,897,805	\$ 4,867,801

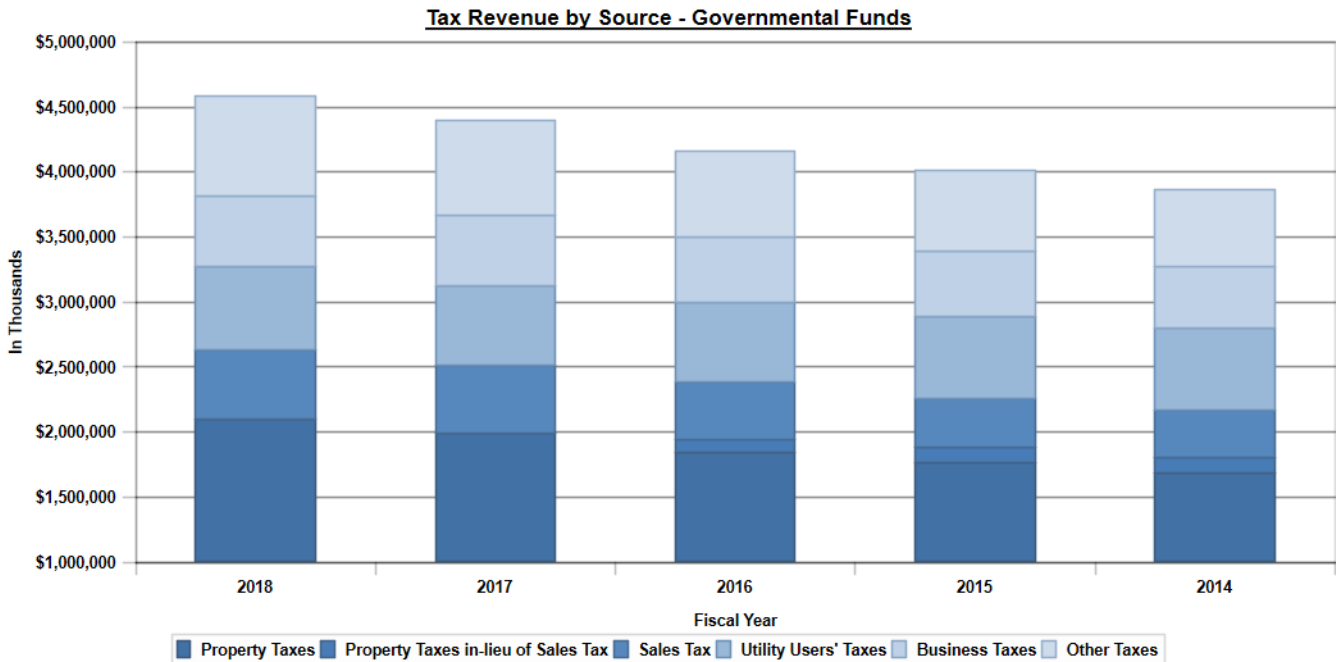
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CITY OF LOS ANGELES

**Tax Revenues by Source - Governmental Funds
Modified Accrual Basis of Accounting - (Continued)
Last Ten Fiscal Years
(amounts expressed in thousands)**

	Fiscal Year				
	2018	2017	2016	2015	2014
Property Taxes	\$ 2,103,053	\$ 1,992,582	\$ 1,844,440	\$ 1,761,960	\$ 1,688,992
Property Tax In-lieu of Sales Tax	--	--	100,348	121,903	121,036
Sales Taxes	534,236	521,910	437,775	372,782	357,255
Utility Users Taxes	640,711	611,160	614,814	637,318	631,492
Business Taxes	534,994	546,494	507,635	500,774	476,908
Other Taxes	771,012	719,975	658,418	621,268	585,457
TOTAL REVENUES	\$ 4,584,006	\$ 4,392,121	\$ 4,163,430	\$ 4,016,005	\$ 3,861,140



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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.

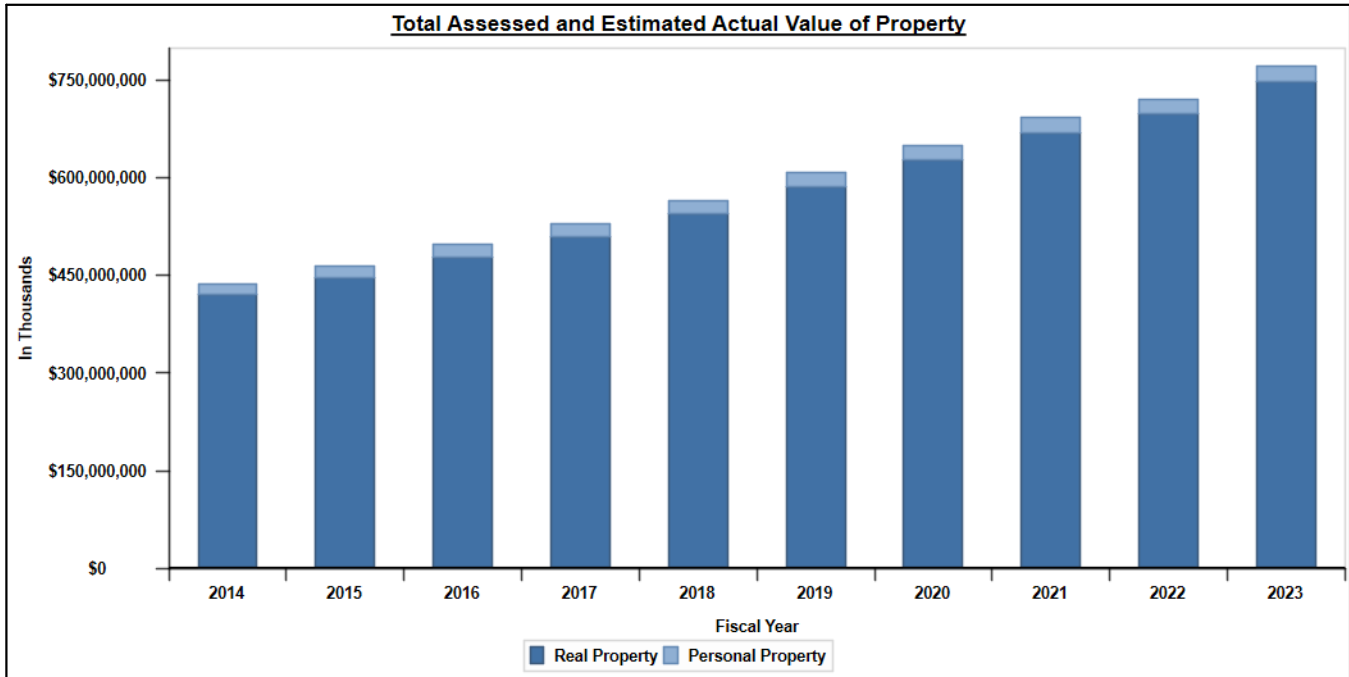
CITY OF LOS ANGELES

Assessed Value and Estimated Actual Value of Property
Last Ten Fiscal Years

Fiscal Year	Assessed and Estimated Actual Value ⁽¹⁾			Percent of Average Annual Growth	Total Direct Tax Rate ⁽³⁾ (per \$1,000 of assessed value)	Assessed Value Per Capita (\$ 000's)
	Real Property ⁽²⁾ (\$ 000's)	Personal Property (\$ 000's)	Total (\$ 000's)			
2023	\$ 748,374,726	\$ 23,901,467	\$ 772,276,193	7.03 %	1.011448	\$ 205
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	420,904,151	17,041,404	437,945,555	5.15	1.029754	111

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 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

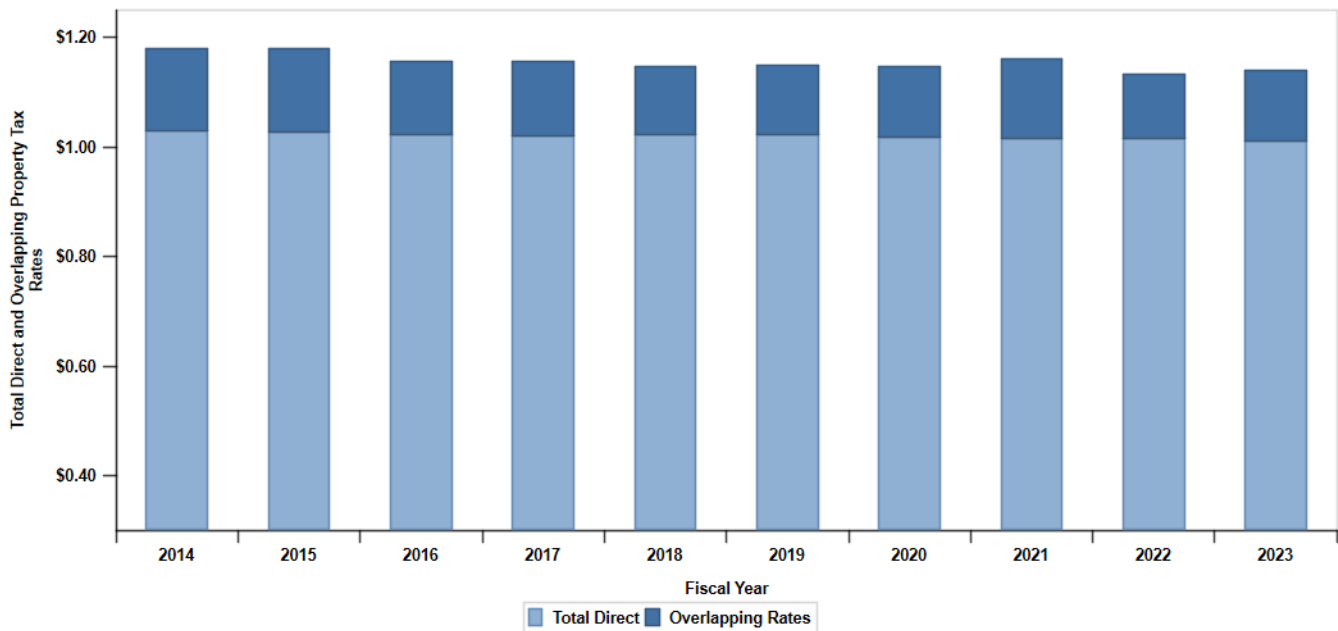
Direct and Overlapping Property Tax Rates
Tax Rate Area No. 4^(a)
Last Ten Fiscal Years

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	
2023	1.000000	0.011448	1.011448	0.124219	0.003500	1.139167
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

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.

Total Direct and Overlapping Property Tax Rates



CITY OF LOS ANGELES

**Ten Largest Property Taxpayers
Secured Assessed Valuation
Current and Nine Years Ago**

Taxpayer	2023			2014		
	Secured Assessed Valuation	Rank	Percentage of Total City Taxable Assessed Value	Secured Assessed Valuation	Rank	Percentage of Total City Taxable Assessed Value
Douglas Emmett LLC	\$ 2,694,073,408	1	0.36 %	\$ 2,393,458,404	1	0.57 %
Essex Portfolio LP	1,496,194,153	2	0.20			
Next Century Partners LLC	1,125,559,512	3	0.15			
Century City Mall LLC	1,112,961,754	4	0.15			
FSP South Flower Street	984,033,481	5	0.13			
CJDB LLC	948,049,199	6	0.13			
Greenland LA Metropolis	944,717,759	7	0.13			
Anheuser Busch Commercial	884,416,862	8	0.12			
Hanjin International Corp.	878,077,732	9	0.12			
Rochelle H. Sterling	844,810,665	10	0.11			
Valero Energy Corporation				828,316,149	3	0.20
Anheuser Busch Inc				836,512,733	2	0.20
ConocoPhillips Co.				618,211,962	6	0.15
APM Terminals Pacific Ltd.				550,437,546	9	0.13
Donald T. Sterling				648,866,087	4	0.15
BRE Properties Inc.				647,721,827	5	0.15
Olympic and George Partners LLC				574,137,599	8	0.14
One Hundred Towers, LLC				605,746,600	7	0.14
Tishman Speyer Archstone Smith				544,789,195	10	0.13
TOTAL	\$ 11,912,894,525		1.60 %	\$ 8,248,198,102		1.96 %
Total City Secured Assessed Valuation*	\$ 748,374,725,572			\$ 420,904,150,545		

Source: California Municipal Statistics Inc.
Taxpayers' Guides, 2022-2023 and 2013-2014.

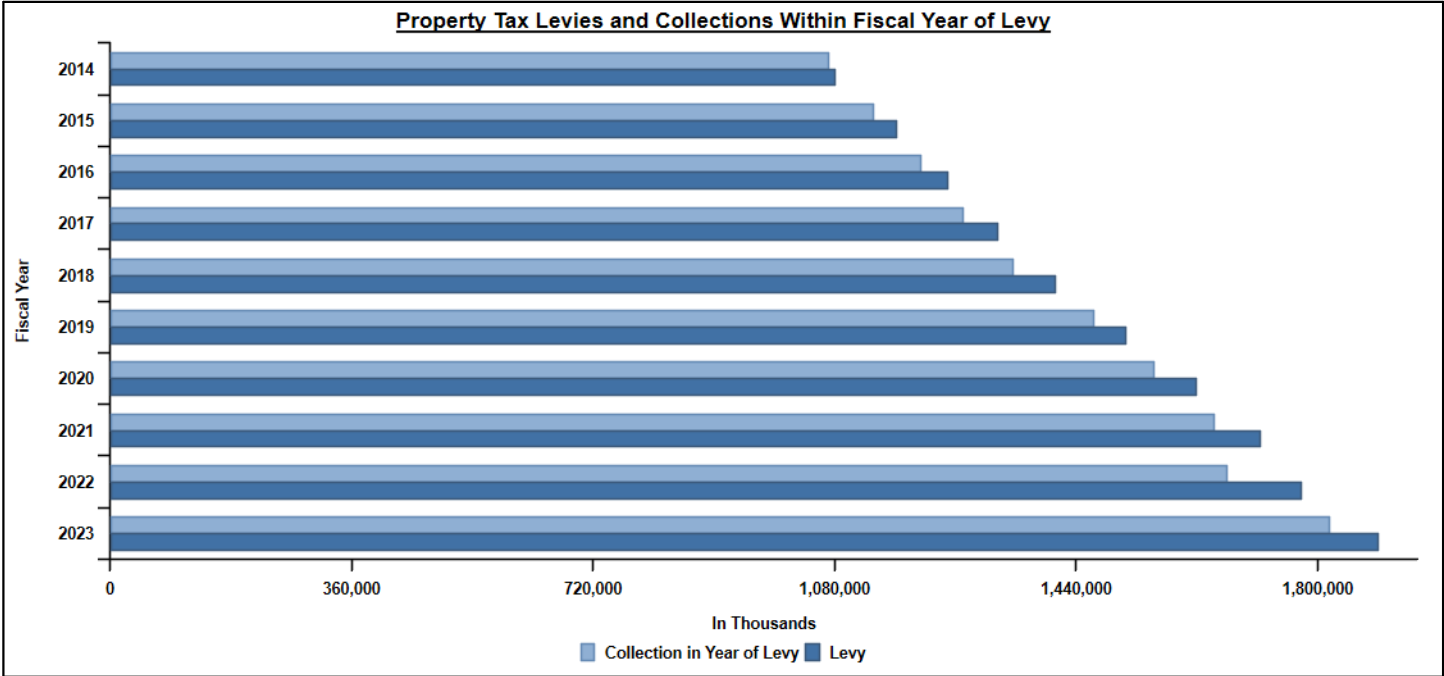
* Assessed at 100% of estimated actual value. Include State assessed valuation.

CITY OF LOS ANGELES

**Property Tax Levies and Collections
Last Ten Fiscal Years
(amounts expressed in thousands)**

Fiscal Year	Total Tax Levy ^(a) for the Fiscal Year	Collected within the Fiscal Year of Levy		Collections in Subsequent Years ^(b)	Total Collections to Date	
		Amount	Percent of Levy		Amount	Percent of Levy ^(c)
2023	\$ 1,890,694	\$ 1,817,348	96.12 %	\$ 64,785	\$ 1,882,133	99.55 %
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

- (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**

Fiscal Year	Sales of Energy (in thousands of megawatt hours)				Direct Rate per Kilowatt Hour	
	Residential	Commercial and Industrial	All Other	Total	Residential	Commercial and Industrial
2023	7,737	13,960	1,723	23,420	\$ 0.22	\$ 0.20
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

CITY OF LOS ANGELES

**Average Number of Customers for Energy Sales
Power Enterprise Fund
Last Ten Fiscal Years**

Fiscal Year	Average Number of Customers (in thousands)			
	Residential	Commercial and Industrial	All Other	Total
2023	1,440	128	7	1,575
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

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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)**

Governmental Activities							
Fiscal Year Ended June 30	General Obligation Bonds	Judgment Obligation Bonds	COP, Direct Placements, and Lease Revenue Bonds	Special Assessment Bonds	Revenue Bonds	Loans and Notes Payable¹	Other Obligations
2023	\$ 1,054,340	\$ --	\$ 1,415,005	\$ --	\$ 138,182	\$ 372,515	\$ 143,425
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

Continued...

¹ Starting in FY2023, HUD Loans Payable and Financed Purchased Obligations are reclassified from Other Obligations to Loans and Notes Payable.

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 ⁽¹⁾	Per Capita ⁽²⁾
2023	\$ 34,998,723	\$ 428,565	\$ 762,368	\$ 766,431	\$ 40,079,554	N/A %	\$ 10,642
2022	33,541,553	232,940	784,416	97,684	37,528,394	3.81	9,869
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

Note: Details regarding the City's outstanding debt can be found in the Notes to the Financial Statements.

⁽¹⁾ Personal income data can be found in the Statistical Section, Demographic and Economic Information.

⁽²⁾ Population data updated based on current estimates. See Statistical Section, Demographic and Economic Information.

N/A - Data not available

CITY OF LOS ANGELES

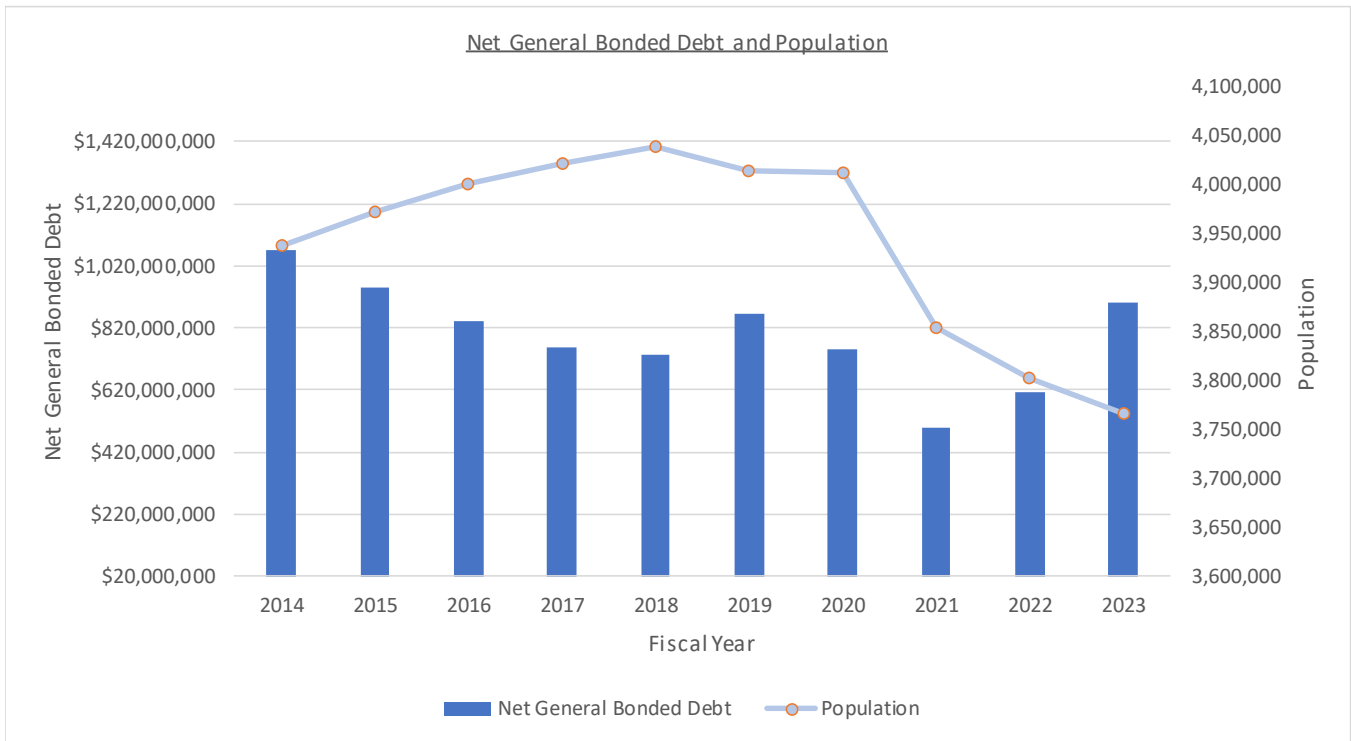
**Ratios of Net General Bonded Debt
to Assessed Value and Per Capita
Last Ten Fiscal Years**

Fiscal Year Ended June 30	Net General Bonded Debt	Assessed Value⁽¹⁾	Net General Bonded Debt Ratio to Assessed Value	Population⁽²⁾	Net General Bonded Debt Per Capita
2023	\$ 901,902,000	\$ 772,276,193,004	0.12 %	3,766,109	\$ 239
2022	615,689,000	721,540,148,478	0.09	3,802,725	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

(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, 2023**

	Debt Outstanding June 1, 2023	Estimated Percentage Applicable⁽¹⁾	Estimated Share of Overlapping Debt June 1, 2023
OVERLAPPING DEBT REPAYED WITH PROPERTY TAXES			
Metropolitan Water District of Southern California	\$ 19,215,000	21.300 %	\$ 4,092,795
Los Angeles Community College District	4,500,730,000	72.250	3,251,777,425
Beverly Hills Unified School District	644,388,210	0.153	985,914
Inglewood Unified School District	184,485,000	0.729	1,344,896
Las Virgenes Joint Unified School District	98,247,606	0.884	868,509
Los Angeles Unified School District	10,704,725,000	88.195	9,441,032,214
Los Angeles Unified School District supported general obligation bonds ⁽²⁾	(263,838,740)	100.000	(263,838,740)
Other School Districts	515,532,057	Various	413,068
City of Los Angeles Community Facilities District No. 4	55,100,000	100.000	55,100,000
City of Los Angeles Community Facilities District No. 8	5,290,000	100.000	5,290,000
City of Los Angeles Community Facilities District No. 11	22,410,000	100.000	22,410,000
Mountains Recreation and Conservation Authority Assessment Districts	13,765,000	100.000	13,765,000
OTHER OVERLAPPING DEBT			
Los Angeles County General Fund Obligations	2,601,551,282	40.888	1,063,722,288
Los Angeles County Superintendent of Schools Certificates of Participation	3,403,487	40.888	1,391,618
Los Angeles County Sanitation District Nos. 1, 4, 5, 8 and 16 Authorities	3,427,254	0.001 - 12.088	170,470
Inglewood Unified School District Certificates of Participation	1,120,000	0.729	8,165
Las Virgenes Joint Unified School District Certificates of Participation	8,572,605	0.884	75,782
Los Angeles Unified School District Certificates of Participation	97,870,000	88.195	86,316,447
OVERLAPPING TAX INCREMENT DEBT	274,600,000	100.000	274,600,000
SUBTOTAL - OVERLAPPING DEBT			\$ 13,959,525,851
CITY OF LOS ANGELES DIRECT DEBT			
General Obligation Bonds	1,054,340,000	100.000	1,054,340,000
COP and Lease Revenue Bonds	1,374,872,000	100.000	1,374,872,000
Direct Placements	40,133,000	100.000	40,133,000
Revenue Bonds and Notes Payable	460,782,000	100.000	460,782,000
RTU Lease and SBITA Liabilities	143,425,000	100.000	143,425,000
Financed Purchase Obligations	18,117,000	100.000	18,117,000
HUD Loans	31,798,000	100.000	31,798,000
SUBTOTAL - CITY OF LOS ANGELES DIRECT DEBT⁽³⁾			3,123,467,000
TOTAL DIRECT AND OVERLAPPING DEBT			\$ 17,082,992,851

(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, 2023, 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)**

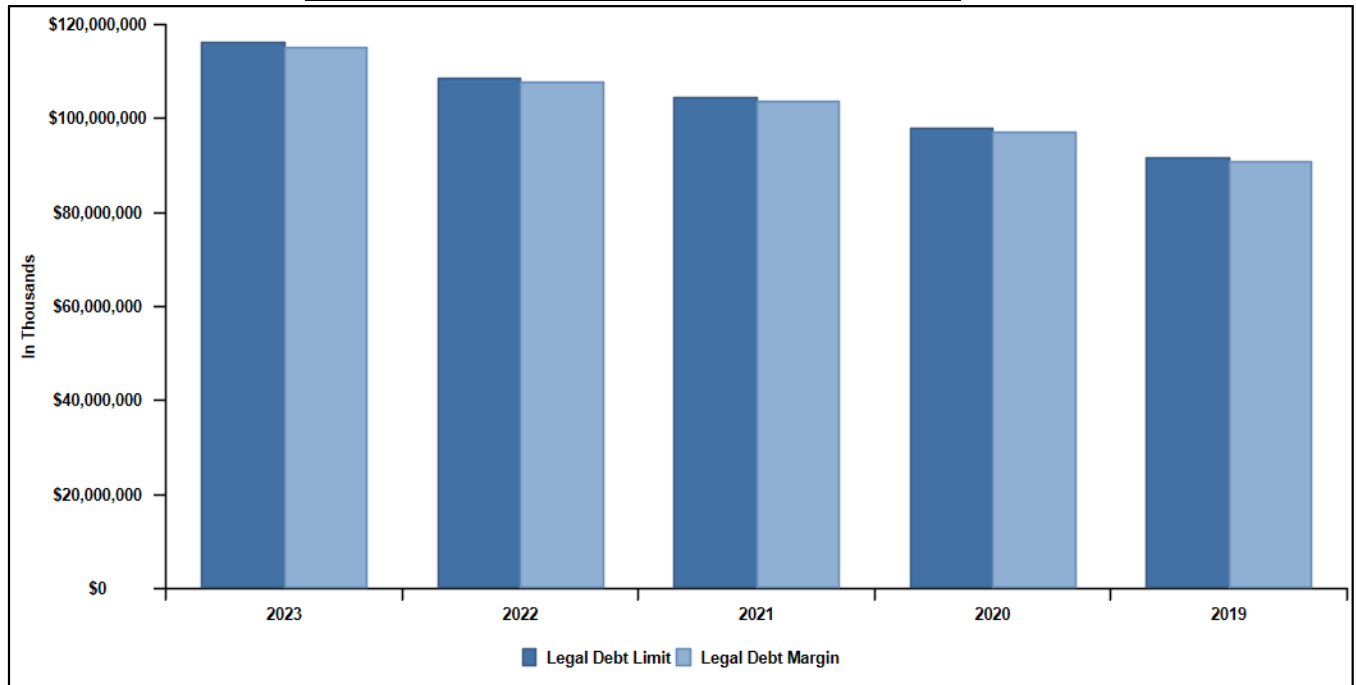
	Fiscal Year				
	2023	2022	2021	2020	2019
Assessed Valuation Net of Homeowners' Exemptions	\$ 772,276,193	\$ 721,540,148	\$ 693,748,368	\$ 650,628,837	\$ 608,927,693
Add: Homeowners' Exemptions	2,187,495	2,226,637	2,264,753	2,329,537	2,364,507
Gross Assessed Valuation	\$ 774,463,688	\$ 723,766,785	\$ 696,013,121	\$ 652,958,374	\$ 611,292,200
Legal Debt Limit ^(a) (15% of assessed value)	\$ 116,169,553	\$ 108,565,018	\$ 104,401,968	\$ 97,943,756	\$ 91,693,830
Less: General Obligation Bonds Outstanding	1,054,340	751,697	642,248	751,022	865,478
Legal Debt Margin	\$ 115,115,213	\$ 107,813,321	\$ 103,759,720	\$ 97,192,734	\$ 90,828,352
Legal Debt Margin as a Percentage of the Debt Limit	99.09 %	99.31 %	99.38 %	99.23 %	99.06 %
General Obligation Bonds Outstanding as a Percentage of Assessed Value	0.14 %	0.10 %	0.09 %	0.12 %	0.14 %
Population ^(b)	3,766,109	3,819,538	3,923,341	4,010,684	4,013,170
General Obligation Bonds Outstanding per Capita	\$ 280	\$ 197	\$ 164	\$ 187	\$ 216

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

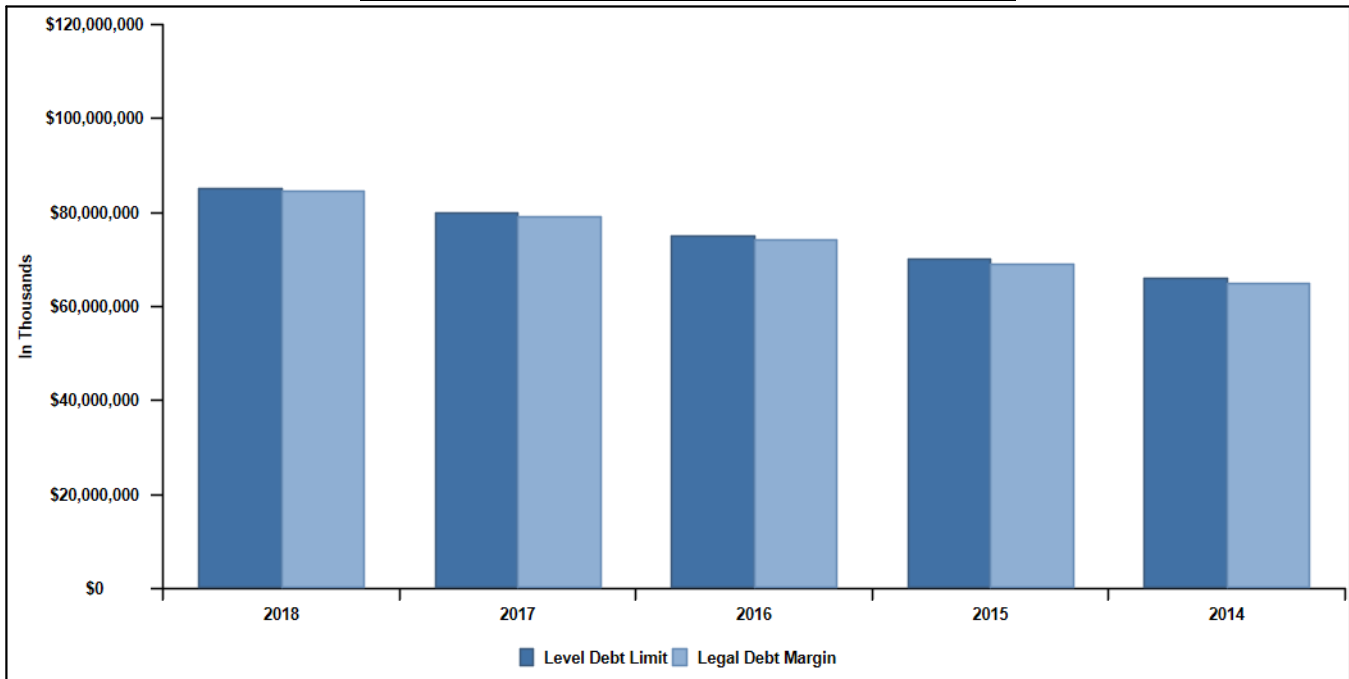


CITY OF LOS ANGELES

Ratios of General Bonded Debt Outstanding and Legal Debt Margin - (Continued)
Last Ten Fiscal Years
(amounts expressed in thousands, except per capita)

	Fiscal Year				
	2018	2017	2016	2015	2014
Assessed Valuation Net of Homeowners' Exemptions	\$ 565,509,609	\$ 530,460,461	\$ 497,896,275	\$ 464,420,493	\$ 437,980,451
Add: Homeowners' Exemptions	2,411,314	2,454,777	2,502,726	2,545,253	2,588,592
Gross Assessed Valuation	\$ 567,920,923	\$ 532,915,238	\$ 500,399,001	\$ 466,965,746	\$ 440,569,043
Legal Debt Margin (15% of assessed value)	\$ 85,188,138	\$ 79,937,286	\$ 75,059,850	\$ 70,044,862	\$ 66,085,356
Less: General Obligation Bonds Outstanding	736,177	756,414	842,483	952,278	1,069,709
Legal Debt Margin	\$ 84,451,961	\$ 79,180,872	\$ 74,217,367	\$ 69,092,584	\$ 65,015,647
Legal Debt Margin as a Percentage of the Debt Limit	99.14 %	99.05 %	98.88 %	98.64 %	98.38 %
General Obligation Bonds Outstanding as a Percentage of Assessed Value	0.13 %	0.14 %	0.17 %	0.20 %	0.24 %
Population ^(b)	4,054,400	4,021,488	3,999,237	3,972,348	3,938,037
General Obligation Bonds Outstanding per Capita	\$ 182	\$ 188	\$ 211	\$ 240	\$ 272

Legal Debt Limit (15% of assessed value) and Legal Debt Margin



CITY OF LOS ANGELES

**Pledged Revenue Coverage
Last Ten Fiscal Years
(amounts expressed in thousands)**

Fiscal Year	Operating Revenues⁽¹⁾	Less: Operating Expenses⁽²⁾	Net Available Revenue	Debt Service⁽³⁾	Net Available Revenue Coverage	Net Operating Cash Flow	Net Operating Cash Flow Coverage⁽⁴⁾
Airports Enterprise Fund Revenue Bonds and Notes							
2023	\$ 1,894,804	\$ 671,224	\$ 1,223,580	\$ 485,459	2.5	\$ 991,262	2.0
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
Harbor Enterprise Fund Revenue Bonds and Notes							
2023	\$ 706,407	\$ 299,420	\$ 406,987	\$ 67,377	6.0	\$ 327,754	4.9
2022	665,857	253,900	411,957	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
Power Enterprise Fund Revenue Bonds and Notes							
2023	\$ 5,449,289	\$ 3,454,645	\$ 1,994,644	\$ 708,133	2.8	\$ 1,241,636	1.8
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

Continued...

CITY OF LOS ANGELES

**Pledged Revenue Coverage - (Continued)
Last Ten Fiscal Years
(amounts expressed in thousands)**

Fiscal Year	Operating Revenues⁽¹⁾	Less: Operating Expenses⁽²⁾	Net Available Revenue	Debt Service⁽³⁾	Net Available Revenue Coverage	Net Operating Cash Flow	Net Operating Cash Flow Coverage⁽⁴⁾
Water Enterprise Fund Revenue Bonds and Notes							
2023	\$ 1,773,895	\$ 1,007,231	\$ 766,664	\$ 396,031	1.9	\$ 385,634	1.0
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
Sewer Enterprise Fund Revenue Bonds and Notes							
2023	\$ 791,270	\$ 443,764	\$ 347,506	\$ 230,099	1.5	\$ 288,742	1.3
2022	735,834	369,274	366,560	218,712	1.7	483,493	2.2
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

(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

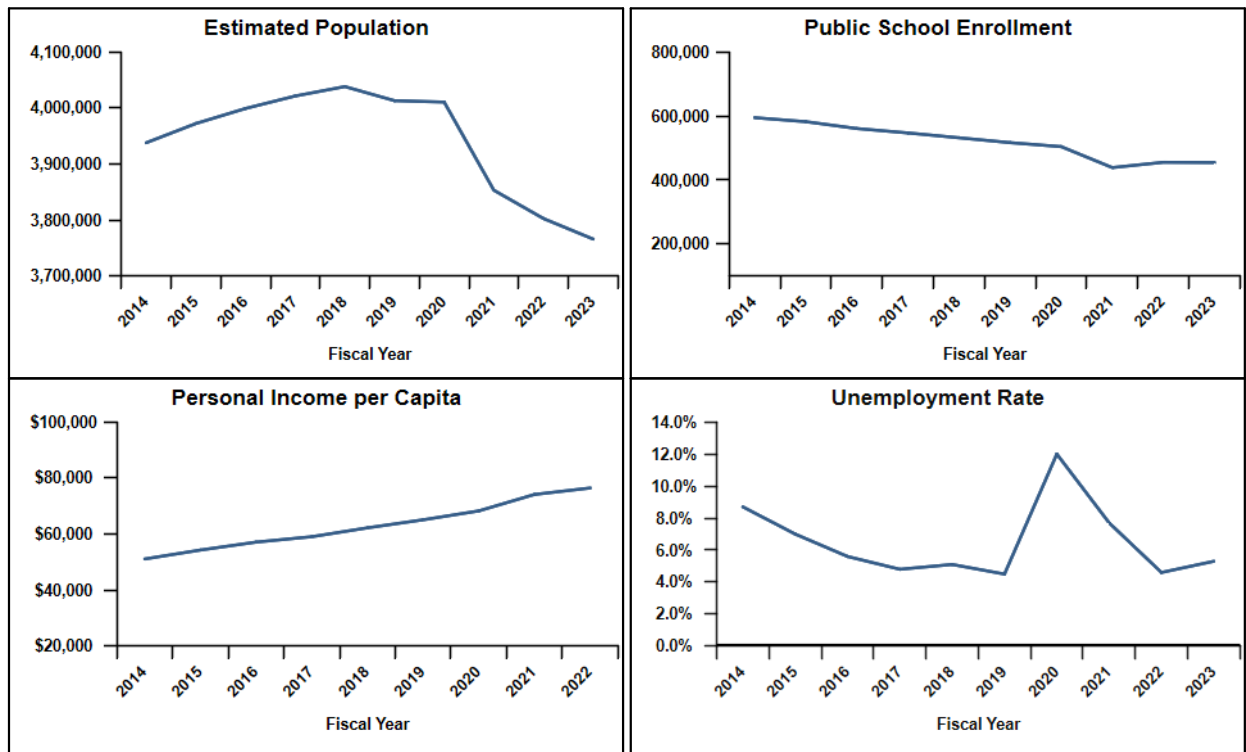
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

CITY OF LOS ANGELES

Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Estimated Population ⁽¹⁾	Personal Income (in thousands) ⁽²⁾	Personal Income Per Capita ⁽²⁾	Median Age ⁽³⁾	Public School Enrollment ⁽⁴⁾	Unemployment Rate ⁽⁵⁾
2023	3,766,109	\$ --	\$ --	37.9	454,703	5.3 %
2022	3,802,725	984,030,633	76,445	37.1	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

- (1) Data based on California Department of Finance report E-1, released May 2, 2023 with revised estimated population.
- (2) U.S. Department of Commerce, Bureau of Economic Analysis for Los Angeles County updated on November 16, 2023. Data subsequent to 2022 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 2023, not seasonally adjusted, released December, 2023.



CITY OF LOS ANGELES

**Los Angeles County
Principal Employers (Non-Government)
Current Year and Nine Years Ago**

Employer	2023			2014		
	Employees	Rank ⁽¹⁾	Percentage of Total County Employment	Employees	Rank ⁽¹⁾	Percentage of Total County Employment
Kaiser Permanente	44,769	1	0.9 %	35,991	1	0.7 %
University of Southern California	23,227	2	0.5	14,722	5	0.3
Northrop Grumman Corp.	18,000	3	0.4	17,000	2	0.3
Cedars-Sinai Medical Center	16,730	4	0.3	10,243	10	0.2
Allied Universal	15,326	5	0.3	--	--	--
Target Corp.	15,000	6	0.3	15,000	3	0.3
Providence Health & Services Southern California	14,395	7	0.3	15,000	4	0.3
Ralphs/Food 4 Less/Kroger	14,000	8	0.3	13,500	7	0.3
Walt Disney Co.	12,200	9	0.2	--	--	--
Boeing Co.	12,005	10	0.2	10,500	9	0.2
Bank of America Corp.	--	--	--	13,500	6	0.3
Home Depot	--	--	--	10,600	8	0.2
All Others	4,799,148	--	96.3	4,826,344	--	96.9
TOTAL ⁽¹⁾⁽²⁾	4,984,800		100.0 %	4,982,400		100.0 %

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.

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				
	2023	2022	2021	2020	2019
GOVERNMENTAL ACTIVITIES	32,281	31,604	31,369	33,973	33,059
General Government					
City Administrative Officer	166	126	109	119	114
City Attorney	946	933	914	1,003	963
City Ethics Commission	37	32	29	31	25
Controller	146	132	133	146	150
Council	398	387	375	381	375
Employees Relations Board	3	3	3	3	3
General Services	1,269	1,225	1,199	1,394	1,341
Information Technology Agency	355	326	336	406	393
Mayor	153	179	191	210	219
Personnel	542	502	481	545	488
Neighborhood Empowerment	35	24	25	28	28
City Clerk	107	100	95	113	107
Cannabis Regulation ⁽²⁾	51	34	28	29	21
Human Relations Commission	34	19	9	--	--
Office of Finance ⁽¹⁾	297	273	261	297	304
Public Accountability ⁽²⁾	3	3	3	3	4
Protection of Persons and Property					
Animal Services	321	296	307	342	327
Building & Safety	893	888	884	920	903
Fire- Civilian	337	335	344	380	367
Fire- Sworn	3,447	3,390	3,299	3,391	3,348
Police- Civilian	2,654	2,689	2,749	3,070	2,992
Police- Sworn	9,037	9,277	9,390	9,963	10,004
Emergency Management	28	21	20	29	24
Public Works					
Public Works- Contract Administration	292	292	303	334	323
Public Works- Engineering	779	756	742	846	827
Public Works- Street Lighting	298	278	289	324	296
Public Works- Street Services	1,131	1,081	1,070	1,230	1,138
Public Works- Board of Public Works	111	102	94	106	106
Health and Sanitation					
Public Works- Sanitation	3,005	2,890	2,839	2,978	2,817
Transportation					
Transportation	1,445	1,371	1,341	1,474	1,368
Cultural and Recreational Services					
Cultural Affairs	67	60	54	65	61
El Pueblo de los Angeles Historical Monument	9	6	6	8	8
Library	828	786	804	830	813
Recreation and Parks	1,463	1,329	1,259	1,456	1,424
Zoo	234	220	210	238	228
Community Development					
Aging	46	37	33	41	36
Economic and Workforce Development	119	110	103	121	119
Disability	28	26	24	27	23
LA Housing Department	624	584	636	675	599
City Planning	441	408	378	417	373
Youth Development ⁽³⁾	13	7	--	--	--
Community Investment for Families ⁽³⁾	89	67	--	--	--

Continued...

CITY OF LOS ANGELES

**Number of City Government Employees by Function/Program - (Continued)
Full-Time Equivalent
Last Ten Fiscal Years**

	Fiscal Year				
	2018	2017	2016	2015	2014
GOVERNMENTAL ACTIVITIES	32,535	32,100	31,306	30,606	30,316
General Government					
City Administrative Officer	112	113	109	108	109
City Attorney	953	935	891	882	834
City Ethics Commission	24	24	22	23	20
Controller	146	142	135	146	143
Council	372	345	339	353	333
Employees Relations Board	3	3	3	3	3
General Services	1,352	1,342	1,356	1,321	1,309
Information Technology Agency	378	391	440	431	452
Mayor	203	185	170	161	146
Personnel	475	499	484	480	460
Neighborhood Empowerment	31	26	26	19	22
City Clerk	105	108	88	95	96
Cannabis Regulation ⁽²⁾	7	--	--	--	--
Human Relations Commission	--	--	--	--	--
Office of Finance ⁽¹⁾	309	329	317	311	326
Public Accountability ⁽²⁾	4	--	--	--	--
Protection of Persons and Property					
Animal Services	314	317	317	309	312
Building & Safety	892	935	849	808	744
Fire- Civilian	347	350	309	293	293
Fire- Sworn	3,356	3,311	3,265	3,140	3,181
Police- Civilian	3,002	2,920	2,754	2,723	2,810
Police- Sworn	9,990	9,948	9,866	9,856	9,739
Emergency Management	23	23	25	23	21
Public Works					
Public Works- Contract Administration	314	298	284	270	278
Public Works- Engineering	771	768	756	733	710
Public Works- Street Lighting	251	235	226	205	194
Public Works- Street Services	992	974	865	838	869
Public Works- Board of Public Works	95	96	95	85	81
Health and Sanitation					
Public Works- Sanitation	2,739	2,601	2,564	2,425	2,318
Transportation					
Transportation	1,340	1,324	1,340	1,276	1,268
Cultural and Recreational Services					
Cultural Affairs	60	58	46	36	34
El Pueblo de los Angeles Historical Monument	9	9	9	9	9
Library	822	774	748	707	653
Recreation and Parks	1,379	1,376	1,332	1,320	1,316
Zoo	216	204	202	195	198
Community Development					
Aging	32	36	38	32	34
Economic and Workforce Development	127	135	136	140	151
Disability	20	20	17	15	17
LA Housing Department	589	598	591	567	598
City Planning	381	348	292	268	235
Youth Development ⁽³⁾	--	--	--	--	--
Community Investment for Families ⁽³⁾	--	--	--	--	--

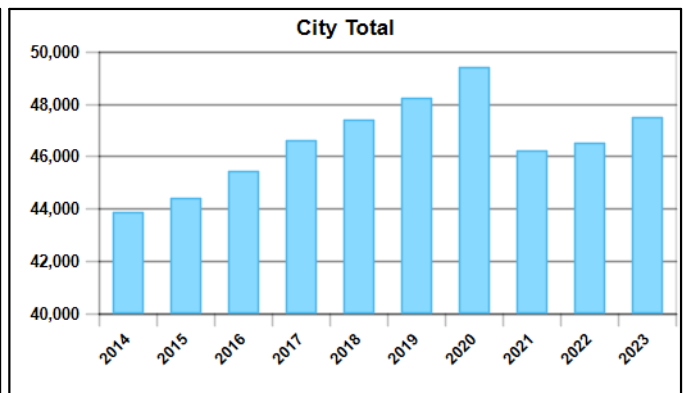
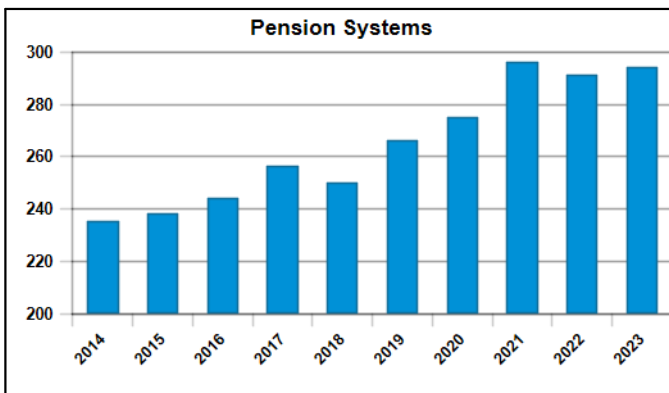
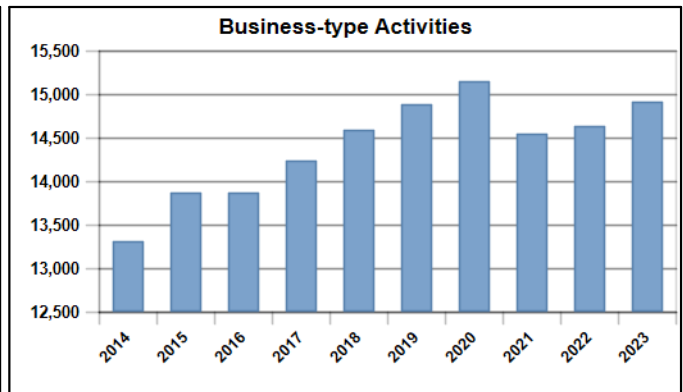
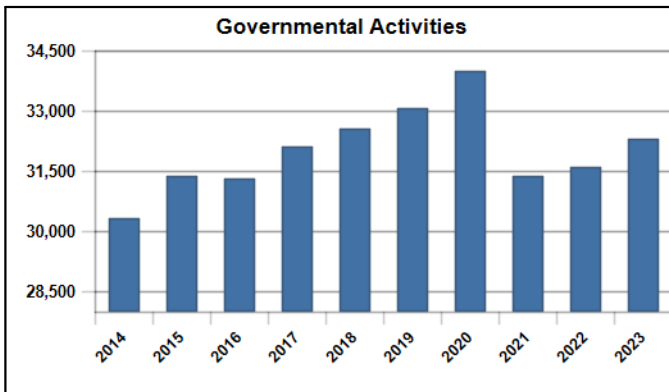
CITY OF LOS ANGELES

Number of City Government Employees by Function/Program - (Continued)
Full-Time Equivalent
Last Ten Fiscal Years

	Fiscal Year				
	2023	2022	2021	2020	2019
BUSINESS-TYPE ACTIVITIES	14,902	14,636	14,547	15,143	14,878
City Tourism	7	8	8	10	9
Water and Power ⁽⁴⁾	11,142	10,804	10,550	10,704	10,364
Airports ⁽¹⁾	2,906	2,990	3,077	3,519	3,625
Harbor	847	834	912	910	880
PENSION SYSTEMS	294	291	296	275	266
City Employees' Retirement System	179	179	180	156	147
Fire and Police Pension System	115	112	116	119	119
GRAND TOTAL	47,477	46,531	46,212	49,391	48,203

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**

	Fiscal Year				
	2018	2017	2016	2015	2014
BUSINESS-TYPE ACTIVITIES	14,582	14,232	13,858	13,530	13,307
City Tourism	8	11	12	12	11
Water and Power ⁽⁴⁾	10,044	9,794	9,456	9,228	8,924
Airports ⁽¹⁾	3,646	3,544	3,484	3,405	3,423
Harbor	884	883	906	885	949
PENSION SYSTEMS	250	256	244	238	235
City Employees Retirement System	138	140	131	128	125
Fire and Police Pension System	112	116	113	110	110
GRAND TOTAL	47,367	46,588	45,408	44,374	43,858

(1) Department restated prior year's data due to timing adjustments.

(2) The Cannabis Regulation and Public Accountability Departments were established in fiscal year 2018.

(3) The Youth Development and Community Investment for Families Departments were established in fiscal year 2022.

(4) Department includes DWP Retirement System.

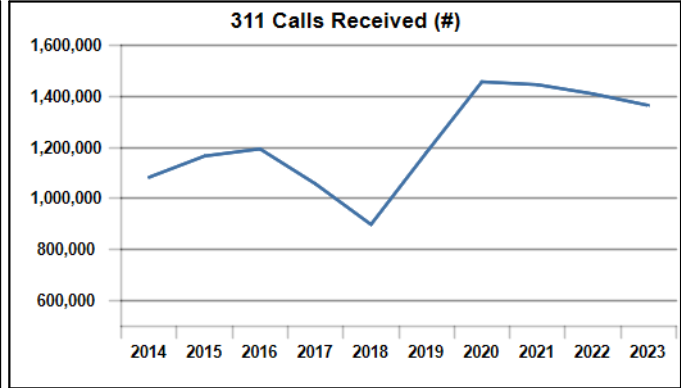
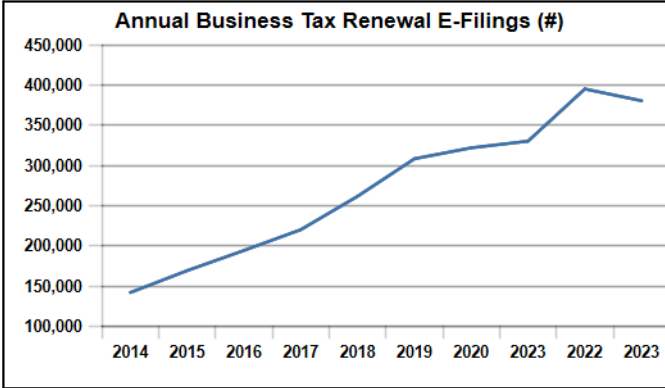
Sources:

Fiscal year 2019 through 2023: 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

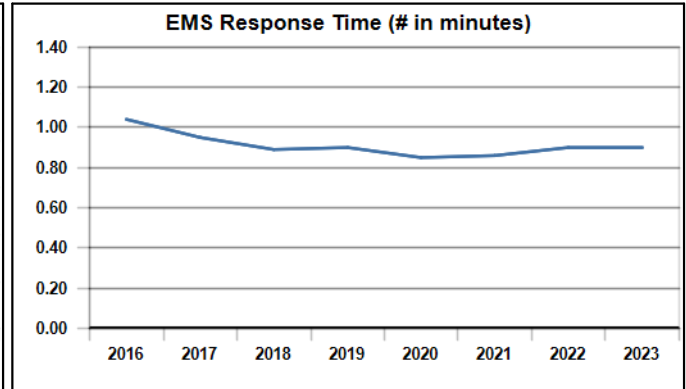
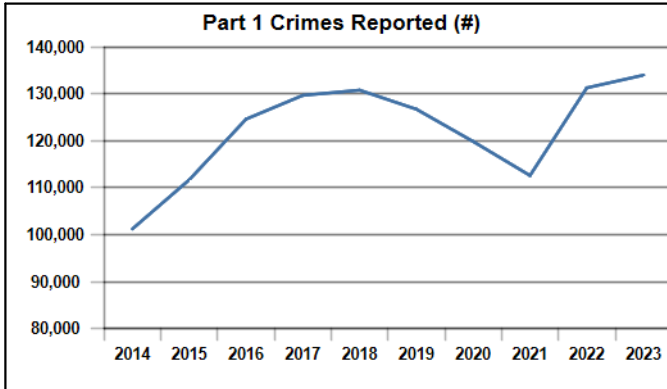


Department/Program	Indicator	Fiscal Year									
		2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Cannabis Regulation (2)											
	Number of Cannabis Businesses	1,000	1,000	825	425	311	169	--	--	--	--
City Attorney											
	Criminal Prosecution										
	Issues resolved in the neighborhood prosecutor program (%)	82	78	72	78	104	86	84	97	48	50
	Combined criminal jury and court trials (#)	182	372	414	325	343	344	321	352	362	308
	Consumer protection-cases reviewed (#)	189	210	290	213	123	200	200	230	100	150
	Consumer cases concluded (#)	67	75	86	65	51	130	120	146	--	--
	Environmental cases concluded (#)	435	475	463	471	459	465	452	383	412	409
	Housing/rent control cases concluded (#)	923	667	905	1,097	855	744	764	1,007	842	608
General Services											
	Building Maintenance										
	Maintenance work orders completed (%)	83	78	66	78	69	72	73	71	71	71
	Energy conservation audits completed (#)	13	12	--	9	19	20	20	20	8	12
	Custodial Services										
	Municipal facilities cleaned per day (% of square feet)	100	100	100	100	100	100	100	90	90	85
	Fleet Services										
	Vehicles available for Bureau of Sanitation operations (%)	79	81	84	87	87	88	89	84	83	83
	Vehicles available for Bureau of Street Services operations (%)	80	84	86	86	87	81	84	82	85	79
	Vehicles available for Dept of Transportation operations (%)	90	91	92	88	88	92	92	93	92	90
	Real Estate Services										
	City-as-tenant leases remaining	111	84	85	84	71	71	75	77	88	100
	Supply Services										
	Days to process orders under \$100,000	30	32	24	31	36	44	27	35	--	--
Information Technology Agency											
	3-1-1 Call Center Operations										
	Average wait time per caller (# of seconds)	282	222	190	158	174	294	370	142	61	70
	Number of calls received (#)	1,364,060	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
	Total Contacts	2,178,266	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
Neighborhood Empowerment											
	Community Impact Statements submitted by Neighborhood Councils	1,324	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 (#)	380,660	395,290	330,422	322,104	308,506	261,926	220,381	194,545	169,463	142,220
	Collections from Citywide Collection unit (\$ in thousands)	24,063	20,108	18,224	17,732	21,656	23,143	23,628	22,017	24,457	27,551
	Refund claims processed (#)	9,074	12,665	10,109	19,338	4,331	6,596	5,722	7,417	6,188	8,411
	Revenue enhancement unit investigations (#)	63,514	71,214	88,525	98,682	111,916	122,918	149,547	138,278	143,328	157,949
	Total tax accounts audited (#)	1,182	1,098	1,384	1,473	1,571	2,133	2,666	3,465	4,472	4,819
Personnel											
	Employee Selection										
	Exams completed in 150 days (#)	88	74	67	86	73	73	65	71	69	73
	Employee Training and Development										
	Non-mandated courses completed in the Online Training Academy	22,241	21,856	31,305	34,420	9,188	14,496	20,231	7,996	5,624	4,119

CITY OF LOS ANGELES

Operating Indicators by Function/Program
Last Ten Fiscal Years

Protection of Persons and Property

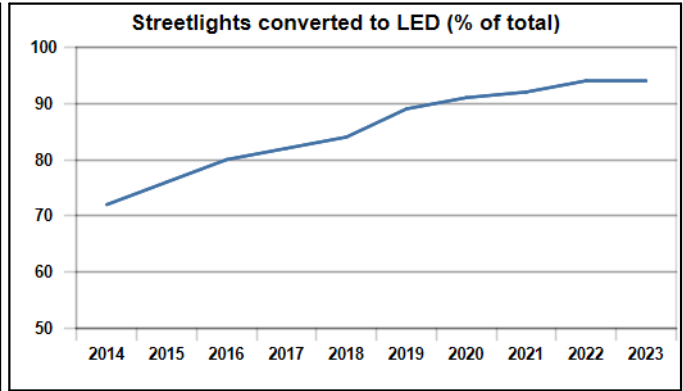
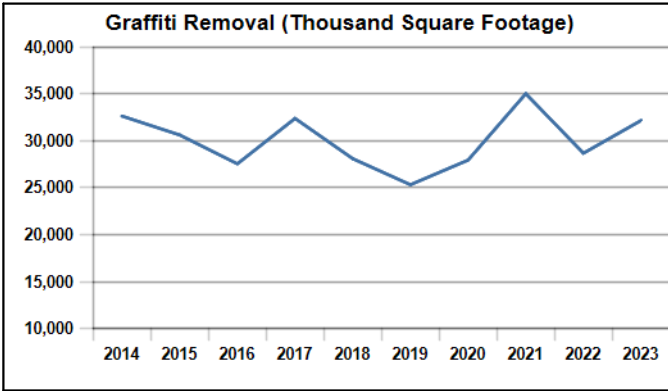


Department/Program	Indicator	Fiscal Year									
		2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Animal Services											
Animal Licensing and Permitting Operations	Dog licenses issued (#)	73,777	84,206	84,703	104,550	124,474	120,669	130,242	131,959	120,975	123,008
Animal Shelter Operations Program	Animals adopted (#)	27,563	26,227	19,226	27,573	35,543	34,811	32,920	31,100	32,826	32,910
	Animals euthanized (#)	6,439	5,979	2,195	4,024	6,497	7,015	8,425	10,931	14,083	15,028
	Animals impounded (#)	42,176	40,396	33,314	44,682	55,515	53,595	52,460	51,676	57,225	56,813
Building and Safety											
Conservation of Existing Structures and Mechanical Devices	Complaints responded to within 10 days (%)	76	84	80	74	78	74	69	59	47	52
Engineering Plan Checking	Building Permits issued (#)	173,188	170,414	147,721	166,417	177,972	177,783	164,890	156,940	141,445	133,573
	Plan reviews completed within 15 days (%)	82	76	73	76	77	81	75	82	78	88
New Construction Inspection	Response to inspection requests within 24 hours (%)	95	97	97	96	84	84	91	90	95	94
Fire											
Emergency Medical Services	Average time to leave station after notified - EMS (# in minutes)	0.90	0.90	0.86	0.85	0.90	0.89	0.95	1.04	1.17	1.23
	Average travel time to incident - EMS (# in minutes)	5.13	4.97	4.71	4.60	4.47	4.39	4.47	4.28	4.07	4.08
Fire Suppression	Actual Fires - Non structure fires (#)	32,718	33,812	31,213	22,063	17,521	17,016	13,971	13,137	12,917	12,069
	Actual Fires - Structure fires (#)	3,896	3,743	3,871	3,896	4,002	4,012	4,449	4,430	4,562	4,698
	Closure rate in criminal fires investigation (%)	--	--	5	--	--	--	56	82	50	40
	Emergency responses - Fires (includes automatic alarms) (#)	103,098	115,441	106,824	97,667	91,492	133,401	140,933	132,546	127,380	133,080
	Emergency responses - Hazardous conditions (#)	4,128	3,644	3,168	3,587	3,103	3,225	4,101	5,238	4,190	4,949
	Emergency responses - Rescues and others (#)	34,309	30,943	27,202	26,173	28,558	31,771	35,366	44,604	34,331	40,268
	Average time to leave station after notified - Fire (# in minutes)	0.90	0.90	0.87	0.85	0.90	0.88	0.93	1.00	1.15	1.22
	Average travel time to incident - Fire (# in minutes)	5.08	4.85	4.58	4.50	4.49	4.38	4.43	4.26	4.07	4.18
Communications	Call Processing Time (# in minutes)	1.11	1.06	1.06	1.05	1.08	1.07	1.03	1.02	1.00	1.25
Police											
Patrol	Part I crimes reported (#)	134,003	131,294	112,600	119,849	126,734	130,804	129,692	124,623	111,690	101,228
	Part II crimes reported (#)	95,604	92,368	78,881	88,821	92,489	97,218	96,128	98,535	95,257	90,525
	Response to emergency calls (# in minutes)	7.20	6.30	5.99	5.99	5.95	5.62	6.15	6.10	5.60	6.50
	Total arrests (#)	58,019	56,459	66,808	73,495	86,696	96,003	99,011	126,434	125,567	130,262
Specialized Crime Suppression and Investigation	Number of backlogged fingerprint cases reduced (#)	3,466	3,833	3,554	3,096	4,049	4,929	4,241	4,105	3,923	3,397
	Number of backlogged rape kits reduced (#)	1,196	988	833	1,166	1,072	1,254	1,275	1,158	1,105	1,030
Technical Support	Complaint board calls received - 911 (#)	3,413,249	2,936,633	3,063,867	3,631,870	3,530,072	3,366,438	3,147,224	3,196,225	3,220,084	2,284,913
Traffic Control	Fatal and injury traffic accidents (#)	1,793	1,875	13,755	22,050	25,368	25,387	25,259	24,399	24,974	21,026
	Traffic citations issued (#)	111,773	107,729	142,938	220,062	200,439	216,673	219,911	234,311	336,683	447,062

CITY OF LOS ANGELES

Operating Indicators by Function/Program
Last Ten Fiscal Years

Public Works

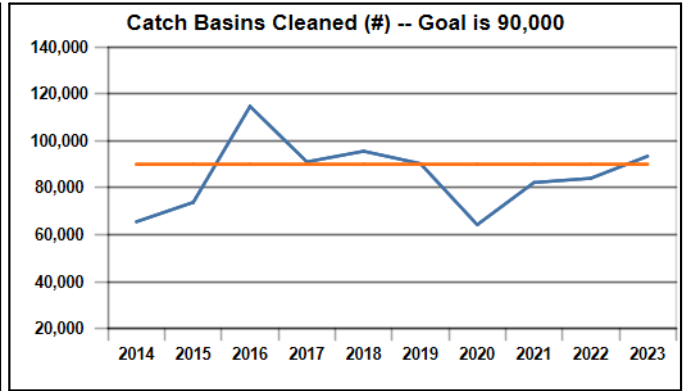
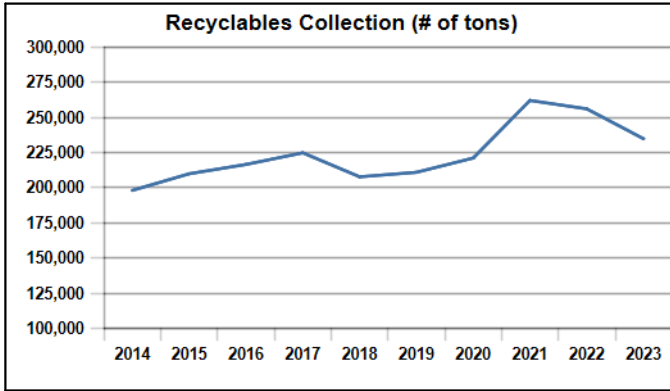


Department/Program	Indicator	Fiscal Year									
		2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Board of Public Works											
Office of Community Beautification											
	Graffiti eradicated/square footage (# per 1,000 sq ft)	32,173	28,677	35,021	27,943	25,319	28,096	32,388	27,545	30,620	32,638
	Graffiti removal requests completed in 24 hrs (%)	73	74	73	68	62	73	77	55	48	66
Bureau of Contract Administration											
Construction Inspection											
	Number of private development inspections (#)	100	144	185	172	184	176	175	150	224	147
Contract Compliance											
	Prevailing Wage Restitution Completed (\$ millions)	0.57	2.10	0.96	0.36	1.21	0.56	1.68	0.57	1.31	1.54
Bureau of Engineering											
All Capital Programs											
	Completed capital projects (#)	90	110	155	173	115	143	106	144	147	124
Bureau of Street Lighting											
Design and Construction											
	Streetlights converted to LED (% of total)	94	94	92	91	89	84	82	80	76	72
System Operation, Maintenance and Repair											
	Percent of streetlights operating (%)	99.15	99.08	99.28	99.24	99.32	99.34	99.33	99.37	99.33	99.20
Street Services											
Maintaining Streets											
	Small asphalt repairs (# of square feet)	862,735	554,887	881,243	824,393	908,679	820,592	,513,764	,121,767	,050,411	,402,144
	Response time to pothole service requests (days)	2.4	1.7	0.9	1.3	2.9	2.3	1.3	--	--	--
Street Cleaning Program											
	Completion frequency-posted routes (%)	100	99	96	96	97	98	99	91	93	96
Street Improvement Program											
	Access ramps constructed (#)	324	350	376	362	308	532	526	742	1,035	1,256
	Bus pads constructed (#)	68	76	63	53	86	55	49	58	101	76
	Concrete bus landings installed (#)	8	10	11	13	--	--	50	65	170	107
	Sidewalks repaired (# of square feet)	465,824	587,819	568,392	524,247	313,648	329,410	309,343	118,732	--	--
Street Resurfacing and Reconstruction Program											
	Streets resurfaced (# of lane miles)	513	550	557	663	720	660	848	855	855	--
	Streets slurry sealed (# of lane miles)	832	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 (#)	43,873	29,633	31,252	37,038	31,693	31,844	36,036	33,850	23,142	14,847

CITY OF LOS ANGELES

Operating Indicators by Function/Program
Last Ten Fiscal Years

Health and Sanitation

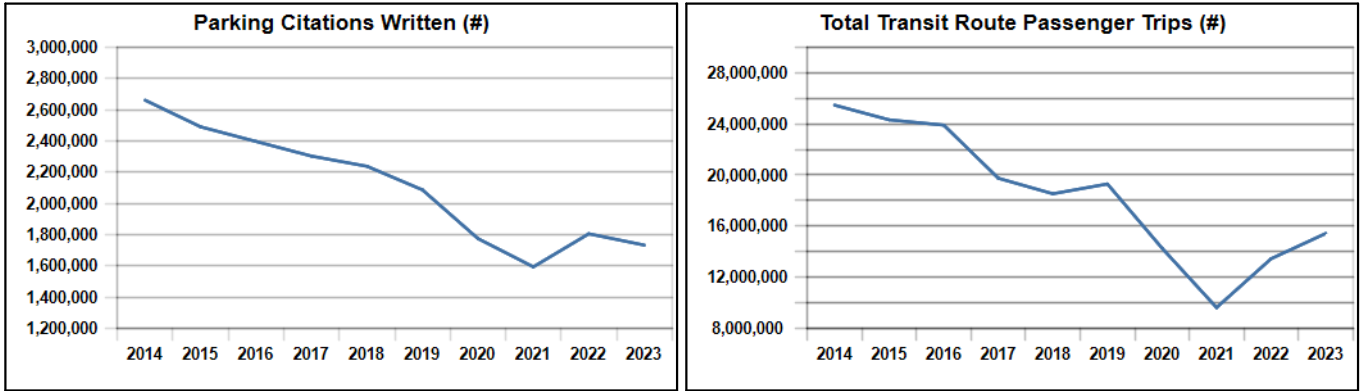


Department/Program	Indicator	Fiscal Year									
		2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Sanitation											
Household Refuse Collection Program											
	Tons collected - Bulky items (# of tons)	19,246	44,299	55,499	52,090	54,238	53,766	91,225	60,101	46,416	33,720
	Tons collected - Recyclables (# of tons)	234,801	256,040	262,021	221,089	210,944	207,756	224,796	216,542	209,924	198,143
	Tons collected - Refuse (# of tons)	1,026,327	1,076,972	1,006,473	964,151	942,041	928,377	953,670	907,611	873,104	852,635
	Tons collected - Yard Trimmings (# of tons)	402,297	392,610	425,133	462,175	411,188	414,729	417,354	417,325	425,070	428,237
Solid Resources											
	Convert refuse collection fleet to clean fuels (%)	82	81	82	85	83	82	80	78	78	76
Watershed Protection											
	Catch basin cleaning (#) (3)	93,441	84,012	82,213	64,222	90,279	95,561	91,021	114,699	73,772	65,492

CITY OF LOS ANGELES

Operating Indicators by Function/Program
Last Ten Fiscal Years

Transportation

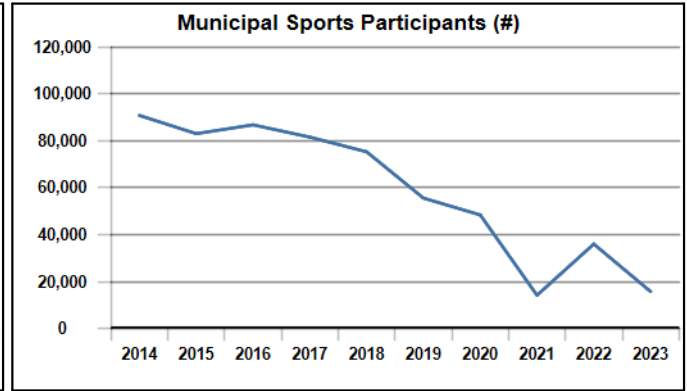
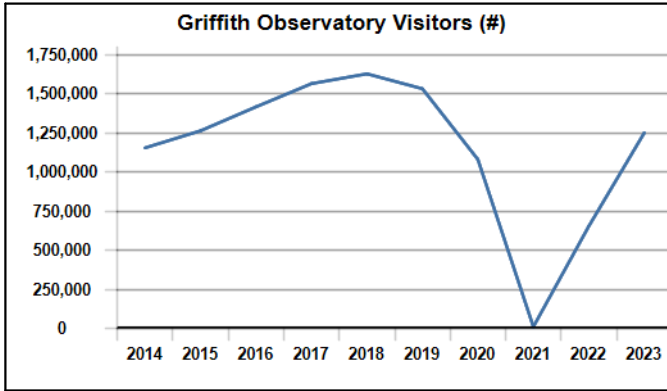


Department/Program	Indicator	Fiscal Year									
		2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Transportation											
Parking Management and Intersection Control											
	Citations written (#)	1,733,033	1,805,286	1,593,817	1,775,106	2,086,277	2,237,086	2,302,206	2,395,778	2,489,390	2,659,718
	Crossing guard assignments (#)	604	566	541	544	538	537	529	523	524	507
	Hours of intersection control (#)	42,167	31,373	87,624	62,260	43,019	53,901	32,400	27,615	25,997	23,490
	Peak hour tows and other tows (#)	54,723	62,075	45,025	52,591	58,501	61,060	32,647	31,245	49,910	39,999
Traffic Control Devices											
	New signals (Traffic Pedestrian) installed (#)	11	19	29	16	32	32	19	31	11	19
	Traffic signals repaired (#)	12,270	15,302	694	694	735	626	725	766	10,797	8,832
Transit Capital Programming											
	Active traffic congestion relief projects (#)	78	75	64	68	69	64	62	96	81	79
	Increase in bicycle lane miles (# of miles)	23	26	32	40	10	10	12	9	23	41
Transit Operations											
	Total transit vehicle passenger trips (#)	15,424,048	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
Transportation System Operations											
	Red curb miles reinstated/installed (#)	215	245	250	203	99	199	295	362	334	372
	Signs maintained/replaced (#)	29,398	39,327	47,876	38,275	20,978	28,115	46,189	52,422	49,029	7,812
	Temporary signs installed/removed (#)	651,765	641,705	290,468	654,822	770,211	726,009	726,200	646,724	365,068	436,589
	Thermoplastic longline striping installed/reinstalled (# of miles)	656	1,231	890	654	1,470	933	963	1,326	137	61

CITY OF LOS ANGELES

Operating Indicators by Function/Program
Last Ten Fiscal Years

Cultural and Recreational Services

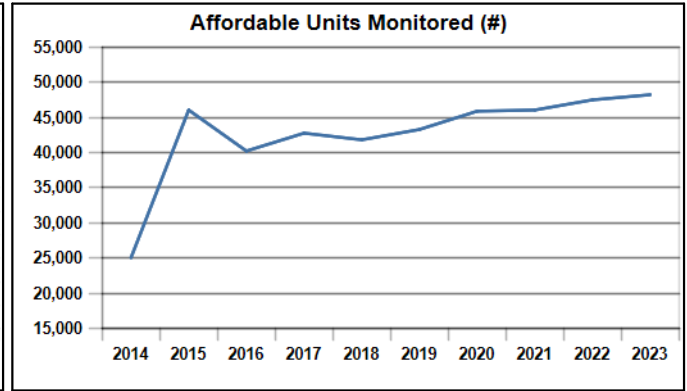
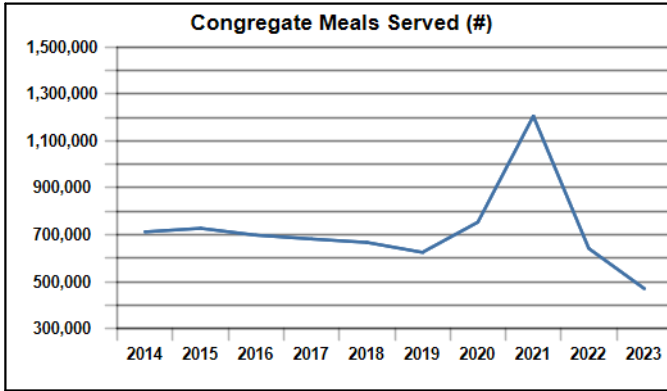


Department/Program	Indicator	Fiscal Year									
		2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
City Tourism											
City Tourism Development											
	Citywide conventions and center events (#) (3)	20	13	--	12	23	27	32	29	25	23
	Delegates attending Citywide conventions (#) (3)	376,525	124,852	--	227,059	362,442	440,634	503,036	496,886	320,900	299,274
	Exhibit hall events hosted (#) (3)	99	54	--	89	138	148	153	167	156	126
Cultural Affairs											
City Arts											
	Art class enrollment (#) (3)	138,867	150,052	136,966	162,216	228,646	185,546	182,078	121,356	212,506	15,000
	Theater attendance (#)	80,242	51,360	26,559	149,812	81,379	98,498	112,200	68,129	91,166	150,000
Community Arts											
	Art exhibitions presented (#)	2,902	3,031	1,502	2,079	2,852	1,371	692	655	1,082	65
	Special events/festivals (#) (3)	371	486	269	146	150	149	133	118	142	20
Performing Arts											
	Music/theatre programs presented	494	450	227	308	415	591	751	505	759	--
El Pueblo											
Events											
	Cultural and special events (#) (3)	76	30	32	114	93	122	152	137	73	119
History and Museums											
	Museum visitors (#) (3)	256,832	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 (#) (3)	160,784	50,655	79,116	270,482	349,820	402,881	417,831	368,339	371,810	355,211
	Items circulated (#)	21,866,853	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
	Number of people visiting library facilities (#) (3)	4,545,301	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
	Registered borrowers (#)	3,029,366	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
Recreation and Parks											
Advance Planning											
	New parks opened to the public (#)	1	--	2	2	4	2	5	8	7	10
	Maintenance job orders completed (#)	34,500	35,740	27,897	36,585	36,572	28,000	28,266	26,000	26,284	25,672
Educational Exhibits											
	Observatory attendance (#) (3)	1,250,733	653,836	10,575	1,080,718	1,532,916	1,628,315	1,565,700	1,417,282	1,264,376	1,155,104
Expo Center											
	Number of visitors to the Expo Center (#) (3)	747,493	534,672	68,995	628,184	744,509	709,056	675,291	456,607	416,053	448,860
Museums and Educational											
	Visitors to museums (excluding Griffith Observatory) (#) (3)	434,526	366,888	129,094	368,514	496,342	541,539	539,173	537,762	472,044	429,085
Recreational Opportunities											
	Aquatics - Pool Attendance (#) (3)	2,753,968	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
	Camps - Camper days (# of days)	103,468	207,097	91,301	67,065	63,060	73,929	70,654	65,283	66,626	62,427
	Municipal Sports - Team sports participants (3)	15,736	35,987	14,148	48,405	55,570	75,306	81,572	86,806	83,045	90,815
Zoo											
Educational Exhibits											
	Attendance (#) (3)	1,515,878	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

CITY OF LOS ANGELES

Operating Indicators by Function/Program
Last Ten Fiscal Years

Community Development

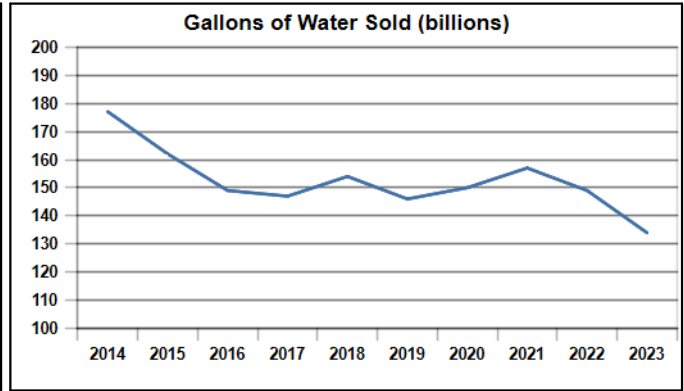
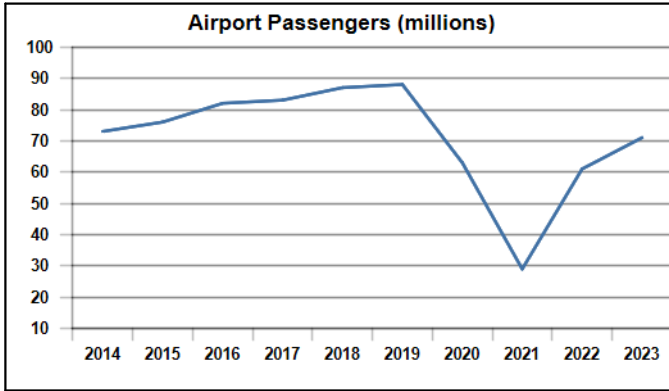


Department/Program	Indicator	Fiscal Year									
		2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Aging											
Family Caregiver Services	Community education participants (#)	936	1,662	2,596	1,476	4,145	4,515	2,652	2,486	2,872	8,490
Senior Social Services	Congregate meals served	469,967	640,890	1,205,441	753,133	624,406	666,705	681,524	697,731	726,873	711,895
	Homebound meals served (#)	826,824	742,785	998,532	813,338	707,325	721,423	725,079	737,256	739,957	755,480
	Prop A - One-way transportation trips (#)	83,262	84,838	93,958	84,038	121,155	125,648	123,253	130,175	132,101	131,269
City Planning											
Community Planning	Community Plans Less than 10 Years Old (#)	20	10	9	6	6	6	3	5	2	2
Geographic Project Planning	Cases Completed (#)	2,800	3,100	2,700	3,005	3,113	2,898	2,110	3,522	2,133	1,774
Historic Resources	Major Projects	23	30	16	30	19	35	17	11	9	--
	Entitlement Cases Requiring and EIR (#)										
Disability											
ADA Compliance	Sign language and captioning requests processed (#)	186	179	303	397	490	327	94	389	397	245
AIDS Coordination	HIV tests/referrals provided (#)	952	17,242	19,491	18,793	18,630	18,000	10,000	--	--	37,176
	Individuals serviced by Prevention Program (#)	53,927	51,270	36,956	27,945	33,640	23,000	25,000	27,528	25,569	46,877
	Syringes removed (# in millions)	2	2	2	3	2	1	1	1	1	1
Economic and Workforce Development											
Economic Development	Businesses established by Business Source (#)	270	203	141	167	128	232	324	291	205	221
	New jobs created through business source and lending (#)	631	644	301	898	1,162	1,069	1,364	1,039	2,000	331
Workforce Development	HireLA Youth placed in employment (#)	8,461	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 (#)	13,181	13,389	13,860	23,182	26,898	32,430	32,075	34,946	22,302	3,900
LA Housing Department (1)											
Code Enforcement	Multi-family unit inspected every 4 years (#)	800,000	760,000	760,000	750,000	750,000	750,000	720,000	742,523	720,000	180,000
	Periodic unit inspections (#)	120,547	132,066	74,077	86,095	155,388	178,646	177,795	169,568	164,655	165,928
Compliance Monitoring	Affordable units monitored (#)	48,215	47,486	46,043	45,875	43,275	41,812	42,757	40,218	46,041	25,061
Finance & Development	New funded transit oriented development housing units (#)	855	2,472	820	824	1,653	669	459	585	526	828
Homeownership and Preservation	Number of housing units made lead safe (# housing units)	26	3	--	--	37	48	86	61	84	114
Housing Preservation and Production	Low income units financed under the Homeownership Pgm (#)	41	22	59	87	72	56	44	76	80	92
Rent	Complaints resolved within 120 days (%)	78	92	93	87	88	79	78	79	89	88
	Rent adjustments processed (#)	1,193	1,068	1,106	1,231	1,067	669	559	405	476	381
	Rental units registered (#)	555,468	559,825	423,829	445,977	514,464	508,064	528,716	532,046	528,395	530,894
	Tenant complaints processed (#)	8,673	8,711	6,924	10,163	9,405	9,728	7,661	6,897	6,248	5,874
Strategic Planning & Policy Development	Housing unit at risk of losing affordability restrictions contacts (#)	325	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									
		2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Airports											
	Air cargo (# in thousand tons)	2,375	2,945	2,817	2,285	2,401	2,416	2,316	2,655	2,588	2,393
	Aircraft movements (# in thousands)	876	846	664	770	937	957	933	970	944	974
	Passengers (# in millions) (3)	71	61	29	63	88	87	83	82	76	73
Harbor											
	Containerized cargo volume (# in millions of TEUs)	9	10	10	9	10	9	9	8	8	8
	Cruise passengers (3)	1,445,613	490,978	6,221	487,013	586,786	479,388	534,484	676,644	578,902	541,418
	Inbound tonnage (# in millions tons)	91	113	114	100	114	103	106	106	103	99
	Outbound tonnage (# in millions tons)	88	109	102	84	97	88	92	79	75	74
	Vessel arrivals (#)	1,757	1,917	1,668	1,731	1,917	1,904	2,060	2,014	1,846	2,196
Power											
	Cumulative Feed in Tariff (FIT) installations (# of kilowatts)	102,082	97,429	86,800	70,300	65,578	46,700	29,250	11,519	7,532	800
	Customers- number (# in thousands)	1,575	1,565	1,548	1,537	1,529	1,516	1,507	1,499	1,493	1,503
	Energy production (# of kwh in billions)	24	24	24	24	25	25	26	27	27	27
	Megawatt hours of power from energy efficiency (# of Mwh)	328,200	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	23	22	23	23	24	25	25	26
	Power poles replaced, installed and reinforced (#)	3,459	3,799	3,944	4,033	3,757	3,018	2,656	2,436	2,393	1,599
	Solar Incentive Program (SIP) cumulative capacity (# of kilowatts)	295,943	295,492	295,358	271,850	282,858	250,528	221,798	176,330	135,620	105,466
	Solar Incentive Program (SIP) installed capacity (# of kilowatts) (3)	451	129	7,130	6,000	32,330	28,730	44,599	40,710	27,250	28,861
	System Average Interruption Duration Index - SAIDI (# of minutes per customer)	213	115	161	102	175	150	162	125	85	62
	System Average Interruption Frequency Index - SAIFI (# of interruptions per customer)	0.81	1.00	0.80	0.70	0.90	0.93	0.96	0.91	0.70	0.48
Wastewater											
	Wastewater treated (Volume in MGD)	336	325	316	327	339	331	337	335	344	355
	Water recycled (Volume in MGD)	109	97	120	120	113	120	118	96	96	99
	Sewer cleaning - miles of sewers cleaned (# of miles)	6,790	6,644	6,640	6,393	6,787	6,870	6,830	7,127	6,928	6,614
Water											
	DWP water sourced from local groundwater (%)	7	11	11	7	7	4	10	16	18	12
	Recycled water use (# of acre feet)	10,103	12,031	11,405	9,682	7,511	9,971	8,030	9,910	10,097	10,536
	Cumulative miles of water main replaced (# of miles)	38	32	30	27	32	41	242	207	174	154
	Customers - number (# in thousands)	697	694	692	689	687	683	680	678	676	679
	Gallons sold (billions of gallons)	134	149	157	150	146	154	147	149	162	177
	Per capita water use	101	113	113	105	105	112	102	104	114	123
	Water main breaks (# of breaks)	1,375	1,114	1,064	1,099	1,495	1,450	1,390	1,547	1,241	1,146
	Water purchased from MWD (% of total water supply)	51	75	63	32	30	36	45	71	71	76

Note: Prior fiscal year figures adjusted to correct total based on updated data.

- (1) Department name changed from Housing and Community Investment in fiscal year 2022.
- (2) Department developed a new indicator in fiscal year 2018.
- (3) 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				
	2023	2022	2021	2020	2019
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 ⁽²⁾	414	413	416	401	462
Fire stations	106	106	106	106	106
Patrol units	1,396	1,402	1,415	1,358	1,382
Police stations	29	29	29	29	29
Police training centers	3	3	3	3	3
Public Works					
Bridges	516	516	512	512	512
Street lights	216,210	211,437	205,025	202,000	196,100
Streets (centerline miles)	6,500	6,500	6,500	6,500	6,500
Health and Sanitation					
Refuse collection trucks	730	735	738	726	707
Refuse yards	6	6	6	6	6
Transportation					
Automated traffic signal and control systems	79	78	76	75	75
Bike paths (miles)	18	15	15	15	15
Commuter buses	498	470	469	432	392
Traffic signals	4,845	4,835	4,816	4,789	4,775
Cultural and Recreational Services					
Acres of beach land	232	232	232	232	232
Acres park land including beaches	16,188	16,172	16,172	16,171	16,169
Archery ranges	3	3	3	3	3
Baseball/softball diamonds	256	256	256	256	256
Children's play areas	411	411	410	408	400
Dog parks	13	13	12	12	11
Golf courses	13	13	13	13	13
Hiking trails (miles)	162	162	162	162	162
Historical sites	11	11	11	11	11
Horticulture centers	6	6	6	6	6
Indoor gyms	114	114	114	114	114
Lakes	13	13	13	13	13
Libraries	73	73	73	73	73
Licensed child-care centers	4	2	2	2	2
Museums	12	12	12	12	12
Park sites	490	490	490	487	446
Pools	59	59	59	62	62
Recreational centers	123	123	123	123	184
Recreational parks	7	7	7	7	7
Residential camps	7	7	7	7	9
Senior citizen centers	29	29	29	29	30
Skate parks	29	27	27	27	27
Tennis courts	319	319	319	319	321
Wedding sites	19	19	19	19	19

Continued...

CITY OF LOS ANGELES

**Capital Assets Information - (Continued)
Governmental Activities
Last Ten Fiscal Years**

Function/Asset	Fiscal Year				
	2018	2017	2016	2015	2014
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 ⁽²⁾	400	381	380	377	367
Fire stations	106	106	106	106	106
Patrol units	1,380	1,347	1,345	1,374	1,374
Police stations	29	29	29	28	29
Police training centers	3	3	3	3	3
Public Works					
Bridges	515	515	515	517	517
Street lights	184,648	182,564	170,000	160,000	154,291
Streets (centerline miles)	6,500	6,500	6,500	6,500	6,500
Health and Sanitation					
Refuse collection trucks	727	709	697	698	701
Refuse yards	6	6	6	6	6
Transportation					
Automated traffic signal and control systems	72	68	68	57	50
Bike paths (miles)	15	14	14	14	14
Commuter buses	392	390	399	387	385
Traffic signals	4,744	4,703	4,697	4,683	4,677
Cultural and Recreational Services					
Acres of beach land	232	232	232	232	232
Acres park land including beaches	16,169	15,766	16,152	16,152	16,149
Archery ranges	3	3	3	3	3
Baseball/softball diamonds	256	256	256	256	256
Children's play areas	387	387	387	387	387
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	2	3	2
Museums	12	12	12	12	12
Park sites	446	490	444	444	442
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	29	35	30	31	35
Skate parks	26	26	26	26	28
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				
	2023	2022	2021	2020	2019
Airports					
Number of airports ⁽¹⁾	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	200	201	250	269
Overhead distribution lines (miles)	10,717	10,493	10,462	10,470	10,350
Transmission lines (miles)	3,755	3,755	3,769	3,769	3,791
Underground distribution lines (miles)	3,998	3,973	3,942	3,857	3,732
Wastewater					
Sanitary sewers (miles)	6,750	6,700	6,700	6,700	6,700
Storm drain pipe mainline (miles)	1,220	1,220	1,220	1,319	1,306
Water					
Aqueduct (miles)	472	472	472	472	472
Distribution pipe (miles)	7,341	7,341	7,340	7,340	7,340
Number of storage reservoirs and tanks	124	117	118	118	118
Service connections	715,459	713,032	712,451	710,917	714,427

Continued...

CITY OF LOS ANGELES

**Capital Assets Information - (Continued)
Business-Type Activities
Last Ten Fiscal Years**

Function/Asset	Fiscal Year				
	2018	2017	2016	2015	2014
Airports					
Number of airports ⁽¹⁾	2	2	3	3	3
Harbor					
Number of cargo terminals	23	23	23	23	23
Number of major containers terminals	8	8	8	8	8
Power					
Generating units	245	245	245	241	242
Overhead distribution lines (miles)	10,397	10,329	10,300	10,288	10,213
Transmission lines (miles)	3,760	3,632	3,632	3,632	3,632
Underground distribution lines (miles)	3,710	3,693	3,680	3,677	3,608
Wastewater					
Sanitary sewers (miles)	6,700	6,700	6,700	6,700	6,700
Storm drain pipe mainline (miles)	1,306	1,293	1,272	1,260	1,260
Water					
Aqueduct (miles)	472	472	472	472	472
Distribution pipe (miles)	7,337	7,315	7,288	7,270	7,263
Number of storage reservoirs and tanks	118	118	120	120	114
Service connections	719,479	690,728	729,680	704,176	696,989

⁽¹⁾ Airports operates LAX and VNY.

⁽²⁾ "Fire trucks" renamed to "Fire apparatus."

Source: City departments

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