COUNTY OF LOS ANGELES

BASIC FINANCIAL STATEMENTS, REQUIRED SUPPLEMENTARY INFORMATION, AND SINGLE AUDIT

FOR THE YEAR ENDED JUNE 30, 2023

Certified
Public
Accountants

COUNTY OF LOS ANGELES
BASIC FINANCIAL STATEMENTS,
REQUIRED SUPPLEMENTARY INFORMATION,
AND SINGLE AUDIT
FOR THE YEAR ENDED JUNE 30, 2023

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BASIC FINANCIAL STATEMENTS,
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FOR THE YEAR ENDED JUNE 30, 2023

MGO. Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

The Honorable Board of Supervisors
County of Los Angeles, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Los Angeles, California (County), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the County'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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County 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, Fire Protection District, Flood Control District, LA County Library, Regional Park and Open Space District, and Mental Health Services Act for the 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 County Development Authority (LACDA) (discretely presented component unit), the Los Angeles County Children and Families First – Proposition 10 Commission (First 5 LA) (discretely presented component unit), and the Los Angeles County Employees Retirement Association (LACERA), which 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
Aggregate discretely presented component units	100%	100%	100%
Aggregate remaining fund information	66%	67%	9%

Those statements were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as it relates to the amounts included for LACDA, First 5 LA, and LACERA, 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 County 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.

Emphasis of Matters

As discussed in Note 2 to the basic financial statements, effective July 1, 2022, the County 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.

As discussed in Note 22 to the basic financial statements, in March 2020, a presidential emergency was declared due to the Coronavirus Disease 2019 (COVID-19) pandemic. The County was advanced federal and State disaster assistance funding to supplement the County's recovery efforts. As of June 30, 2023, the County reported $1.19 billion in advances payable (unearned revenues) related to these advances. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

The County's management is responsible for the preparation and fair presentation of these 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 County'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 County'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 County'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 schedule of the County's proportionate share of the net pension liability and related ratios, the schedule of County's pension contributions, the schedule of changes in net RHC OPEB liability and related ratios, the schedule of County's RHC OPEB contributions, and the schedule of changes in the total LTD OPEB liability and related ratios as listed on 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 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 County's basic financial statements. The accompanying schedule of expenditures of federal awards, the community services block grant supplementary schedules of revenue and expenditures, and the supplementary schedule of expenditures of federal and State awards granted by the California Department of Aging are presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, the California Department of Community Services and Development, and the California Department of Aging, respectively, 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 schedule of expenditures of federal awards, the community services block grant supplementary schedules of revenue and expenditures, and the supplementary schedule of expenditures of federal and State awards granted by the California Department of Aging are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 8, 2023, on our consideration of the County'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 County's internal control over financial reporting and compliance.

Macias Gini É O'Connell LLP

Los Angeles, California
December 8, 2023, except for the report on the schedule of expenditures of federal awards, the community services block grant supplementary schedules of revenue and expenditures, and the supplementary schedule of expenditures of federal and State awards granted by the California Department of Aging, as to which the date is March 28, 2024.

COUNTY OF LOS ANGELES
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2023

This section of the County's Annual Comprehensive Financial Report (ACFR) presents a narrative overview and analysis of financial activities for the year ended June 30, 2023. We recommend that this information be used in conjunction with additional information contained in the letter of transmittal.

Financial Highlights

At the end of the current year, the net position (total assets and deferred outflows of resources, reduced by total liabilities and deferred inflows of resources) of the County was negative $11.859 billion. Net position is classified into three categories and the unrestricted component was negative $35.387 billion.

During the current year, the County implemented Governmental Accounting Standards Board (GASB) Statement No. 96, "Subscription-Based Information Technology Arrangements" (SBITA or Subscription), and recognized certain Subscription assets and liabilities. GASB 96 had an effect on the County's beginning net position, which was restated and increased governmental activities net position by $565,000. See further discussion in Note 2 to the basic financial statements.

During the current year, the County's net position decreased by $1.269 billion. Net position related to governmental activities decreased by $1.928 billion, while net position related to business-type activities increased by $658 million.

At the end of the current year, the County's General Fund reported a total fund balance of $6.483 billion. The fund balance categories and amounts consisted of nonspendable fund balance of $263 million, restricted fund balance of $78 million, committed fund balance of $833 million, assigned fund balance of $1.029 billion, and $4.280 billion of unassigned fund balance.

The County's capital asset balances were $23.069 billion at year-end and increased by $638 million during the year. A restatement increased the capital asset beginning balance by $56 million as discussed in Note 5 to the basic financial statements.

During the current year, the County's long-term debt related to bonds, notes and loans from direct borrowings and direct placements decreased by $100 million. Newly issued and accreted long-term debt of $268 million was less than the long-term debt maturities of $368 million.

Overview of the Basic Financial Statements

This discussion and analysis are intended to serve as an introduction to the County's basic financial statements, which are comprised of the following three components:

- Government-wide financial statements
- Fund financial statements
- Notes to the basic financial statements

This report also includes other supplementary information in addition to the basic financial statements.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business.

The Statement of Net Position presents information on all County assets and deferred outflows of resources reduced by liabilities and deferred inflows of resources, which represent net position. Over time, increases and decreases in net position may serve as an indicator of whether the financial position of the County is improving or deteriorating.

The Statement of Activities presents information that indicates how the County's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying events giving rise to the changes occur, regardless of the timing of related cash flows. Therefore, revenues and expenses are reported in these statements for some items that affect cash flows in future periods. For example, property tax revenues have been recorded that have been earned but not yet collected and pension and other postemployment benefits (OPEB) expenses have been accrued but not yet paid.

The government-wide financial statements report the following different types of programs or activities:

- Governmental Activities - The majority of County services are reported under this category. Taxes and intergovernmental revenues are the major revenue sources that fund these activities, which include general government, public protection, public ways and facilities, health and sanitation, public assistance, education, recreation and cultural services, and interest on long-term debt.

- Business-type Activities - County services that are intended to recover costs through user charges and fees are reported under this category. The County Hospitals, Waterworks Districts, and Aviation Funds represent the County's business activities.

- Discretely Presented Component Units - Component units are separate entities for which the County is financially accountable. The Los Angeles County Development Authority and First 5 LA are displayed as discretely presented in the financial statements.

FUND FINANCIAL STATEMENTS

The fund financial statements contain information regarding major individual funds. A fund is a fiscal and accounting entity with a balanced set of accounts. The County uses separate funds to ensure compliance with fiscal and legal requirements.

The County's funds are classified into the following three categories:

- Governmental Funds - These funds are used to account for essentially the same services that were previously described as governmental activities above. However, the fund 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 evaluating the County's near-term financing requirements. 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 funds with similar 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. Governmental funds include the General Fund, as well as Special Revenue Funds, Debt Service Funds, Capital Projects Funds, and Permanent Funds.

- Proprietary Funds - These Enterprise Funds are used to account for functions that are classified as "business-type activities" in the government-wide financial statements. The County's Internal Service Funds are also reported within the proprietary fund section. The County's four Hospital Funds and Waterworks Fund are all considered major funds for presentation purposes. There is one nonmajor Enterprise Fund (Aviation Fund) and it is displayed with the other major enterprise funds.

- Fiduciary Funds - These funds are used to account for resources held for the benefit of parties outside the County. The Fiduciary Funds category are reported in the Pension and Other Postemployment Benefit (OPEB) Trust Funds, the Investment Trust Fund, and Custodial Funds using the economic resources measurement focus and the accrual basis of accounting. Since the resources of these funds are not available to support the County's own programs, they are not reflected in the government-wide financial statements.

NOTES TO THE BASIC FINANCIAL STATEMENTS

The 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 the fund financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

In addition to the basic financial statements and accompanying notes, this report presents certain required supplementary information concerning the County's proportionate share of the net pension liability and related ratios, the County's contributions to pension benefits, the County's schedule of changes in net Retiree Healthcare (RHC) OPEB liability and related ratios, the County's contributions to RHC OPEB, and the schedule of changes in the total Long-Term Disability OPEB liability and related ratios.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the County, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by $11.859 billion at the close of the most recent fiscal year.

Summary of Net Position
As of June 30, 2023 and 2022 (in thousands)

	Governmental Activities		Business-type Activities		Total	
	2023	2022 (1)	2023	2022 (1)	2023	2022 (1)
Current and other assets	$ 22,643,936	$ 21,683,997	$ 4,663,966	$ 4,146,378	$ 27,307,902	$ 25,830,375
Capital assets	19,709,385	19,202,670	3,359,596	3,172,279	23,068,981	22,374,949
Total assets	42,353,321	40,886,667	8,023,562	7,318,657	50,376,883	48,205,324
Deferred outflows of resources	10,817,003	11,493,075	1,634,388	1,783,810	12,451,391	13,276,885
Current and other liabilities	7,719,806	7,750,943	958,829	779,092	8,678,635	8,530,035
Long-term liabilities	46,002,627	39,028,682	7,682,704	7,285,745	53,685,331	46,314,427
Total liabilities	53,722,433	46,779,625	8,641,533	8,064,837	62,363,966	54,844,462
Deferred inflows of resources	10,490,505	14,715,572	1,832,739	2,512,350	12,323,244	17,227,922
Net position:						
Net investment in capital assets	15,833,971	15,588,360	2,525,430	2,309,804	18,359,401	17,898,164
Restricted	5,083,496	4,646,341	84,718	65,363	5,168,214	4,711,704
Unrestricted (deficit)	(31,960,081)	(29,350,156)	(3,426,470)	(3,849,887)	(35,386,551)	(33,200,043)
Total net position	$ (11,042,614)	$ (9,115,455)	$ (816,322)	$ (1,474,720)	$ (11,858,936)	$ (10,590,175)

(1) The 2022 amounts were not restated for GASB 96.

Significant changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources included the following:

Current and Other Assets

Current and other assets increased by $960 million for governmental activities. There was an increase of $720 million in pooled cash and investments, largely due to the improved cash position of the County's General Fund, the nonmajor governmental funds, and the Regional Park and Open Space District fund of $383 million, $261 million, and $96 million, respectively. There was an increase of $349 million in other receivables primarily from Mental Health, Social Services, and COVID-19 accrued revenues at year-end. This was offset by a decrease of $94 million and $27 million in internal receivables and lease receivables, respectively, from the prior year.

For business-type activities, current and other assets increased by $518 million. The business-type activities accounts receivables and internal receivables increased by $821 million and $94 million, respectively, from the prior year. This was offset by a decrease in other receivables and pooled cash and investments of $330 million and $63 million, respectively. The change in receivables was primarily from an increase of accrued revenue in the hospitals for Medi-cal Managed Care, Medi-Cal Managed Care Rate Supplements, and Cost Based Reimbursement Clinics, as discussed in Note 14. This was offset by a decrease in other receivables of $330 million from the prior year.

Deferred Outflows of Resources

In the current year, the County's deferred outflows of resources balances were $12.451 billion. The deferred outflows of resources were $10.817 billion and $1.634 billion for governmental and business-type activities, respectively. The total deferred outflows of resources amounts and net decreases of $825 million were mostly related to pension and OPEB RHC. The total pension related deferred outflows decreased by $462 million and $85 million for governmental and business-type activities, respectively, from the prior year. The total OPEB RHC related deferred outflows decreased by $212 million and $64 million for governmental and business-type activities, respectively, from the prior year. The pension and OPEB RHC amounts vary from year to year due to differences between projected and actual experience, assumption changes and changes in proportion.

Liabilities

Current and other liabilities decreased by $31 million for governmental activities primarily from a decrease in advances payable by $261 million which was largely attributable to the American Rescue Plan (ARP) federal funds, as discussed in Note 22. This was offset by an increase in other payables, accounts payable, and accrued payroll of $130 million, $62 million and $38 million, respectively, for amounts owed at year-end. For business-type activities, a net increase of $180 million in current and other liabilities was largely associated with an increase in accounts payable of $178 million for amounts owed at year-end.

Long-term liabilities increased by $6.974 billion and $397 million for governmental and business-type activities, respectively. Net pension liabilities significantly increased in the current year by $5.309 billion and $821 million for governmental and business-type activities, respectively. Net OPEB liabilities decreased by $1.868 billion and $389 million for governmental and business-type activities, respectively. Pension and OPEB liabilities changes were due to the projected and actual experience, assumption changes and changes in proportion.

Liabilities-Continued

For governmental activities, Litigation and self-insurance liabilities increased by approximately $3.186 billion primarily from the Child Victims Act (AB 218) cases. AB 218, which became effective January 1, 2020, among other things, extended the statute of limitations for commencing an action for recovery of damages suffered as a result of childhood sexual assault to 22 years from the date the plaintiff attains the age of majority or within five years of the date the plaintiff discovers or reasonably should have discovered that the psychological injury or illness occurring after the age of majority was caused by sexual assault, whichever is later. In addition, AB 218 provided for the revival of certain claims from the procedures set forth in the Government Claims Act for a three-year window. AB 218 potential liabilities are preliminary estimates based upon a number of factors, including, but not limited to, the County's early assessment of the claims based on the limited information currently available, the number of total claims the County anticipated would be filed, the estimated fees and costs the County will incur to investigate and defend the claims, and the resources the County can responsibly agree to devote to the claims. The amount and timing of payments are dependent upon the outcome of the lawsuits, which are in their early stages.

The County also added $159 million and $31 million in lease and subscription liabilities, respectively. As a lessee, the County recognized a lease and subscription liability and a corresponding right-to-use asset based on the provisions of the lease agreements. The lease and subscription liabilities were measured at the present value of the lease and subscription payments expected to be made during the lease and subscription term as discussed in Notes 9 and 10.

For governmental activities and business-type activities, liabilities for bonds, notes and loans from direct borrowings and direct placements, accrued compensated absences, and workers' compensation were higher by $185 million and lower by $32 million, respectively. For business-type activities, amounts owed to third party payors by the County's hospitals were higher by $30 million as discussed in Note 14. Specific disclosures related to pension liabilities, OPEB liabilities, lease liabilities, subscription liabilities, and other changes in long-term liabilities are discussed and referenced in Notes 7, 8, 9, 10 and 11 to the basic financial statements, respectively.

Deferred Inflows of Resources

In the current year, the County's deferred inflows of resources were $12.323 billion. Deferred inflows of resources decreased by $4.225 billion and $680 million for governmental and business-type activities, respectively. The total OPEB RHC related deferred inflows increased by $1.825 billion and $282 million for governmental and business-type activities, respectively, from the prior year. Pension related deferred inflows of resources decreased by $6.036 billion and $961 million for governmental and business-type activities, respectively. The OPEB RHC and pension changes in deferred inflows of resources will vary from year to year due to differences between projected and actual experience, assumption changes and changes in proportion. Pension and OPEB matters are discussed in more detail in Notes 7 and 8, respectively, to the basic financial statements.

The County implemented GASB 94, "Public-Private and Public-Public Partnerships (PPPs) and Availability Payment Arrangements (APAs)". Under the GASB 94 definition, the County's golf courses met the definition of a PPP-Service Concession Arrangement. There were $85 million of related deferred inflows of resources recognized in the current year, which represents an increase of $12 million from the prior year in governmental activities. This amount represents the present value of installment payments associated with private operators of twenty County golf courses, as discussed in Note 6.

The County's total net position consists of the following three components:

Net Investment in Capital Assets

The largest portion of the County's net position, $18.359 billion, represents its investment in capital assets (i.e., land and easements, buildings and improvements, infrastructure, software, equipment, lease and subscription assets, net of related depreciation and amortization), less any related debt and related deferred outflows of resources used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Restricted Net Position

The County's restricted net position at year-end was $5.168 billion. Asset restrictions are primarily due to external restrictions imposed by State legislation and bond covenants. Net position that pertains to the various separate legal entities included in the basic financial statements is also generally restricted because the entities' funding sources require that funds be used for specific purposes.

Unrestricted Net Position (Deficit)

The County's total unrestricted net position is negative $35.387 billion. Both governmental and business-type activities reported deficits in this category of $31.960 billion and $3.426 billion, respectively. OPEB related liabilities of $24.741 billion, along with pension liabilities totaling $13.161 billion, continued to be the most significant factors associated with the reported deficits.

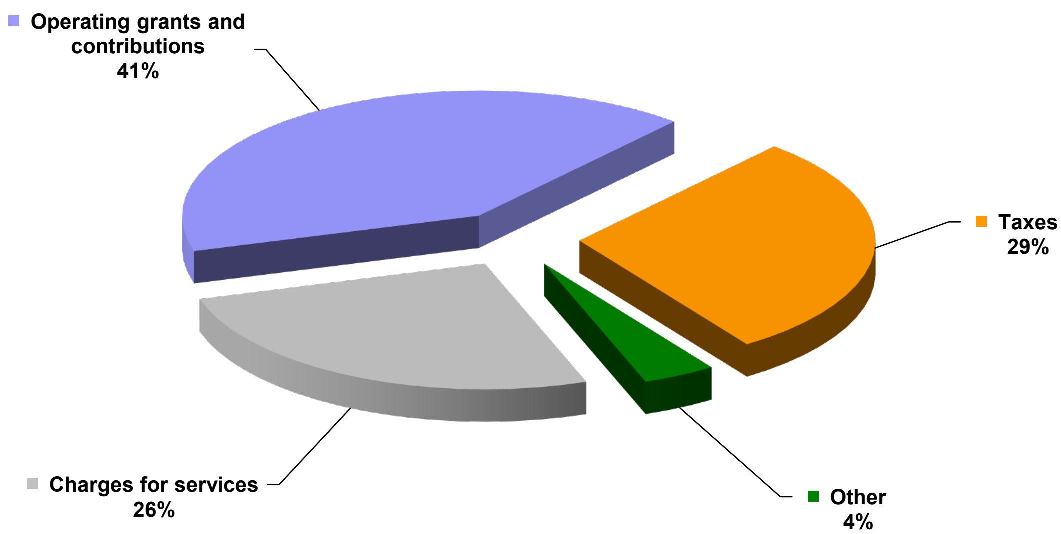
The following table details and identifies changes in net position for governmental and business-type activities:

Summary of Changes in Net Position
For the Years Ended June 30, 2023 and 2022
(in thousands)

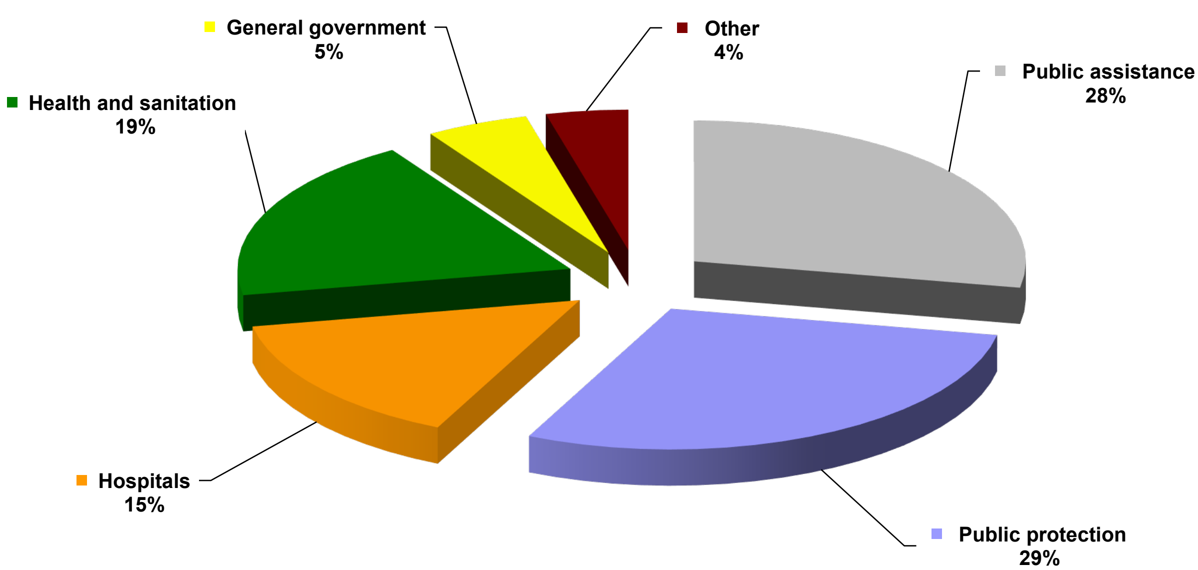
	Governmental Activities		Business-type Activities		Total	
	2023	**2022**	**2023**	**2022**	**2023**	**2022**
Revenues:		(1)		(1)		(1)
Program revenues:						
Charges for services	$ 4,342,851	$ 4,040,659	$ 5,018,952	$ 4,878,673	$ 9,361,803	$ 8,919,332
Operating grants and contributions	14,134,795	13,466,206	182,601	931,722	14,317,396	14,397,928
Capital grants and contributions	64,023	42,426	1,193	81	65,216	42,507
General revenues:						
Taxes	10,297,844	9,648,848	8,368	7,730	10,306,212	9,656,578
Unrestricted grants and contributions	632,188	631,429	114	3	632,302	631,432
Investment income (loss)	347,504	(456,803)	22,949	(39,782)	370,453	(496,585)
Miscellaneous	278,413	175,385	59		278,472	175,385
Total revenues	30,097,618	27,548,150	5,234,236	5,778,427	35,331,854	33,326,577
Expenses:						
General government	1,626,902	1,243,850			1,626,902	1,243,850
Public protection	10,535,212	8,354,532			10,535,212	8,354,532
Public ways and facilities	543,472	468,413			543,472	468,413
Health and sanitation	6,906,927	6,690,851			6,906,927	6,690,851
Public assistance	10,390,815	7,741,363			10,390,815	7,741,363
Education	154,258	152,330			154,258	152,330
Recreation and cultural services	588,735	568,447			588,735	568,447
Interest on long-term debt	161,604	147,433			161,604	147,433
Hospitals			5,560,504	5,491,898	5,560,504	5,491,898
Waterworks			113,074	111,190	113,074	111,190
Aviation			19,677	17,582	19,677	17,582
Total expenses	30,907,925	25,367,219	5,693,255	5,620,670	36,601,180	30,987,889
Excess (deficiency) before transfers	(810,307)	2,180,931	(459,019)	157,757	(1,269,326)	2,338,688
Transfers	(1,117,417)	(936,810)	1,117,417	936,810		
Change in net position	(1,927,724)	1,244,121	658,398	1,094,567	(1,269,326)	2,338,688
Net position - beginning, as restated in 2023	(9,114,890)	(10,359,576)	(1,474,720)	(2,569,287)	(10,589,610)	(12,928,863)
Net position - ending	$ (11,042,614)	$ (9,115,455)	$ (816,322)	$ (1,474,720)	$ (11,858,936)	$ (10,590,175)

(1) The 2022 amounts were not restated for GASB 96.

REVENUES BY SOURCE – ALL ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023



EXPENSES BY TYPE – ALL ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023



Governmental Activities

Revenues from governmental activities increased by $2.549 billion (9.3%) when compared with the prior year. The most significant changes in specific revenue sources were experienced in the following areas:

- Program revenues recognized from operating grants and contributions increased by $669 million, which was primary attributable to an increase in public assistance and public protection programs from State and federal revenues. Revenues for public assistance programs grew by $868 million as there were higher State realignment sales tax and higher levels of administrative and program reimbursable costs. Revenues for public protection programs increased by $193 million primarily due to the ARP funds for the Public Defender and Consumer and Business Affairs by $93 million and $26 million, respectively. In addition, an increase in State revenues for Juvenile Justice Realignment and Diversion and Reentry program of $38 million and $31 million, respectively. This was offset by a reduction of $540 million in health and sanitation federal and State revenues. Health and sanitation revenues declined from lower Mental Health Services Act (MHSA) State revenues of $301 million, lower reimbursable costs associated with the ambulatory care network $56 million, and public health programs from lower COVID-19 revenues of $77 million.

- Taxes, the County's largest general revenue source, were $649 million higher than the prior year and were mostly attributable to property taxes and sales and other taxes, which grew by $586 million and $63 million, respectively. The County's total taxable assessed property tax value is $1.911 trillion, which grew by 7.03% in the current year and property tax revenue increased by $452 million from the prior year. Property tax revenues were also recognized in conjunction with the dissolution of redevelopment agencies "pass through". Payments from redevelopment dissolution were $504 million and increased by $67 million from the prior year. Redevelopment dissolution also provides residual property taxes to local governments, including the County. The County's share of such residual tax revenues in the current year was $473 million, an increase of $102 million compared to the prior year. Other general revenues also increased by $54 million for voter approved taxes, $41 million from the sales and use taxes in the Homeless and Housing Measure H program and $5 million from the local generated sales tax due to increased consumer spending. This was offset by a decrease in deed transfer tax revenue of $57 million due to the decline in real estate sales.

- Program revenues recognized from charges for services increased by $302 million which was primary attributable to an increase in health and sanitation, general government, and public protection functional categories by $193 million, $59 million, and $48 million, respectively. Health and sanitation increase was due to an increase in patient services from the ambulatory care network of $271 million and mental health services of $11 million, which was offset by a decline in public health services of $94 million. General government was higher primarily from an increase of Public Works services in the Internal Service fund by $45 million. The public protection increase was due to an increase in Sheriff law enforcement and Flood Control District services by $31 million and $14 million, respectively.

- Investment income increased by $804 million due to an increase in interest income of $413 million and an increase in the fair value change in investments at year-end of $391 billion, which was primarily from an increase in market yields throughout the fiscal year.

Governmental Activities-Continued

Expenses related to governmental activities increased by $5.541 billion (21.8%) during the current year. This was attributable to an increase in salaries and employee benefit (S&EB) expenses of $1.252 billion and an increase in operating expenses of $4.289 billion. The S&EB increase was largely attributable for general salary increases by $626 million, an increase in pension by $941 million, a decrease in OPEB by $479 million, and an increase in compensated absences of $162 million, in all functional categories.

The increase in the operating expenses of $4.289 billion was primarily from public assistance and public protection by $2.448 billion and $1.548 billion, respectively. In addition, general government and public ways and facilities operating expenses increased by $230 million and $75 million, respectively. Public assistance operating expenses were higher from public social services programs by $629 million and affordable and homeless housing programs by $344 million. In addition, there were higher litigation and self-insurance expenses of $1.548 billion primarily from the AB 218 cases. Public protection operating expenses were higher from litigation and self-insurance expenses by $1.477 billion primarily from the AB 218 cases. General government operating expenses were higher primarily for insurance, establishment of a new Economic Development department, and litigation of $87 million, $69 million, and $53 million, respectively. Public ways and facilities were primarily higher due to increased costs for road operations, maintenance, safety, and improvements of unincorporated area municipal streets and highways of $70 million.

Interest on long-term debt was $162 million, an increase of $14 million from the prior year. Depreciation/ amortization expense was $584 million in the current year, an decrease of $4 million from the prior year amount of $588 million.

Business-type Activities

Revenues from business-type activities for the current year were $5.234 billion, a decrease of $544 million (9.4%) from the previous year. The most significant decrease was in operating grants and contributions to the County's hospitals by $748 million. Charges and services increased by $147 million for the County's hospitals. Operating grants and contributions decrease was attributed to a decline in Patient Service Revenue, Global Payment Program, and Quality Incentive Program by $353 million, $309 million, and $159 million, respectively, This was offset by a $97 million increase in Cost Based Reimbursement Clinics revenue, The increase in charges for services can be primarily attributed to an increase in CalAIM specialty mental health services of $124 million. As discussed in Note 14 to the basic financial statements, County hospital revenues are derived from a wide range of federal and State funding sources.

Expenses related to business-type activities increased from the previous year by a net total of $73 million (1.3%), and were associated primarily with the County's hospitals, where expenses increased by $69 million. The hospital expenses for S&EB consisted of an increase from pension and general salary increases of $143 million and $139 million, respectively. The S&EB increase was offset by a decrease in OPEB expense of $93 million. In addition, there was an increase of $123 million for services and supplies and professional services related to an increase in patient care services. This was offset by a decrease in the County's hospital Intergovernmental transfer expense of $230 million primarily for the Global Payment, Medi-Cal Managed Care Graduate Medical Education, Quality Incentive Programs.

Financial Analysis of the County's Funds

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the County's governmental funds 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 County's financing requirements. Types of governmental funds reported by the County include the General Fund, Special Revenue Funds, Debt Service Funds, Capital Projects Funds, and the Permanent Funds.

As of the end of the current fiscal year, the County's governmental funds reported combined total fund balances of $12.155 billion, an increase of $1.179 billion in comparison with the prior year. Of the total fund balances, $279 million is nonspendable to indicate the extent that funds are not in spendable form or are required to remain intact. An additional $5.307 billion is classified as restricted, $975 million as committed, and $1.314 billion as assigned. The remaining balance of $4.280 billion is classified as unassigned and is entirely associated with the General Fund.

Revenues from all governmental funds for the current year were $30.111 billion, an increase of $2.590 billion (9.4%) from the previous year. Expenditures for all governmental funds in the current year were $28.321 billion, an increase of $2.087 billion (8.0%) from the previous year. In addition, net other financing uses were $611 million, an increase of $155 million (34.0%) as compared to $456 million in the prior year.

The General Fund is the County's principal operating fund. During the current year, the fund balance in the General Fund increased by $865 million (15.4%). At the end of the current fiscal year, the General Fund's total fund balance was $6.483 billion. Of this amount, $263 million is classified as nonspendable, $78 million as restricted, $833 million as committed, $1.029 billion as assigned and the remaining $4.280 billion is classified as unassigned.

General Fund revenues during the current year were $25.221 billion, an increase of $2.359 billion (10.3%) from the previous year. General Fund expenditures during the current year were $24.614 billion, an increase of $2.525 billion (11.4%) from the previous year. Net other financing sources/uses was positive $258 million in the current year as compared to negative $89 million in the prior year.

Following are significant changes in General Fund revenues and expenditures:

- Intergovernmental revenues increased by $1.140 billion overall, and were primarily associated with an increase in State revenue by $967 million, an increase in federal revenue by $191 million and a decrease in Other governmental agencies revenue by $18 million. State and federal revenues related to the Coronavirus Aid, Relief, and Economic Security (CARES) Act funds decreased by $174 million and were offset by an increase of $305 million from the American Rescue Plan (ARP) funds. Health Services Realignment State sales tax and vehicle license fees were higher by $43 million primarily due to the steady rise in consumer spending. Other State and federal revenue growth was attributable to higher levels of reimbursable program and administrative costs in the social services, public health, mental health, homeless and housing, capital projects, diversion reentry, and probation programs of $648 million, $171 million, $123 million, $54 million, $39 million, $31 million, and $12 million, respectively. The County also received State funds of $13 million to backfill revenues lost from the repeal of court fees and fines under California Senate Bill 1869.

Governmental Funds-Continued

This was offset by lower levels of reimbursable program and administrative costs of $91 million, and $58 million in the ambulatory care network and health administration programs. In addition, State revenue for election services decreased by $57 million for the Registrar-Recorder. The remaining variance was an increase of $81 million.

- Investment income resulted in an increase of $540 million due to an increase of $286 million in interest earnings and a gain of $254 million in the fair value change in investments at year-end, which was primarily from an increase in market yields throughout the fiscal year.

- Revenues from taxes increased by $483 million and were primarily associated with an increase in property taxes of $519 million and a decrease in other taxes of $36 million. The property taxes increase was primarily associated with $381 million of revenue from a growth in assessed property values. Residual property tax revenues, which are associated with redevelopment dissolution, were $391 million in the current year, $75 million higher than the prior year. Property tax was also reflected in "pass through" property tax revenues, which were $56 million higher in the current year. Documentary transfer taxes decreased other taxes by $57 million fueled by higher interest rates in the real estate market and the County median home sales slowed down in this fiscal year. Sales, use and utility tax increased other taxes by $21 million from increased consumer spending and higher prices.

- General Fund expenditures increased by a total of $2.525 billion, or 11.4%. Current expenditures increased by $2.199 billion, and debt service and capital outlay expenditures increased by $326 million.

    - Public assistance expenditures increased by $994 million. This was primarily due to a increase of $564 million for public social services, $296 million for affordable housing programs, $75 million for children and family services, and $21 million for homeless and housing programs. There was also an increase of $105 million for general salary increase for S&EB. This was offset by a transfer of $61 million from the public assistance expenditures to general government services for the establishment of the new the Economic Opportunities department.

    - General government spending increased by $677 million and was primarily associated with increases of $82 million for costs associated with capital improvements, $76 million for the Economic Opportunity department, $53 million for judgments and damages, $43 million for the Board of Supervisors community programs, $32 million for the Internal Services Department, $26 million for nondepartmental special accounts, $19 million for the Care First and Community Investment program, and $17 million in rent expense. There was an increase of $39 million for general salary increases in S&EB and $39 million for compensated absences. In addition, $239 million increased the operating expenditures, from the prior year, related to the commercial paper program.

    - Public protection program costs were higher by $390 million, and were primarily associated with an increase in S&EB expenditures of $256 million and an increase in law enforcement expenditures of $124 million for the Sheriff and Probation departments.

    - Capital Outlay costs increased by $282 million from an increase in leases by $222 million and subscriptions by $61 million.

Governmental Funds-Continued

The Fire Protection District reported a year-end fund balance of $216 million, which represented an increase of $27 million compared to the previous year decrease of $24 million, resulting in a net difference of $51 million. The Fire Protection District responds to a number of major incidents and emergencies and provide essential fire protection and emergency medical services during the fiscal year. Revenues increased by $80 million, of which $84 million was related to property taxes and primarily associated with growth in assessed property values. This was offset by $7 million in lower federal and State COVID-19 prior year revenues. Expenditures were higher by $67 million, of which S&EB, services and supplies costs, and capital outlay increased by $42 million, $22 million, and $3 million, respectively.

The Flood Control District reported a year-end fund balance of $364 million, which represented a decrease of $42 million in fund balance compared to the previous year's decrease of $93 million, resulting in a net difference of $51 million. The change in fund balance was primarily due to higher revenues of $15 million from higher property taxes and $14 million for charges for services from the previous year. Interest revenue was also higher by $28 million due to favorable interest rates. This was offset by lower services and supplies and capital assets infrastructure expenditures of $4 million for infrastructure improvement projects to support flood protection and water conservation.

The LA County Library Fund reported a year-end fund balance of $169 million, which represented an increase of $38 million in fund balance compared to the previous year increase of $22 million, resulting in a net difference of $16 million. Revenues increased by $5 million, of which $9 million was related to property taxes associated with growth in assessed valuation, $2 million higher State and federal revenues and $3 million higher interest revenue and was offset by a decline of $12 million in charges for service. Expenditures were $3 million higher than the previous year and other financing sources from Safe, Clean Water Program Measure W were higher by $14 million.

The Regional Park and Open Space District reported a year-end fund balance of $676 million, which represented an increase of $101 million in fund balance compared to the previous year increase of $57 million, resulting in a net difference of $44 million. The net change in fund balance was primarily attributable to an increase in investment income of $28 million from higher interest rates. Property tax was nearly the same as the previous year. Expenditures were higher by $16 million due to an decrease in grant awards to empower communities and preserve parks and open space from the previous year.

The MHSA Fund reported a year-end fund balance of $1.233 billion , which represented a decrease of $46 million in fund balance compared to the previous increase of $182 million, resulting in a net difference of $228 million. Current year revenues were lower by $211 million, primarily from a decrease of $301 million in State revenues, offset by an investment gain of $90 million, while transfers out decreased by $16 million to support the five MHSA program components (Community Services and Supports; Prevention and Early Intervention; Innovation; Workforce Education and Training; and Capital Facilities and Technological Needs.

Proprietary Funds

The County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. The County's principal proprietary funds consist of four hospital enterprise funds and each one is reported as a major fund. All of the four hospital funds had a net deficit as discussed in Note 3.

Proprietary Funds-Continued

The County is legally required to provide local matching funds to the health care system in order to remain eligible for federal and State assistance. Such funds were provided to the hospitals as operating subsidies from the County General Fund during the year as discussed in Note 15 to the basic financial statements. The amount of subsidy, per facility, ranged from $91 million for the Olive View-UCLA Medical Center to $360 million for the Los Angles General Medical Center. The total subsidy amount was $906 million and is reflected in the Statement of Revenues, Expenses and Changes in Fund Net Position as "transfers in." By comparison, the total General Fund subsidy in the prior year was $722 million. During the current year, the County's hospital operations experienced higher levels of patient care revenues and operating expenses in comparison to the prior year as previously discussed.

An additional source of local funding for the Hospitals is the Health Services Measure B Special Revenue Fund (Measure B Fund). The Measure B Fund receives voter approved property taxes for trauma and emergency services. In the current year, the Measure B Fund provided transfers to the Los Angeles General Medical Center ($110 million), Harbor-UCLA Medical Center ($53 million), and Olive-View UCLA Medical Center ($30 million). The total current year amount of $193 million in Measure B transfers was nearly the same as the prior year.

Waterworks Fund reported year-end net position of $762 million, which was $9 million lower than the previous year due to lower operating revenues. There were no significant operational changes during the current year. Current year operating revenues of $91 million were slightly lower by $8 million than the previous year's amount of $99 million. Current year operating expenses of $113 million were slightly higher by $2 million than the previous year.

General Fund Budgetary Highlights

The accompanying basic financial statements include a Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual on Budgetary Basis for the County's General Fund. The County's budgetary basis of accounting is discussed in Notes 1 and 16 to the basic financial statements. There are approximately 160 separate budget units within the General Fund, excluding capital improvement projects, which are individually budgeted. The data presented below represents the net budgetary changes for the General Fund in a highly summarized format. Accordingly, in certain instances, budgets have been increased for programs within a category even though actual amounts have not been realized for the category in its entirety. Under the budgetary basis, there was a net increase of $587 million in the General Fund's available (unassigned) fund balance from the previous year.

Budgetary Summary - Revenues/Financing Sources

Following is a summary of current year budgetary changes and actual results (on the County's budgetary basis) for General Fund revenues and other financing sources (in thousands):

Category	Increase (Decrease) From Original Budget	Final Budget Amount	Actual Amount	Variance-Positive (Negative)
Taxes	$ 13,714	$ 7,404,760	$ 7,639,271	$ 234,511
Intergovernmental revenues	1,177,002	15,494,728	13,761,596	(1,733,132)
Charges for services	180,702	3,125,586	2,906,002	(219,584)
All other revenues	100,832	756,626	978,197	221,571
Other sources and transfers in	106,277	1,570,052	1,173,722	(396,330)
Total	$ 1,578,527	$ 28,351,752	$ 26,458,788	$ (1,892,964)

Changes from Amounts Originally Budgeted

During the year, net increases in budgeted revenues and other financing sources were approximately $1.579 billion. The changes occurred in the following areas:

- The budget for "Taxes" increased by $14 million. The $14 million increase was primarily associated with year-end budgetary changes that are designed to demonstrate compliance with legal provisions related to the appropriation of revenues from property taxes and certain other tax related revenues.

- The estimated revenue for "Intergovernmental revenues" increased by $1.177 billion The increase is primarily from COVID-19 federal ARP Act revenues, which is associated with $556 million for a variety of ARP programs and $318 million under the ARP Revenue Loss Provision. There was an increase of $232 million in federal and State revenues for social services and children and family programs. Capital projects funded by federal and State revenues increased by $140 million. The remaining net budget decreases of $69 million were related to a variety of federal and State funded programs.

- The estimated revenue for "Charge for services" increased by $181 million. The increase is primarily from $161 million for the ambulatory care network services, $9 million for the Sheriff's department contracted services, $5 million for public works building and permit fees, and $4 million for the Registrar-Recorder election services. There were $2 million of net budget increases in charges for services from a variety of programs.

- The budget for "All other revenues" increased by $101 million from tobacco settlement revenues. There were $1 million of net budget increases in licenses, permits, and franchises revenues.

- The budget for "Other sources and transfers in" increased by $106 million from transfers of $46 million from the Nonmajor Other Special Revenue for capital projects, $40 million from the Homeless and Housing Measure H Nonmajor Special Revenue Funds for general fund homeless programs, $13 million from Health Services Measure B for general fund trauma programs, and $7 million in other transfers for a variety of programs.

Actual Revenues/Financing Sources Compared with Final Budget Amounts

Actual revenues and other financing sources recognized by the General Fund were approximately $26.459 billion. This amount was $1.893 billion, or 6.7%, lower than budget. As discussed below, the changes occurred in the following areas.

- Actual "Taxes" were higher by $234 million from the amount budgeted. Of this increase, $198 million increase was associated with property tax revenue due to a growth in assessed property values. Other taxes increased by $37 million primarily from an increase in transient occupancy tax, aircraft assessment, and local sales revenue by $17 million, $11 million, and $11 million, respectively. There were net decrease of $1 million from other taxes.

- Actual "Intergovernmental revenues" were $1.733 billion lower than the amount budgeted. The ARP programs in various departments accounted for $611 million as these program costs were not completed prior to year-end. Approximately $438 million of intergovernmental revenues were associated with social services and child and family programs, where reimbursable costs were lower than anticipated due to delays in hiring and promoting staff, reduced contractual spending for services and child care provider payments, and delays in implementing new systems. Mental Health and ambulatory network programs accounted for approximately $214 million, which experienced lower than anticipated reimbursable costs and correspondingly lower than expected revenues. Budgeted intergovernmental revenues of $182 million were not realized for various capital improvements and disaster recovery programs, as these initiatives were not completed prior to year-end. Homeless and housing program revenue of $111 million experienced lower than anticipated revenue for State funded homeless and housing initiatives. Probation and Sheriff budgeted intergovernmental revenues were lower by $82 million, which experienced lower than anticipated reimbursable operating expenditures and staffing vacancies. Justice reformed departments in diversion and reentry, Justice, Care and Opportunities (JCOD), and Youth Development budgeted intergovernmental revenues were lower by $89 million as new programs and initiatives were still being developed prior to year-end. There were net decreases of $6 million from a variety of programs.

- Actual "Charges for services" were $220 million lower than the amount budgeted. The decrease was primarily attributable to $129 million, $56 million and $36 million of costs associated with Public Health, health services administration and ambulatory care network programs, respectively, which experienced lower than anticipated reimbursable costs for charges for services due to the transition to a post-pandemic environment. In addition, JCOD programs, a newly established department in FY 2022-2023, were lower by $26 million than the budgeted amount as they develop and ramp up services. This was offset by $24 million in higher revenue from contracted services by the Sheriff's Department. There were net decreases of $3 million from a variety of programs.

- Actual "All other revenues" were $222 million higher than budgeted. Interest revenue was higher by $140 million due to an increase in market yields throughout the fiscal year. Miscellaneous revenue were $52 million higher than budget primarily from the Rent Expense and Mental Health programs by $27 million and $25 million, respectively. Fine and penalties were higher by $38 million. License Permits and Franchise revenue were higher by $5 million. There were net decreases of $3 million from other revenues for the remaining variance.

- The actual amount of "Other sources and transfers in" was $396 million lower than the amount budgeted. Of this amount, mental health programs funded by the MHSA Special Revenue Fund did not fully materialize at the budgeted level and "transfers in" were $239 million lower than budgeted. Costs associated with Consumer Protection, Diversion and Reentry, Probation, Sheriff, and Youth Development departmental programs funded by the Other Public Protection Special Revenue Funds were $40 million less than budgeted. The "transfers in" for health services trauma programs, funded by the Health Services Measure B nonmajor special revenue fund, were $27 million less than budgeted. Costs associated with the public health programs funded by the Health and Sanitation Special Revenue funds were $10 million less than budgeted. The Homeless and Housing Measure H costs were $29 million less than budgeted. In addition, "transfers in" totaling $28 million were assumed in the budget for capital improvements and extraordinary building maintenance projects, which did not incur expected costs. There were various other sources and transfers that comprised the remaining variance of $23 million.

Budgetary Summary - Expenditures/Other Financing Uses

Following is a summary of current year budgetary changes and actual results (on the County's budgetary basis) for General Fund expenditures, transfers out, and changes in fund balance components (in thousands):

Category	Increase (Decrease) From Original Budget	Final Budget Amount	Actual Amount	Variance-Positive
General government	$ 51,390	$ 3,484,416	$ 1,893,037	$ 1,591,379
Public protection	462,234	7,353,877	6,800,230	553,647
Health and sanitation	(25,930)	7,382,127	6,600,293	781,834
Public assistance	535,801	9,810,107	8,673,154	1,136,953
All other expenditures	299,813	2,219,260	881,177	1,338,083
Transfers out	292,450	1,130,106	1,126,968	3,138
Contingencies	(118,856)	(41,665)		(41,665)
Fund balance changes-net	81,625	191,495	(102,589)	294,084
Total	$ 1,578,527	$ 31,529,723	$ 25,872,270	$ 5,657,453

Changes from Amounts Originally Budgeted

During the year, net increases in General Fund appropriations and fund balance component changes were approximately $1.579 billion. The most significant changes occurred in the following areas:

- "Public protection" appropriations were increased by $462 million. As previously mentioned, an increase of $122 million of S&EB was appropriated to reflect the Board approved S&EB increases. Law enforcement appropriations were increased by $181 million which was funded by provisional financing uses and other revenues for the Sheriff's department operations costs which include increases in services and supplies, contracts, legal settlements, and costs for the ARP programs. The Consumer and Business Affairs appropriation increased by $47 million for ARP grant programs to provide mortgage relief, expand the income tax assistance program, financial coaching, landlord-tenant mediation, and rent relief. JCOD appropriations were increased by $98 million to fund justice reform initiatives for vulnerable justice-impacted individuals and their communities. There were net increases of $14 million for other public protection programs.

Changes from Amounts Originally Budgeted-Continued

- "Public assistance" appropriations were increased by $536 million. The increase in appropriation was to support the ARP Fiscal Recovery Fund Spending Plan, which included an increase of $186 million to provide rental assistance and support the conversion of Project Homekey interim housing units to permanent housing. Public social and children and family services appropriation increased by $275 million to provide assistance to foster children, CalWORKS, Child Care programs and legal settlements. FEMA reimbursed the County for Project Roomkey costs which decreased the nonspendable long-term receivable and increased the homeless and housing budget by $36 million. An increase of $37 million of S&EB was appropriated to reflect the Board approved S&EB increases. There were net increases of $2 million for other public assistance programs.

- Appropriations for "All other expenditures" were increased by $300 million. The increase was primarily attributable to the continued development, design, and construction of capital projects to support the long-term goals to sustain and/or rehabilitate County facilities.

- Appropriations for "transfers out" were increased by $292 million. The increase was primarily attributable to augmenting the amount of fund transfers from the General Fund to the various Hospital Enterprise Funds by $291 million. There were net increases of $1 million from transfers out to various other funds.

Actual Expenditures/Other Financing Uses Compared with Final Budget Amount

Actual expenditures/other financing uses for the current year were $5.657 billion (17.9%) lower than the final total budget of $31.530 billion. There were budgetary savings in all functional expenditure categories. Following are the functional areas that recognized the variations from the final budget:

- The "general government" function reported actual expenditures that were $1.591 billion less than the amount budgeted. Of this amount, $1.033 billion represented budgetary savings for items that are not associated with specific County departments, such as provisional appropriations and central non-departmental appropriations. The Board of Supervisors had budgetary savings of $122 million to be spent in future years for various community projects. S&EB savings for general government departments of $115 million were due to the hiring freeze and vacancies. CFCI had budgetary savings of $110 million due to the length of time needed to design, develop, launch and implement Board-approved CFCI new programs. Chief Executive Office had budgetary savings of $42 million due to lower than anticipated program costs. The Real Estate budget had a budgetary savings of $11 million due to lower than anticipated debt service and rent expenditures. In addition, the Board Initiatives and Programs budget had budgetary savings of $20 million due to longer-than-anticipated implementations for the Alternative to Incarceration Initiative, Poverty Alleviation Initiative, Equity and Diversity Program, and ARP programs. There were also budgetary savings from the ARP programs, which included savings from $91 million for economic and career assistance to small businesses, nonprofits, restaurants, child care facilities, and rent relief, and $44 million for the Delete the Divide campaign. The remaining net $3 million was spread across the general government departments and was mostly related to savings in the areas of services and supplies.

Actual Expenditures/Other Financing Uses Compared with Final Budget Amount-Continued

- Actual "public protection" expenditures were $554 million less than the budgeted amount. S&EB savings of $155 million were due to the vacancies, staff on approved leave, and for hard to recruit items. The Probation department had budgetary savings of $45 million due to delays in hiring and delays in implementing new programs. The Diversion and Reentry budget unit had budgetary savings of $76 million from lower than anticipated contracted services. The Department of Consumer and Business Affairs had budgetary savings of $80 million from delays in implementing the ARP projects. Trial Court operations had a budgetary savings of $9 million from lower court facilities operating expenditures and indigent defense aid cases. JCOD and Youth Development had budgetary savings of $98 million and $32 million, respectively, from ongoing implementation of the justice-reform programs. The federal and State Disaster had budgetary savings of $52 million since a major disaster did not occur during the fiscal year. The remaining variance of $7 million was related to other public protection programs.

- Overall expenditures for the "health and sanitation" category were $782 million less than the budgeted amount. Specifically, the budgetary savings were from the mental health, public health program, health services administration, CFCI health programs, and correctional health facilities of $239 million, $167 million, $67 million, $56 million, and $51 million, respectively, due to lower than anticipated costs for professional, contracted, and information technology services, and implementing new programs. There was also $203 million from S&EB savings from the staffing vacancies and hiring delays. The remaining variance of $1 million was related to other health and sanitation programs.

- Actual "public assistance" expenditures were $1.137 billion lower than the final budget. The variance of $490 million was related to affordable housing and homeless programs due to delays in carrying out multi-year projects. Social services and children and family were lower than budgeted by $224 million and $250 million, respectively. Cost savings in these areas were due to lower than anticipated costs in implementing new assistance programs, General Relief Guaranteed Income Pilot Program, Anti-Homelessness subsidy program, and Family First Prevention Services Act programs. There were also direct program savings associated with lower than anticipated caseloads. In addition, there were S&EB savings of $166 million due to the hiring delays and vacancies. The remaining variance of $7 million was related to other public assistance programs.

- The category referred to as "all other expenditures" reflected actual spending of $1.338 billion less than the budgeted amount. Of this variance, $1.304 billion was in the capital outlay category and was related to numerous capital improvements anticipated in the budget that remained in the planning and development stages and did not incur expenditures during the year. Most of the unused balance has been re-established in the following year's budget to ensure the continuity of the projects, many of which are multi-year in nature.

Capital Assets

The County's capital assets for its governmental and business-type activities as of June 30, 2023, were $23.069 billion (net of depreciation and amortization). Capital assets include land and easements, buildings and improvements, infrastructure, equipment, software, capital assets in progress, lease assets, and subscription assets. The major infrastructure network elements are roads, sewers, water, flood control, and aviation. Specific capital asset changes during the current year are presented in Note 5 to the basic financial statements.

The total increase in the County's capital assets (net of depreciation/amortization) for the current fiscal year was $694.03 million as shown in the following table.

Changes in Capital Assets, Net of Depreciation/Amortization
Primary Government - All Activities
(in thousands)

	Current Year	Prior Year (1)	Increase (Decrease)
Land and easements	$ 7,815,091	$ 7,712,101	$ 102,990
Buildings and improvements	6,141,339	6,223,775	(82,436)
Infrastructure	3,856,261	4,001,638	(145,377)
Equipment	599,197	603,431	(4,234)
Software	166,611	205,512	(38,901)
Capital assets, in progress	2,876,906	2,233,515	643,391
Lease assets	1,526,637	1,394,977	131,660
Subscription assets	86,939		86,939
	$ 23,068,981	$ 22,374,949	$ 694,032

(1) The 2022 amounts were not restated for GASB 96.

The County's major capital asset initiatives during the current year continued to focus on new facilities and major improvements. The most significant increase in capital assets was in capital assets, in progress, which increased by $643 million. Governmental activities for capital assets, in progress, increased by $448 million which included major construction-in-progress for general government of $42 million, public protection of $61 million, health and sanitation of $49 million, education of $11 million, and recreation and cultural services of $179 million. The major projects include $86 million for the Los Angeles County Museum of Art Building for the Permanent Collection, $63 million for various deferred maintenance projects under the Facility Reinvestment Program, $21 million for the Natural History Museum Commons Renovation, $15 million for the Civic Center Power Plant Boilers and Chillers Replacement, and $10 million for the Whittier Aquatics Center. In addition, there were capitalized software-in-progress costs of $17 million for the Assessor's Modernization Project Phase 4. Although there was a net decrease in buildings and improvements totaling $82 million, completed major capital projects included $34 million for the Safe Landing project from the County's Capital Improvement Intermediary Program and $13 million for the Edward R. Roybal Comprehensive Health Center Air Handler Replacement project.

Business-type activities capital assets, in progress, increased by $195 million. The major construction-in-progress was $171 million at the Harbor-UCLA Medical Center primarily for the Harbor-UCLA Medical Center Replacement Program. There were also $36 million of construction-in-progress costs at Olive View-UCLA Medical Center for the Fire Alarm and Nurse Call Systems project, and $12 million of construction-in-progress costs at Rancho Los Amigos National Rehabilitation Center primarily for the Harriman Building Renovation Project. Completed major capital projects included $9 million for the Harbor-UCLA Medical Center Electrical Switchgear Replacement and $9 million for the Los Angeles General Medical Center Child Care Center.

As previously discussed, the County implemented GASB 96 during the year, which added new subscription right-to-use assets in governmental activities. As of June 30, 2023, the subscription assets net of accumulated amortization and subscription assets, in progress were $87 million and $8 million, respectively.

As of June 30, 2023, there were $1.114 billion of capital asset commitments outstanding.

Debt Administration

During the current year, the County's liabilities for long-term debt related to bonds, notes and loans from direct borrowings and direct placements, including accreted interest, decreased by $100 million, as newly issued debt and accretions of $268 million were less than the debt maturities of $368 million. Specific changes related to governmental and business-type activities are presented in Note 11 to the basic financial statements.

During the current year, significant long-term debt transactions related to bonds, notes and loans from direct borrowings and direct placements were as follows:

- Lease Revenue Obligation Notes (LRON) of $251 million were issued for governmental and business-type activities in the amounts of $135 million and $115 million, respectively. For governmental activities, debt was issued to finance renovations for public health centers, social service, probation buildings, beach and park facilities, libraries and various general government buildings. For business-type activities, debt was issued to finance hospital facilities improvements.

Lease liabilities increased by $159 million, as newly issued leases of $285 million were less than the lease maturities of $126 million related to governmental and business-type activities. As previously discussed, the County implemented GASB 96, which added $86 million in subscription liabilities.

There were eight outstanding financed purchase obligations, where the asset transfers ownership to the County by the end of the agreement. Financed purchase obligations balance for governmental activities was $23 million as of June 30, 2023. Business-type activities had one financed purchase obligation and was completely paid off during the fiscal year.

In addition to the above borrowing, the County continued to finance General Fund cash flow shortages occurring periodically during the fiscal year by selling $900 million in tax and revenue anticipation notes. The notes matured and were redeemed on June 30, 2023.

Bond Ratings

The County's debt is rated by Moody's, S&P Global Ratings (S&P), and Fitch. The following is a schedule of ratings assigned by the respective rating agencies:

	Moody's	S&P	Fitch
Certificates of Participation	Aa3	AA+	AA
Equipment/Non-Essential Leases	Aa2	AA+	AA
Operating/Non-Essential Leases	Aa2	AA+	AA
Short-Term	MIG1	SP-1+	F1+

During the current year, the County's bond ratings and outlook remained the same as the previous year.

Economic Conditions and Outlook

Los Angeles County's FY 2023-2024 budget is the first spending blueprint since the end of the COVID-19 emergency and the start of the local emergency for homelessness. These are two defining milestones of this transformative moment in which we are addressing the longstanding racial, social, and economic inequalities; realizing the Board's Care First, Jails Last vision; and delivering extensive safety net services to our residents. The County's 2023-2024 Budget sustains the ambitious work underway across multiple County departments and strengthens the County workforce as it serves the public with expanding existing programs. The budget does not include significant funding to launch new programs, although critical needs may be considered later in the budget process as a fuller picture of the revenues and obligations become available. The County's budget continues to reflect the County's long-standing commitment to responsible and sustainable fiscal practices.

The Board of Supervisors adopted the County's 2023-2024 Budget on June 26, 2023. The Budget was adopted based on estimated fund balances that would be available at the end of 2022-2023. The Board updated the Budget on October 3, 2023 to reflect final 2022-2023 fund balances and other pertinent financial information. For the County's General Fund, the 2023-2024 Budget utilized $3.764 billion of fund balance, which exceeded the previously estimated fund balance of $2.256 billion. Of the additional fund balance of $1.508 billion, $489 million was used to carryover lapsed appropriations and ensure the continuity of funded program initiatives. The remaining $1.019 billion was primarily used for the continued momentum for Care First, Jails Last initiative, respond to the local emergency for homelessness and affordable housing, changes in the Mental Health and Public Health services delivery system, help children and families, older adults and people with disabilities, provide immigrant assistance services, promote jobs, workforce and business development, make community and equity investments, invest in information technology, invest in sustainability and energy efficiencies, provide transparency and public accountability, provide for public safety protection, and invest in the County's public assets.

Over the past year, the federal government's rapid hikes in the federal funds borrowing rate to combat inflation have led to significant increases in both interest earnings and mortgage rates. The County is forecasting higher interest earnings and a moderate growth in a variety of locally generated revenues along with increases in statewide sales tax revenue due to recent consumer spending trends. We are forecasting an increase of 5.91% to the property tax assessment roll based on Consumer Price Index annual inflation adjustment of 1.88% and increases in property transfers at 3.46%. The mortgage rates surge is making it more expensive for prospective buyers to borrow, while applying downward pressure on home sales. The federal rate hikes to control inflation have yet to be effective to reach their two percent target. The potential pullback for consumer and business spending could lead to an economic slowdown or increase the risk of a recession.

The County also faces higher operating costs as a result of increased salaries and employee benefits as part of the three-year approved labor agreements which expire in 2024-2025. In addition, the County must continue to prepare for potential legal settlements and judgments that could negatively impact the County's finances in future budget phases. The County will continue to advocate for additional federal and State funding. We will closely monitor key economic indicators and the risks of a recession to guide our efforts in the development of future budget recommendations that will impact the County's revenues, support the needs of County residents and advance the Board's priorities.

The County's budget outlook continues to be influenced by the fiscal condition and outlook of the State of California. The State Legislative Analyst's Office (LAO) reports that future economic conditions are particularly mixed. By some measures, the economy is booming. Unemployment is at record lows and wages continue to grow at a strong pace. From other vantage points, however, the economy seems to be on less sound footing. Housing clearly is in a slump, manufacturing and trade sectors have slowed, and recently a number of regional banks has failed. Overall, the broadest measure of economic activity (inflation-adjusted gross domestic product [real GDP]) continues to grow, albeit at a below-average pace. Regardless of the mixed economic picture, it is projected that State revenues are in a downturn. In addition, the LAO has forecasted an operating budget deficit through FY 2026-2027 averaging $18 billion annually. Proposed spending plans for multiyear one-time, temporary spending commitments, and spending delays are no longer affordable. The combination of reserves and reduced one-time spending can extend the budget capacity for the State to sustain core, ongoing programs. However, the LAO recommends addressing the State budget problem by reducing one-time spending as part of the budget process. Health and human services programs are subject to considerable challenges and uncertainty as the County depends on funding from the State and federal government.

Obtaining Additional Information

This financial report is designed to provide a general overview of the County's finances for all interested parties. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Los Angeles County Auditor-Controller, 500 West Temple Street, Room 525, Los Angeles, CA 90012-3873.

BASIC FINANCIAL STATEMENTS

COUNTY OF LOS ANGELES
STATEMENT OF NET POSITION
JUNE 30, 2023 (in thousands)

	PRIMARY GOVERNMENT			DISCRETELY PRESENTED COMPONENT UNITS
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	
ASSETS				
Pooled cash and investments: (Notes 1 and 4)				
Operating	$ 10,182,270	1,031,910	$ 11,214,180	$ 182,030
Other	5,797,539	57,469	5,855,008	
Total pooled cash and investments	15,979,809	1,089,379	17,069,188	182,030
Other investments (Note 4)	62,382		62,382	791,448
Taxes receivable	377,589	864	378,453	
Accounts receivable - net (Note 14)		2,567,286	2,567,286	27,475
Interest receivable	52,701	2,952	55,653	1,209
Lease receivable (Note 9)	1,873,408	20,565	1,893,973	9,259
Other receivables (Note 14)	4,178,243	803,944	4,982,187	58,125
Internal balances (Note 15)	(42,544)	42,544		
Inventories	160,749	38,376	199,125	10,942
Restricted assets (Note 4)	1,599	98,056	99,655	11,870
Capital assets: (Notes 1, 5, 9 and 10)				
Capital assets, not being depreciated	9,949,254	742,743	10,691,997	93,560
Capital assets, net of accumulated depreciation/ amortization	9,760,131	2,616,853	12,376,984	103,922
Total capital assets	19,709,385	3,359,596	23,068,981	197,482
TOTAL ASSETS	42,353,321	8,023,562	50,376,883	1,289,840
DEFERRED OUTFLOWS OF RESOURCES (Note 20)	10,817,003	1,634,388	12,451,391	38,722
LIABILITIES				
Accounts payable	818,707	817,775	1,636,482	63,390
Accrued payroll	606,055	113,939	719,994	
Other payables	169,680	12,836	182,516	9,328
Accrued interest payable	14,126	13,020	27,146	
Advances payable	6,111,238	1,259	6,112,497	4,606
Long-term liabilities: (Note 11)				
Due within one year	1,555,818	355,901	1,911,719	6,145
Due in more than one year	44,446,809	7,326,803	51,773,612	122,570
TOTAL LIABILITIES	53,722,433	8,641,533	62,363,966	206,039
DEFERRED INFLOWS OF RESOURCES (Note 20)	10,490,505	1,832,739	12,323,244	14,871
NET POSITION				
Net investment in capital assets	15,833,971	2,525,430	18,359,401	161,837
Restricted for:				
Capital projects	34,250		34,250	
Debt service	4,979	84,718	89,697	
Permanent funds - nonspendable	2,109		2,109	
General government	362,598		362,598	
Public protection	987,073		987,073	
Public ways and facilities	958,265		958,265	
Health and sanitation	1,573,577		1,573,577	
Public assistance	452,901		452,901	
Education	1,642		1,642	
Recreation	706,102		706,102	
Community development				621,977
First 5 LA				278,642
Unrestricted (deficit)	(31,960,081)	(3,426,470)	(35,386,551)	45,196
TOTAL NET POSITION (DEFICIT) (Note 3)	$ (11,042,614)	(816,322)	$ (11,858,936)	$ 1,107,652

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

FOR THE YEAR ENDED JUNE 30, 2023 (in thousands)

FUNCTIONS PRIMARY GOVERNMENT:		EXPENSES	PROGRAM REVENUES CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS
Governmental activities:					
General government	$	1,626,902	691,118	198,679	20,020
Public protection		10,535,212	1,704,995	2,242,819	40,913
Public ways and facilities		543,472	49,777	310,209	1,188
Health and sanitation		6,906,927	1,743,967	3,856,356	1,822
Public assistance		10,390,815	8,727	7,486,162	
Education		154,258	1,955	9,879	
Recreation and cultural services		588,735	142,312	30,691	80
Interest on long-term debt		161,604			
Total governmental activities		30,907,925	4,342,851	14,134,795	64,023
Business-type activities:					
Hospitals		5,560,504	4,912,895	180,043	
Waterworks		113,074	90,902	350	1,188
Aviation		19,677	15,155	2,208	5
Total business-type activities		5,693,255	5,018,952	182,601	1,193
Total primary government	$	36,601,180	9,361,803	14,317,396	65,216
DISCRETELY PRESENTED COMPONENT UNITS	$	937,130	35,570	960,461	13,142

GENERAL REVENUES:
Taxes:
Property taxes
Utility users taxes
Voter approved taxes
Documentary transfer taxes
Other taxes
Sales and use taxes, levied by the State
Grants and contributions not restricted to special programs
Investment income
Miscellaneous
TRANSFERS - NET
Total general revenues and transfers
CHANGE IN NET POSITION

NET POSITION (DEFICIT), JULY 1, 2022, AS RESTATED (Note 2)
NET POSITION (DEFICIT), JUNE 30, 2023

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

NET (EXPENSES) REVENUES AND CHANGES IN NET POSITION				
PRIMARY GOVERNMENT			DISCRETELY PRESENTED COMPONENT UNITS	
GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL		FUNCTIONS
				PRIMARY GOVERNMENT:
				Governmental activities:
$ (717,085)		$ (717,085)		General government
(6,546,485)		(6,546,485)		Public protection
(182,298)		(182,298)		Public ways and facilities
(1,304,782)		(1,304,782)		Health and sanitation
(2,895,926)		(2,895,926)		Public assistance
(142,424)		(142,424)		Education
(415,652)		(415,652)		Recreation and cultural services
(161,604)		(161,604)		Interest on long-term debt
(12,366,256)		(12,366,256)		Total governmental activities
				Business-type activities:
	(467,566)	(467,566)		Hospitals
	(20,634)	(20,634)		Waterworks
	(2,309)	(2,309)		Aviation
	(490,509)	(490,509)		Total business-type activities
(12,366,256)	(490,509)	(12,856,765)		Total primary government
			$ 72,043	DISCRETELY PRESENTED COMPONENT UNITS
				GENERAL REVENUES:
				Taxes:
8,843,564	8,368	8,851,932		Property taxes
60,923		60,923		Utility users taxes
547,125		547,125		Voter approved taxes
84,870		84,870		Documentary transfer taxes
48,491		48,491		Other taxes
712,871		712,871		Sales and use taxes, levied by the State
632,188	114	632,302		Grants and contributions not restricted to special programs
347,504	22,949	370,453	9,596	Investment income
278,413	59	278,472	2,006	Miscellaneous
(1,117,417)	1,117,417			TRANSFERS - NET
10,438,532	1,148,907	11,587,439	11,602	Total general revenues and transfers
(1,927,724)	658,398	(1,269,326)	83,645	CHANGE IN NET POSITION
(9,114,890)	(1,474,720)	(10,589,610)	1,024,007	NET POSITION (DEFICIT), JULY 1, 2022, AS RESTATED (Note 2)
$ (11,042,614)	(816,322)	$ (11,858,936)	$ 1,107,652	NET POSITION (DEFICIT), JUNE 30, 2023

COUNTY OF LOS ANGELES
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023 (in thousands)

	GENERAL FUND	FIRE PROTECTION DISTRICT	FLOOD CONTROL DISTRICT	LA COUNTY LIBRARY	REGIONAL PARK AND OPEN SPACE DISTRICT
ASSETS					
Pooled cash and investments: (Notes 1 and 4)					
Operating	$ 4,249,353	243,413	425,631	166,324	670,386
Other	5,684,773	20,785	4,788	4,695	3,760
Total pooled cash and investments	9,934,126	264,198	430,419	171,019	674,146
Other investments (Note 4)	2,588			114	
Taxes receivable	273,191	56,197	14,783	8,327	1,912
Interest receivable	39,225	595	1,037	363	1,403
Lease receivable (Note 9)	1,833,620		34,781		
Other receivables	3,790,268	43,310	16,011	1,987	1,960
Due from other funds (Note 15)	836,933	1,872	22,940	7,927	
Advances to other funds (Note 15)	17,738		6,672		
Inventories	137,240	12,780	200	146	
TOTAL ASSETS	16,864,929	378,952	526,843	189,883	679,421
DEFERRED OUTFLOWS OF RESOURCES (Note 20)					
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 16,864,929	378,952	526,843	189,883	679,421
LIABILITIES					
Accounts payable	$ 712,573	7,756	10,248	3,352	100
Accrued payroll	523,652	52,539		4,629	
Other payables	163,099	2,933		596	
Due to other funds (Note 15)	345,155	48,143	34,849	6,054	1,960
Advances payable	5,979,531		72,765		
Third party payor (Notes 11 and 14)	195,652				
TOTAL LIABILITIES	7,919,662	111,371	117,862	14,631	2,060
DEFERRED INFLOWS OF RESOURCES (Note 20)	2,462,210	51,144	44,657	5,857	1,638
FUND BALANCES (Note 21)					
Nonspendable	263,367	12,780	200	146	
Restricted	77,629	203,657	364,025	82,037	675,723
Committed	832,792				
Assigned	1,028,770		99	87,212	
Unassigned	4,280,499				
TOTAL FUND BALANCES	6,483,057	216,437	364,324	169,395	675,723
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$ 16,864,929	378,952	526,843	189,883	679,421

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

MENTAL HEALTH SERVICES ACT	NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS	
			ASSETS
			Pooled cash and investments: (Notes 1 and 4)
$ 1,441,882	2,928,578	$ 10,125,567	Operating
6,078	62,324	5,787,203	Other
1,447,960	2,990,902	15,912,770	Total pooled cash and investments
	59,680	62,382	Other investments (Note 4)
	23,179	377,589	Taxes receivable
3,753	5,853	52,229	Interest receivable
	5,007	1,873,408	Lease receivable (Note 9)
	227,509	4,081,045	Other receivables
	123,993	993,665	Due from other funds (Note 15)
	11,014	35,424	Advances to other funds (Note 15)
	1	150,367	Inventories
1,451,713	3,447,138	23,538,879	TOTAL ASSETS
	183,207	183,207	DEFERRED OUTFLOWS OF RESOURCES (Note 20)
$ 1,451,713	3,630,345	$ 23,722,086	TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES
			LIABILITIES
	75,873	$ 809,902	Accounts payable
	44	580,864	Accrued payroll
		166,628	Other payables
218,840	462,630	1,117,631	Due to other funds (Note 15)
	58,454	6,110,750	Advances payable
	246	195,898	Third party payor (Notes 11 and 14)
218,840	597,247	8,981,673	TOTAL LIABILITIES
	20,224	2,585,730	DEFERRED INFLOWS OF RESOURCES (Note 20)
			FUND BALANCES (Note 21)
	2,137	278,630	Nonspendable
1,232,873	2,670,624	5,306,568	Restricted
	141,900	974,692	Committed
	198,213	1,314,294	Assigned
		4,280,499	Unassigned
1,232,873	3,012,874	12,154,683	TOTAL FUND BALANCES
$ 1,451,713	3,630,345	$ 23,722,086	TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES

JUNE 30, 2023 (in thousands)

Fund balances - total governmental funds (page 33)		$ 12,154,683
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not reported in governmental funds:		
Land and easements - net	$ 7,649,936	
Construction in progress	2,302,337	
Buildings and improvements - net	5,758,480	
Equipment - net	349,735	
Intangible software - net	251,081	
Infrastructure - net	3,279,360	19,590,929
Deferred outflows and inflows of resources reported in the statement of net position, but not recognized in the governmental funds:		
Deferred outflows from losses on refunding of debt	$ 7,999	
Deferred outflows from OPEB	4,973,775	
Deferred outflows from pension	5,402,065	
Deferred inflows from gains on refunding of debt	(10,920)	
Deferred inflows from private-public partnerships	(84,995)	
Deferred inflows from OPEB	(7,750,905)	
Deferred inflows from pension	(424,437)	2,112,582
Deferred outflows and inflows of resources reported in the balance sheet, but not recognized in the statement of net position:		
Deferred outflows from tobacco settlement revenues	$ (183,207)	
Deferred inflows from tobacco settlement revenues	183,207	
Deferred inflows from property taxes	256,912	
Deferred inflows from long-term receivables	272,203	529,115
Other long-term asset transactions are not available for the current period and are not recognized in governmental funds:		
Payables and receivables related to capital assets	$ 338	
Accrued interest on long-term receivables	328	666
Installment receivables from public-private and public-public partnerships		84,995
Accrued interest payable is not recognized in governmental funds		(14,110)
Long-term liabilities, including bonds and notes payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds:		
Bonds and notes	$ (2,242,274)	
Unamortized premiums on bonds	(289,086)	
Accreted interest on bonds	(14,227)	
Lease liability	(1,577,412)	
Subscription liability	(85,621)	
Financed purchase obligations	(22,750)	
Accrued compensated absences	(2,092,305)	
Workers' compensation	(3,048,397)	
Litigation and self-insurance	(3,732,163)	
Pollution remediation obligation	(37,166)	
Net pension liability	(10,940,285)	
Net OPEB liability	(20,072,830)	
Third party payor liability	(136,623)	(44,291,139)
Assets and liabilities of certain internal service funds are included in governmental activities in the accompanying statement of net position.		(1,210,335)
Net position (deficit) of governmental activities (page 29)		$(11,042,614)

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

COUNTY OF LOS ANGELES
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023 (in thousands)

	GENERAL FUND	FIRE PROTECTION DISTRICT	FLOOD CONTROL DISTRICT	LA COUNTY LIBRARY	REGIONAL PARK AND OPEN SPACE DISTRICT
REVENUES					
Taxes	$ 7,643,986	1,119,730	203,064	121,542	109,747
Licenses, permits and franchises	72,609	20,843	1,670	1	
Fines, forfeitures and penalties	176,923	3,471	2,304	540	1,014
Revenue from use of money and property:					
Investment income (loss) (Note 4)	246,295	(1,344)	13,138	(58)	9,676
Rents and concessions (Note 9)	54,268	62	5,316	5	
Lease revenue (Note 9)	68,592		1,349		
Royalties	18		616		
Intergovernmental revenues:					
Federal	5,366,215	12,988		4,608	
State	8,421,882	10,225	17,631	5,652	
Other	16,738	581	105	81	
Charges for services	2,908,286	296,570	134,264	1,292	244
Miscellaneous	245,625	4,344	7,704	4,767	
TOTAL REVENUES	25,221,437	1,467,470	387,161	138,430	120,681
EXPENDITURES					
Current:					
General government	1,870,449				
Public protection	6,720,622	1,497,919	427,825		
Public ways and facilities					
Health and sanitation	6,468,543				
Public assistance	8,549,336				
Education				159,443	
Recreation and cultural services	477,197				19,335
Debt service:					
Principal	128,544	7,646	1,313	815	
Interest and other charges	57,853	1,078	81	320	
Capital outlay	341,816	3,140		446	
TOTAL EXPENDITURES	24,614,360	1,509,783	429,219	161,024	19,335
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	607,077	(42,313)	(42,058)	(22,594)	101,346
OTHER FINANCING SOURCES (USES)					
Transfers in (Note 15)	1,194,387	88,201	2,392	61,837	
Transfers out (Note 15)	(1,279,057)	(22,284)	(2,302)	(1,834)	
Issuance of debt (Note 11)					
Sales of capital assets	1,180	105	268		
Leases (Note 9)	280,778	3,140		446	
Subscriptions (Note 10)	61,038				
TOTAL OTHER FINANCING SOURCES (USES)	258,326	69,162	358	60,449	
NET CHANGE IN FUND BALANCES	865,403	26,849	(41,700)	37,855	101,346
FUND BALANCES, JULY 1, 2022	5,617,654	189,588	406,024	131,540	574,377
FUND BALANCES, JUNE 30, 2023	$ 6,483,057	216,437	364,324	169,395	675,723

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

MENTAL HEALTH SERVICES ACT	NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS	
			REVENUES
$	1,004,070	$ 10,202,139	Taxes
	26,066	121,189	Licenses, permits and franchises
	38,062	222,314	Fines, forfeitures and penalties
			Revenue from use of money and property:
39,588	42,026	349,321	Investment income (loss) (Note 4)
	46,583	106,234	Rents and concessions (Note 9)
	283	70,224	Lease revenue (Note 9)
	6	640	Royalties
			Intergovernmental revenues:
	7,478	5,391,289	Federal
571,915	449,399	9,476,704	State
	11,399	28,904	Other
	431,263	3,771,919	Charges for services
	107,412	369,852	Miscellaneous
611,503	2,164,047	30,110,729	TOTAL REVENUES
			EXPENDITURES
			Current:
	11,225	1,881,674	General government
	249,261	8,895,627	Public protection
	498,034	498,034	Public ways and facilities
	177,562	6,646,105	Health and sanitation
	196,079	8,745,415	Public assistance
	62	159,505	Education
	8,499	505,031	Recreation and cultural services
			Debt service:
	184,674	322,992	Principal
	111,636	170,968	Interest and other charges
	150,105	495,507	Capital outlay
	1,587,137	28,320,858	TOTAL EXPENDITURES
611,503	576,910	1,789,871	EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES
			OTHER FINANCING SOURCES (USES)
	289,037	1,635,854	Transfers in (Note 15)
(657,350)	(766,847)	(2,729,674)	Transfers out (Note 15)
	135,467	135,467	Issuance of debt (Note 11)
	784	2,337	Sales of capital assets
		284,364	Leases (Note 9)
		61,038	Subscriptions (Note 10)
(657,350)	(341,559)	(610,614)	TOTAL OTHER FINANCING SOURCES (USES)
(45,847)	235,351	1,179,257	NET CHANGE IN FUND BALANCES
1,278,720	2,777,523	10,975,426	FUND BALANCES, JULY 1, 2022
$ 1,232,873	3,012,874	$ 12,154,683	FUND BALANCES, JUNE 30, 2023

COUNTY 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 YEAR ENDED JUNE 30, 2023 (in thousands)

Net change in fund balances - total governmental funds (page 37)		$ 1,179,257
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation/amortization expense:		
Expenditures for general capital assets, infrastructure and other related capital asset adjustments	$ 679,893	
Less - current year depreciation expense	(420,633)	
Expenditures for right-to-use lease and subscription assets	345,402	
Less - current year amortization expense	(143,929)	460,733
In the statement of activities, only the gain or loss on the disposal and impairment of capital assets is reported, whereas in the governmental funds, the proceeds from the sale are reported as an increase in financial resources. Thus, the change in net position differs from the change in fund balance.		(4,976)
Contribution of capital assets is not recognized in the governmental funds.		43,923
Amortization of gain or loss on refunding of debt are reported as changes to deferred outflows of resources in governmental activities, but not reported for governmental funds.		(1,395)
Changes in unavailable revenues are reported as changes in deferred inflows of resources for governmental funds, but were recognized when earned for governmental activities.		(87,522)
Timing differences result in more or less revenues and expenses in the statement of activities.		
Change in accrued interest on long-term receivables	$ 273	
Change in unamortized premiums	5,260	5,533
Issuance of long-term debt provides resources in the governmental funds, but increases long-term liabilities in the statement of net position.		(480,869)
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position:		
Certificates of participation and bonds	$ 85,432	
Notes, loans, and lease revenue obligation notes	100,379	
Other long-term notes, loans, leases and subscriptions	137,181	322,992
Some expenses reported in the accompanying statement of activities do not require (or provide) the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:		
Change in workers' compensation	$ (96,739)	
Change in litigation and self-insurance	(3,186,156)	
Change in pollution remediation obligation	866	
Change in accrued compensated absences	(130,204)	
Change in net pension liability, net of related deferred outflows of resources and deferred inflows of resources	254,831	
Change in net OPEB liability, net of related deferred outflows of resources and deferred inflows of resources	(160,383)	
Change in third party payor liability	(18,478)	
Change in accrued interest payable	1,389	
Change in accretion of tobacco settlement bonds	(5,035)	
Transfer of capital assets between governmental fund and enterprise fund	(18,291)	(3,358,200)
The portion of internal service funds that is reported with governmental activities.		(7,200)
Change in net position of governmental activities (page 31)		$ (1,927,724)

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

COUNTY OF LOS ANGELES
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL ON BUDGETARY BASIS
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2023 (in thousands)

	GENERAL FUND			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL ON BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES				
Taxes	$ 7,391,046	7,404,760	7,639,271	234,511
Licenses, permits and franchises	67,304	68,335	73,257	4,922
Fines, forfeitures and penalties	140,175	140,360	176,923	36,563
Revenue from use of money and property:				
Investment income	120,491	208,259	348,272	140,013
Rents and concessions	134,927	134,177	122,212	(11,965)
Royalties			18	18
Intergovernmental revenues:				
Federal	5,489,011	6,472,583	5,256,621	(1,215,962)
State	8,769,178	8,959,162	8,474,744	(484,418)
Other	59,537	62,983	30,231	(32,752)
Charges for services	2,944,884	3,125,586	2,906,002	(219,584)
Miscellaneous	192,897	205,495	257,515	52,020
TOTAL REVENUES	25,309,450	26,781,700	25,285,066	(1,496,634)
EXPENDITURES				
Current:				
General government	3,433,026	3,484,416	1,893,037	1,591,379
Public protection	6,891,643	7,353,877	6,800,230	553,647
Health and sanitation	7,408,057	7,382,127	6,600,293	781,834
Public assistance	9,274,306	9,810,107	8,673,154	1,136,953
Recreation and cultural services	525,772	547,310	513,250	34,060
Debt service-				
Interest	15,921	15,921	15,921	
Capital outlay	1,377,754	1,656,029	352,006	1,304,023
TOTAL EXPENDITURES	28,926,479	30,249,787	24,847,891	5,401,896
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(3,617,029)	(3,468,087)	437,175	3,905,262
OTHER FINANCING SOURCES (USES)				
Sales of capital assets	814	814	1,180	366
Transfers in	1,462,961	1,569,238	1,172,542	(396,696)
Transfers out	(837,656)	(1,130,106)	(1,126,968)	3,138
Appropriations for contingencies	(77,191)	41,665		(41,665)
Changes in fund balance	(109,870)	(191,495)	102,589	294,084
TOTAL OTHER FINANCING SOURCES (USES)	439,058	290,116	149,343	(140,773)
NET CHANGE IN FUND BALANCE	(3,177,971)	(3,177,971)	586,518	3,764,489
FUND BALANCE, JULY 1, 2022	3,177,971	3,177,971	3,177,971	
FUND BALANCE, JUNE 30, 2023 (Note 16)	$		3,764,489	3,764,489

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

COUNTY OF LOS ANGELES
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL ON BUDGETARY BASIS
FIRE PROTECTION DISTRICT
FOR THE YEAR ENDED JUNE 30, 2023 (in thousands)

	FIRE PROTECTION DISTRICT			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL ON BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES				
Taxes	$ 1,097,807	1,115,599	1,118,772	3,173
Licenses, permits and franchises	18,876	18,876	20,843	1,967
Fines, forfeitures and penalties	3,446	3,446	3,471	25
Revenue from use of money and property:				
Investment income	937	937	3,893	2,956
Rents and concessions	90	90	62	(28)
Intergovernmental revenues:				
Federal	35,518	37,101	13,359	(23,742)
State	14,756	16,291	10,225	(6,066)
Other			581	581
Charges for services	271,807	277,390	299,327	21,937
Miscellaneous	805	1,046	4,344	3,298
TOTAL REVENUES	1,444,042	1,470,776	1,474,877	4,101
EXPENDITURES				
Current-Public protection:				
Salaries and employee benefits	1,277,298	1,310,469	1,287,996	22,473
Services and supplies	193,756	183,929	170,166	13,763
Other charges	45,701	41,157	32,427	8,730
Capital assets	8,144	12,851	11,049	1,802
TOTAL EXPENDITURES	1,524,899	1,548,406	1,501,638	46,768
DEFICIENCY OF REVENUES OVER EXPENDITURES	(80,857)	(77,630)	(26,761)	50,869
OTHER FINANCING SOURCES (USES)				
Sales of capital assets	127	127	105	(22)
Transfers in	85,573	91,414	88,201	(3,213)
Transfers out	(8,738)	(19,838)	(19,838)	
Appropriations for contingencies	(19,824)	(17,792)		17,792
Changes in fund balance	(38,523)	(38,523)	(33,095)	5,428
TOTAL OTHER FINANCING SOURCES (USES)	18,615	15,388	35,373	19,985
NET CHANGE IN FUND BALANCE	(62,242)	(62,242)	8,612	70,854
FUND BALANCE, JULY 1, 2022	62,242	62,242	62,242	
FUND BALANCE, JUNE 30, 2023 (Note 16)	$		70,854	70,854

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

COUNTY OF LOS ANGELES
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL ON BUDGETARY BASIS
FLOOD CONTROL DISTRICT
FOR THE YEAR ENDED JUNE 30, 2023 (in thousands)

	FLOOD CONTROL DISTRICT			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL ON BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES				
Taxes	$ 192,581	200,828	202,452	1,624
Licenses, permits and franchises	1,546	1,546	1,670	124
Fines, forfeitures and penalties	1,023	1,023	2,304	1,281
Revenue from use of money and property:				
Investment income	2,788	8,172	13,189	5,017
Rents and concessions	7,920	7,920	6,665	(1,255)
Royalties	428	428	616	188
Intergovernmental revenues:				
State	1,344	1,344	17,631	16,287
Other	4,209	4,209	105	(4,104)
Charges for services	133,582	133,582	133,675	93
Miscellaneous	83	83	7,704	7,621
TOTAL REVENUES	345,504	359,135	386,011	26,876
EXPENDITURES				
Current-Public protection:				
Services and supplies	369,464	399,483	396,945	2,538
Other charges	5,231	7,068	1,359	5,709
Capital assets	1,243	1,387	899	488
Capital outlay	89,711	55,411	43,172	12,239
TOTAL EXPENDITURES	465,649	463,349	442,375	20,974
DEFICIENCY OF REVENUES OVER EXPENDITURES	(120,145)	(104,214)	(56,364)	47,850
OTHER FINANCING SOURCES (USES)				
Sales of capital assets	97	97	268	171
Transfers in	6,730	6,730	90	(6,640)
Transfers out	(1,981)	(4,281)		4,281
Appropriations for contingencies		(13,631)		13,631
Changes in fund balance			9,855	9,855
TOTAL OTHER FINANCING SOURCES (USES)	4,846	(11,085)	10,213	21,298
NET CHANGE IN FUND BALANCE	(115,299)	(115,299)	(46,151)	69,148
FUND BALANCE, JULY 1, 2022	115,299	115,299	115,299	
FUND BALANCE, JUNE 30, 2023 (Note 16)	$		69,148	69,148

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

COUNTY OF LOS ANGELES
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL ON BUDGETARY BASIS
LA COUNTY LIBRARY
FOR THE YEAR ENDED JUNE 30, 2023 (in thousands)

	LA COUNTY LIBRARY			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL ON BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES				
Taxes	$ 115,619	120,470	121,438	968
Licenses, permits and franchises			1	1
Fines, forfeitures and penalties	375	375	540	165
Revenue from use of money and property:				
Investment income	1,200	2,796	4,198	1,402
Rents and concessions	15	15	5	(10)
Intergovernmental revenues:				
Federal		500	4,608	4,108
State	540	540	5,652	5,112
Other	7,305	7,305	81	(7,224)
Charges for services	1,728	1,728	1,292	(436)
Miscellaneous	584	584	4,767	4,183
TOTAL REVENUES	127,366	134,313	142,582	8,269
EXPENDITURES				
Current-Education:				
Salaries and employee benefits	128,291	128,291	104,310	23,981
Services and supplies	106,839	105,591	62,878	42,713
Other charges	1,172	1,913	987	926
Capital assets	694	694	14	680
TOTAL EXPENDITURES	236,996	236,489	168,189	68,300
DEFICIENCY OF REVENUES OVER EXPENDITURES	(109,630)	(102,176)	(25,607)	76,569
OTHER FINANCING SOURCES (USES)				
Sales of capital assets	13	13		(13)
Transfers in	67,820	67,882	61,837	(6,045)
Transfers out		(1,069)	(1,069)	
Appropriation for contingencies		(6,447)		6,447
Changes in fund balance	(34,534)	(34,534)	(32,472)	2,062
TOTAL OTHER FINANCING SOURCES (USES)	33,299	25,845	28,296	2,451
NET CHANGE IN FUND BALANCE	(76,331)	(76,331)	2,689	79,020
FUND BALANCE, JULY 1, 2022	76,331	76,331	76,331	
FUND BALANCE, JUNE 30, 2023 (Note 16)	$		79,020	79,020

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

COUNTY OF LOS ANGELES
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL ON BUDGETARY BASIS
REGIONAL PARK AND OPEN SPACE DISTRICT
FOR THE YEAR ENDED JUNE 30, 2023 (in thousands)

	REGIONAL PARK AND OPEN SPACE DISTRICT			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL ON BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES				
Taxes	$ 109,513	109,513	109,747	234
Fines, forfeitures and penalties	580	1,564	1,014	(550)
Revenue from use of money and property-				
Investment income	1,500	1,500	18,923	17,423
Charges for services			460	460
TOTAL REVENUES	111,593	112,577	130,144	17,567
EXPENDITURES				
Current-Recreation and cultural services:				
Services and supplies	25,070	24,779	8,099	16,680
Other charges	472,728	474,003	37,810	436,193
TOTAL EXPENDITURES	497,798	498,782	45,909	452,873
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(386,205)	(386,205)	84,235	470,440
OTHER FINANCING SOURCES (USES)				
Transfers in	121,583	122,191	119,097	(3,094)
Transfers out	(121,583)	(122,191)	(119,097)	3,094
Changes in fund balance	(18,870)	(18,870)	(17,820)	1,050
TOTAL OTHER FINANCING SOURCES (USES)	(18,870)	(18,870)	(17,820)	1,050
NET CHANGE IN FUND BALANCE	(405,075)	(405,075)	66,415	471,490
FUND BALANCE, JULY 1, 2022	405,075	405,075	405,075	
FUND BALANCE, JUNE 30, 2023 (Note 16)	$		471,490	471,490

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

COUNTY OF LOS ANGELES
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL ON BUDGETARY BASIS
MENTAL HEALTH SERVICES ACT
FOR THE YEAR ENDED JUNE 30, 2023 (in thousands)

	MENTAL HEALTH SERVICES ACT			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL ON BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES				
Revenue from use of money and property-				
Investment income	$ 7,443	7,443	45,829	38,386
Intergovernmental revenues-				
State	895,657	895,657	571,915	(323,742)
TOTAL REVENUES	903,100	903,100	617,744	(285,356)
OTHER FINANCING USES				
Transfers out	(879,250)	(883,356)	(657,350)	226,006
Appropriations for contingencies	(214,420)	(214,420)		214,420
Changes in fund balance	(561,313)	(557,207)	(557,207)	
TOTAL OTHER FINANCING USES	(1,654,983)	(1,654,983)	(1,214,557)	440,426
NET CHANGE IN FUND BALANCE	(751,883)	(751,883)	(596,813)	155,070
FUND BALANCE, JULY 1, 2022	751,883	751,883	751,883	
FUND BALANCE, JUNE 30, 2023 (Note 16)	$		155,070	155,070

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

JUNE 30, 2023 (in thousands)

	BUSINESS-TYPE ACTIVITIES -			
	Harbor-UCLA Medical Center	Olive View-UCLA Medical Center	Los Angeles General Medical Center	Rancho Los Amigos National Rehab Center
ASSETS				
Current assets:				
Pooled cash and investments: (Notes 1 and 4)				
Operating	$ 427,561	77,200	188,001	182,528
Other	18,703	8,791	21,888	5,116
Total pooled cash and investments	446,264	85,991	209,889	187,644
Taxes receivable				
Accounts receivable - net (Note 14)	804,876	462,281	1,057,355	225,211
Interest receivable	1,686	357	405	145
Lease receivable (Note 9)				
Other receivables (Note 14)	18,008	10,544	25,516	4,878
Due from other funds (Note 15)	315,923	184,010	475,746	186,384
Advances to other funds (Note 15)				
Inventories	12,876	6,812	16,211	1,942
Total current assets	1,599,633	749,995	1,785,122	606,204
Noncurrent assets:				
Restricted assets (Note 4)	65,188	18,417	2,188	12,263
Lease receivable (Note 9)				
Other receivables (Note 14)	208,356	199,661	310,467	22,748
Capital assets: (Notes 1, 5, 9 and 10)				
Land and easements	1,671	1,894	16,194	217
Buildings and improvements, equipment, and intangible software	1,110,444	367,069	1,274,932	542,731
Infrastructure				
Construction in progress	323,695	59,684	8,379	123,719
Lease assets	422	389	988	291
Subscription assets				
Less accumulated depreciation/amortization	(396,059)	(226,120)	(480,229)	(184,005)
Total capital assets - net	1,040,173	202,916	820,264	482,953
Total noncurrent assets	1,313,717	420,994	1,132,919	517,964
TOTAL ASSETS	2,913,350	1,170,989	2,918,041	1,124,168
DEFERRED OUTFLOWS OF RESOURCES (Note 20)	498,420	278,421	707,960	149,587
LIABILITIES				
Current liabilities:				
Accounts payable	251,505	216,459	267,125	77,007
Accrued payroll	36,875	19,820	47,476	9,768
Other payables	4,812	2,361	4,256	1,349
Accrued interest payable	10,323	1,948	44	689
Due to other funds (Note 15)	311,175	193,142	383,063	203,326
Advances from other funds (Note 15)	4,737	2,554	6,400	1,265
Advances payable	647	126	460	3
Current portion of long-term liabilities (Note 11)	158,682	61,698	92,369	42,731
Total current liabilities	778,756	498,108	801,193	336,138
Noncurrent liabilities:				
Accrued compensated absences (Note 11)	88,880	49,253	106,217	22,133
Bonds and notes (Note 11)	472,254	74,175	15,140	211,521
Lease liability (Note 9 and 11)	293	226	622	165
Subscription liability (Note 10 and 11)				
Workers' compensation (Notes 11 and 18)	111,463	45,612	166,037	32,299
Litigation and self-insurance (Notes 11 and 18)	2,381	469	8,760	93
Net pension liability (Notes 7 and 11)	551,648	311,487	750,195	164,789
Net OPEB liability (Notes 8 and 11)	1,110,588	636,610	1,656,132	342,651
Third party payor (Notes 11 and 14)	132,769	49,631	179,753	22,485
Total noncurrent liabilities	2,470,276	1,167,463	2,882,856	796,136
TOTAL LIABILITIES	3,249,032	1,665,571	3,684,049	1,132,274
DEFERRED INFLOWS OF RESOURCES (Note 20)	514,198	368,563	771,467	157,946
NET POSITION				
Net investment in capital assets	529,431	134,513	804,531	253,520
Restricted - Debt service	35,636	616	2,978	45,488
Unrestricted (deficit)	(916,527)	(719,853)	(1,637,024)	(315,473)
TOTAL NET POSITION (DEFICIT) (Note 3)	$ (351,460)	(584,724)	(829,515)	(16,465)

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

ENTERPRISE FUNDS			GOVERNMENTAL ACTIVITIES	
Waterworks	Nonmajor Aviation	Total	Internal Service Funds	
				ASSETS
				Current assets:
				Pooled cash and investments: (Notes 1 and 4)
$ 143,925	12,695	$ 1,031,910	$ 56,703	Operating
2,971		57,469	10,336	Other
146,896	12,695	1,089,379	67,039	Total pooled cash and investments
864		864		Taxes receivable
16,665	898	2,567,286		Accounts receivable - net (Note 14)
335	24	2,952	144	Interest receivable
	847	847		Lease receivable (Note 9)
3,765	1	62,712	11,537	Other receivables (Note 14)
2,073	291	1,164,427	123,741	Due from other funds (Note 15)
1,260	272	1,532		Advances to other funds (Note 15)
	535	38,376	10,382	Inventories
171,858	15,563	4,928,375	212,843	Total current assets
				Noncurrent assets:
		98,056	1,599	Restricted assets (Note 4)
	19,718	19,718		Lease receivable (Note 9)
		741,232		Other receivables (Note 14)
				Capital assets: (Notes 1, 5, 9 and 10)
13,506	134,692	168,174		Land and easements
124,031	44,009	3,463,216	266,236	Buildings and improvements, equipment, and intangible software
1,224,785	96,755	1,321,540		Infrastructure
58,991	101	574,569		Construction in progress
		2,090	1,224	Lease assets
			613	Subscription assets
(800,555)	(83,025)	(2,169,993)	(149,617)	Less accumulated depreciation/amortization
620,758	192,532	3,359,596	118,456	Total capital assets - net
620,758	212,250	4,218,602	120,055	Total noncurrent assets
792,616	227,813	9,146,977	332,898	TOTAL ASSETS
		1,634,388	433,164	DEFERRED OUTFLOWS OF RESOURCES (Note 20)
				LIABILITIES
				Current liabilities:
4,500	1,179	817,775	8,805	Accounts payable
		113,939	25,191	Accrued payroll
	58	12,836	3,052	Other payables
	16	13,020	16	Accrued interest payable
16,576	1,177	1,108,459	55,743	Due to other funds (Note 15)
		14,956	22,000	Advances from other funds (Note 15)
23		1,259	160	Advances payable
305	116	355,901	13,197	Current portion of long-term liabilities (Note 11)
21,404	2,546	2,438,145	128,164	Total current liabilities
				Noncurrent liabilities:
		266,483	76,017	Accrued compensated absences (Note 11)
8,370	1,064	782,524	5,000	Bonds and notes (Note 11)
		1,306	528	Lease liability (Note 9 and 11)
			80	Subscription liability (Note 10 and 11)
		355,411	56,838	Workers' compensation (Notes 11 and 18)
638		12,341		Litigation and self-insurance (Notes 11 and 18)
		1,778,119	442,156	Net pension liability (Notes 7 and 11)
		3,745,981	921,774	Net OPEB liability (Notes 8 and 11)
		384,638		Third party payor (Notes 11 and 14)
9,008	1,064	7,326,803	1,502,393	Total noncurrent liabilities
30,412	3,610	9,764,948	1,630,557	TOTAL LIABILITIES
	20,565	1,832,739	345,840	DEFERRED INFLOWS OF RESOURCES (Note 20)
				NET POSITION
612,083	191,352	2,525,430	113,971	Net investment in capital assets
		84,718		Restricted - Debt service
150,121	12,286	(3,426,470)	(1,324,306)	Unrestricted (deficit)
$ 762,204	203,638	(816,322)	$ (1,210,335)	TOTAL NET POSITION (DEFICIT) (Note 3)

FOR THE YEAR ENDED JUNE 30, 2023 (in thousands)

	BUSINESS-TYPE ACTIVITIES -			
	Harbor-UCLA Medical Center	Olive View-UCLA Medical Center	Los Angeles General Medical Center	Rancho Los Amigos National Rehab Center
OPERATING REVENUES:				
Net patient service revenues (Note 14)	$ 1,588,405	960,280	2,052,830	311,380
Charges for services				
Other (Note 14)	70,497	23,777	80,751	6,363
TOTAL OPERATING REVENUES	1,658,902	984,057	2,133,581	317,743
OPERATING EXPENSES:				
Salaries and employee benefits	848,080	435,740	1,092,071	222,360
Services and supplies	261,591	125,798	292,387	46,945
Other professional services	361,083	192,400	538,318	77,102
Depreciation and amortization (Note 5)	28,094	11,544	30,901	13,456
Medical malpractice		2,340		218
TOTAL OPERATING EXPENSES	1,498,848	767,822	1,953,677	360,081
OPERATING INCOME (LOSS)	160,054	216,235	179,904	(42,338)
NONOPERATING REVENUES (EXPENSES):				
Taxes				
Investment income (loss)	5,019	2,715	10,585	1,592
Gain (loss) on disposal of property	(1,245)	(41)	(104)	(28)
Interest revenue				
Interest expense	(33,364)	(5,694)	(800)	(11,926)
Intergovernmental transfers expense (Note 14)	(234,129)	(226,036)	(364,617)	(100,970)
Intergovernmental revenues:				
State				
Federal				
Other				
TOTAL NONOPERATING REVENUES (EXPENSES)	(263,719)	(229,056)	(354,936)	(111,332)
LOSS BEFORE CONTRIBUTIONS AND TRANSFERS	(103,665)	(12,821)	(175,032)	(153,670)
Capital contributions	2,444		14,063	1,784
Transfers in (Note 15)	368,723	201,570	762,915	327,352
Transfers out (Note 15)	(199,955)	(34,383)	(212,661)	(114,574)
CHANGE IN NET POSITION	67,547	154,366	389,285	60,892
NET POSITION (DEFICIT), JULY 1, 2022	(419,007)	(739,090)	(1,218,800)	(77,357)
NET POSITION (DEFICIT), JUNE 30, 2023	$ (351,460)	(584,724)	(829,515)	(16,465)

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

ENTERPRISE FUNDS			GOVERNMENTAL ACTIVITIES	
Waterworks	Nonmajor Aviation	Total	Internal Service Funds	
				OPERATING REVENUES:
$		$ 4,912,895	$	Net patient service revenues (Note 14)
90,902	4,261	95,163	740,566	Charges for services
42	92	181,522		Other (Note 14)
90,944	4,353	5,189,580	740,566	TOTAL OPERATING REVENUES
				OPERATING EXPENSES:
		2,598,251	589,535	Salaries and employee benefits
86,327	13,749	826,797	59,853	Services and supplies
2,640	2,258	1,173,801	77,050	Other professional services
23,850	3,632	111,477	19,212	Depreciation and amortization (Note 5)
		2,558		Medical malpractice
112,817	19,639	4,712,884	745,650	TOTAL OPERATING EXPENSES
(21,873)	(15,286)	476,696	(5,084)	OPERATING INCOME (LOSS)
				NONOPERATING REVENUES (EXPENSES):
8,368		8,368		Taxes
2,849	189	22,949	(2,086)	Investment income (loss)
(95)		(1,513)	752	Gain (loss) on disposal of property
	10,894	10,894	2,182	Interest revenue
(163)	(38)	(51,985)	(199)	Interest expense
		(925,752)		Intergovernmental transfers expense (Note 14)
				Intergovernmental revenues:
30	1,490	1,520		State
350	718	1,068		Federal
84		84		Other
11,423	13,253	(934,367)	649	TOTAL NONOPERATING REVENUES (EXPENSES)
(10,450)	(2,033)	(457,671)	(4,435)	LOSS BEFORE CONTRIBUTIONS AND TRANSFERS
1,188	5	19,484		Capital contributions
142		1,660,702	3,421	Transfers in (Note 15)
	(3)	(561,576)	(8,727)	Transfers out (Note 15)
(9,120)	(2,031)	660,939	(9,741)	CHANGE IN NET POSITION
771,324	205,669		(1,200,594)	NET POSITION (DEFICIT), JULY 1, 2022
$ 762,204	203,638		$ (1,210,335)	NET POSITION (DEFICIT), JUNE 30, 2023
		(2,541)		Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds
		$ 658,398		CHANGE IN NET POSITION OF BUSINESS-TYPE ACTIVITIES (PAGE 31)

FOR THE YEAR ENDED JUNE 30, 2023 (in thousands)

	BUSINESS-TYPE ACTIVITIES -			
	Harbor-UCLA Medical Center	Olive View-UCLA Medical Center	Los Angeles General Medical Center	Rancho Los Amigos National Rehab Center
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from patient services	$ 1,595,526	615,048	1,618,102	298,749
Cash received from charges for services				
Other operating revenues	70,497	23,777	80,751	6,363
Cash received for services provided to other funds	25,820	24,404	38,208	466
Cash paid for salaries and employee benefits	(862,734)	(176,519)	(1,116,842)	(228,816)
Cash (paid) returned for services and supplies	5,256	99,732	71,270	(56,743)
Other operating expenses	(372,488)	(478,107)	(552,962)	(77,118)
Cash (paid) returned for services from other funds	(86,589)	28,295	(200,648)	(751)
Net cash provided by (required for) operating activities	375,288	136,630	(62,121)	(57,850)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Cash advances received from other funds	10,244	154,954	305,816	
Cash advances paid to other funds	(10,244)	(154,847)	(306,515)	(12)
Interest paid on advances		(34)	(91)	
Intergovernmental transfers paid	(234,129)	(226,036)	(364,617)	(100,970)
Intergovernmental receipts				
Transfers in	368,723	153,378	527,377	327,352
Transfers out	(199,955)	(34,383)	(212,661)	(114,574)
Net cash provided by (required for) noncapital financing activities	(65,361)	(106,968)	(50,691)	111,796
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Proceeds from taxes				
Capital contributions				
Proceeds from bonds and notes	77,361	9,892	1,699	26,524
Interest paid on capital borrowing	(34,068)	(5,750)	(745)	(12,246)
Interest revenue				
Principal payments on bonds and notes	(106,029)	(27,541)	(7,146)	(30,278)
Principal payments on financed purchase obligations		(11)		
Leases paid	(38)	(72)	(155)	(54)
Subscriptions paid				
Acquisition and construction of capital assets	(186,847)	(39,815)	(27,716)	(15,484)
Net cash provided by (required for) capital and related financing activities	(249,621)	(63,297)	(34,063)	(31,538)
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment income (loss)	3,462	2,461	10,696	1,471
Net increase (decrease) in cash and cash equivalents	63,768	(31,174)	(136,179)	23,879
Cash and cash equivalents, July 1, 2022	447,684	135,582	348,256	176,028
Cash and cash equivalents, June 30, 2023	$ 511,452	104,408	212,077	199,907

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

ENTERPRISE FUNDS			GOVERNMENTAL ACTIVITIES	
Waterworks	Nonmajor Aviation	Total	Internal Service Funds	
				CASH FLOWS FROM OPERATING ACTIVITIES
$		$ 4,127,425	$	Cash received from patient services
93,771	4,290	98,061	116,111	Cash received from charges for services
42	92	181,522		Other operating revenues
		88,898	651,725	Cash received for services provided to other funds
		(2,384,911)	(585,362)	Cash paid for salaries and employee benefits
(74,412)	(13,372)	31,731	(47,034)	Cash (paid) returned for services and supplies
(12,002)	(2,258)	(1,494,935)	(77,050)	Other operating expenses
		(259,693)		Cash (paid) returned for services from other funds
7,399	(11,248)	388,098	58,390	Net cash provided by (required for) operating activities
				CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES
120		471,134	130	Cash advances received from other funds
	(148)	(471,766)		Cash advances paid to other funds
		(125)		Interest paid on advances
		(925,752)		Intergovernmental transfers paid
464	2,208	2,672		Intergovernmental receipts
142		1,376,972	3,421	Transfers in
	(3)	(561,576)	(8,727)	Transfers out
726	2,057	(108,441)	(5,176)	Net cash provided by (required for) noncapital financing activities
				CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES
8,350		8,350		Proceeds from taxes
	5	5		Capital contributions
2,322		117,798	10,000	Proceeds from bonds and notes
(163)	(38)	(53,010)	(184)	Interest paid on capital borrowing
			2,182	Interest revenue
(417)	(113)	(171,524)	(5,245)	Principal payments on bonds and notes
		(11)		Principal payments on financed purchase obligations
		(319)	(247)	Leases paid
			(309)	Subscriptions paid
(10,058)	(28)	(279,948)	(14,248)	Acquisition and construction of capital assets
34	(174)	(378,659)	(8,051)	Net cash provided by (required for) capital and related financing activities
				CASH FLOWS FROM INVESTING ACTIVITIES
2,690	11,072	31,852	(2,220)	Investment income (loss)
10,849	1,707	(67,150)	42,943	Net increase (decrease) in cash and cash equivalents
136,047	10,988	1,254,585	25,695	Cash and cash equivalents, July 1, 2022
$ 146,896	12,695	$ 1,187,435	$ 68,638	Cash and cash equivalents, June 30, 2023

Continued…

FOR THE YEAR ENDED JUNE 30, 2023 (in thousands)

	BUSINESS-TYPE ACTIVITIES -			
	Harbor-UCLA Medical Center	Olive View-UCLA Medical Center	Los Angeles General Medical Center	Rancho Los Amigos National Rehab Center
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (REQUIRED FOR) OPERATING ACTIVITIES:				
Operating income (loss)	$ 160,054	216,235	179,904	(42,338)
Adjustments to reconcile operating income (loss) to net cash provided by (required for) operating activities:				
Depreciation and amortization	28,094	11,544	30,901	13,456
(Increase) decrease in:				
Accounts receivable - net	(220,583)	(181,256)	(293,412)	(129,863)
Other receivables	220,619	(49,804)	(81,294)	240,907
Due from other funds	56,771	(94,471)	(75,728)	(117,639)
Inventories	(556)	(997)	932	(118)
Increase (decrease) in:				
Accounts payable	37,121	110,585	85,298	(57,620)
Accrued payroll	2,523	1,473	3,486	716
Other payables	(41)	(37)	(32)	(13)
Accrued compensated absences	5,701	3,293	6,423	1,321
Due to other funds	143,693	144,237	76,779	47,189
Advances payable	(1,990)	(1,117)	(2,136)	(446)
Workers' compensation	1,659	900	2,701	659
Litigation and self-insurance	(11,405)	1,348	(14,644)	202
Net pension liability and related changes in deferred outflows and inflows of resources	(15,501)	(12,612)	(21,662)	(4,788)
Net OPEB liability and related changes in deferred outflows and inflows of resources	(7,498)	(17,794)	(13,567)	(3,688)
Third party payor	(23,373)	5,103	53,930	(5,787)
TOTAL ADJUSTMENTS	215,234	(79,605)	(242,025)	(15,512)
NET CASH PROVIDED BY (REQUIRED FOR) OPERATING ACTIVITIES	$ 375,288	136,630	(62,121)	(57,850)
SCHEDULE OF NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:				
Contributions of capital assets	$ 2,444		14,063	1,784
Loss on disposal of capital assets	(1,245)	(41)	(104)	(28)
Lease asset acquisition	(422)		(480)	
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION:				
Pooled cash and investments	$ 446,264	85,991	209,889	187,644
Restricted assets	65,188	18,417	2,188	12,263
TOTAL	$ 511,452	104,408	212,077	199,907

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

ENTERPRISE FUNDS			GOVERNMENTAL ACTIVITIES	
Waterworks	Nonmajor Aviation	Total	Internal Service Funds	
				RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (REQUIRED FOR) OPERATING ACTIVITIES:
$ (21,873)	(15,286)	$ 476,696	$ (5,084)	Operating income (loss)
				Adjustments to reconcile operating income (loss) to net cash provided by (required for) operating activities:
23,850	3,632	111,477	19,212	Depreciation and amortization
				(Increase) decrease in:
3,844	234	(821,036)		Accounts receivable - net
(15)		330,413	(123)	Other receivables
(960)	(205)	(232,232)	25,855	Due from other funds
	(535)	(1,274)	(1,323)	Inventories
				Increase (decrease) in:
1,985	934	178,303	1,292	Accounts payable
		8,198	1,822	Accrued payroll
	2	(121)	(22)	Other payables
		16,738	3,255	Accrued compensated absences
9,930	(24)	421,804	12,850	Due to other funds
		(5,689)		Advances payable
		5,919	1,112	Workers' compensation
(9,362)		(33,861)		Litigation and self-insurance
		(54,563)	(9,432)	Net pension liability and related changes in deferred outflows and inflows of resources
		(42,547)	8,976	Net OPEB liability and related changes in deferred outflows and inflows of resources
		29,873		Third party payor
29,272	4,038	(88,598)	63,474	TOTAL ADJUSTMENTS
$ 7,399	(11,248)	$ 388,098	$ 58,390	NET CASH PROVIDED BY (REQUIRED FOR) OPERATING ACTIVITIES
				SCHEDULE OF NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:
$ 1,188		$ 19,479		Contributions of capital assets
(95)		(1,513)		Loss on disposal of capital assets
		(902)		Lease asset acquisition
				RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION:
$ 146,896	12,695	$ 1,089,379	$ 67,039	Pooled cash and investments
		98,056	1,599	Restricted assets
$ 146,896	12,695	$ 1,187,435	$ 68,638	TOTAL

COUNTY OF LOS ANGELES
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2023 (in thousands)

			CUSTODIAL	
	PENSION AND OTHER POSTEMPLOYMENT BENEFIT TRUST	INVESTMENT TRUST	EXTERNAL INVESTMENT POOLS	OTHER CUSTODIAL
ASSETS				
Pooled cash and investments (Note 4)	$ 129,878	503,162	32,704,271	1,526,034
Other investments: (Note 4)			146,148	300
Short-term investments	2,289,958			
Equity	28,598,874			
Fixed income	19,162,790			
Private equity	13,894,495			
Real estate	5,421,420			
Real assets	2,514,132			
Hedge funds	4,890,856			
Cash collateral on loaned securities	1,869,433			
Taxes receivable				973,332
Interest receivable	221,251	1,109	51,720	
Other receivables	239,466			403,270
Due from other governments				429
TOTAL ASSETS	79,232,553	504,271	32,902,139	2,903,365
LIABILITIES				
Accounts payable	333,715			4,398
Other payables (Note 4)	1,955,112		26	1,000,526
Due to other governments				82,753
TOTAL LIABILITIES	2,288,827		26	1,087,677
NET POSITION				
Restricted for:				
Pension	73,851,886			
OPEB	3,091,840			
Individuals, organizations and other governments		504,271	32,902,113	1,815,688
TOTAL NET POSITION	$ 76,943,726	504,271	32,902,113	1,815,688

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

COUNTY OF LOS ANGELES
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2023 (in thousands)

	PENSION AND OTHER POSTEMPLOYMENT BENEFIT TRUST	INVESTMENT TRUST	CUSTODIAL	
			EXTERNAL INVESTMENT POOLS	OTHER CUSTODIAL
ADDITIONS				
Contributions:				
Pension and OPEB trust contributions:				
Employer	$ 3,497,911			
Member	841,644			
Contributions to investment trust and custodial funds		121,663	67,317,145	25,585,553
Total contributions	4,339,555	121,663	67,317,145	25,585,553
Investment earnings:				
Investment income	3,114,572	26,968	126,675	
Net increase in the fair value of investments	2,165,702			
Securities lending income (Note 4)	63,652			
Total investment earnings	5,343,926	26,968	126,675	
Less - Investment expenses:				
Expense from investing activities	190,596			
Expense from securities lending activities (Note 4)	49,556			
Total net investment expense	240,152			
Net investment earnings	5,103,774	26,968	126,675	
Other additions				2,906,377
Miscellaneous	5,009			
TOTAL ADDITIONS	9,448,338	148,631	67,443,820	28,491,930
DEDUCTIONS				
Administrative expenses:				
Salaries and employee benefits	78,866			
Services and supplies	34,226			
Total administrative expenses	113,092			
Benefit payments	5,031,364			
Distributions from investment trust and custodial funds		458,388	61,131,451	25,594,245
Other deductions				2,815,988
Miscellaneous	43,870			
TOTAL DEDUCTIONS	5,188,326	458,388	61,131,451	28,410,233
CHANGE IN NET POSITION	4,260,012	(309,757)	6,312,369	81,697
NET POSITION, JULY 1, 2022	72,683,714	814,028	26,589,744	1,733,991
NET POSITION, JUNE 30, 2023	$ 76,943,726	504,271	32,902,113	1,815,688

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

COUNTY OF LOS ANGELES
STATEMENT OF NET POSITION
DISCRETELY PRESENTED COMPONENT UNITS
JUNE 30, 2023 (in thousands)

	LOS ANGELES COUNTY DEVELOPMENT AUTHORITY	FIRST 5 LA	TOTAL
ASSETS			
Pooled cash and investments-			
Operating (Notes 1 and 4)	$ 27,931	154,099	$ 182,030
Other investments (Note 4)	658,788	132,660	791,448
Accounts receivable - net	27,475		27,475
Interest receivable		1,209	1,209
Lease receivable	9,259		9,259
Other receivables	45,757	12,368	58,125
Inventories	10,942		10,942
Restricted assets (Note 4)	11,870		11,870
Capital assets: (Notes 1 and 5)			
Capital assets, not being depreciated/amortized	91,521	2,039	93,560
Capital assets, net of accumulated depreciation/amortization	92,496	11,426	103,922
Total capital assets	184,017	13,465	197,482
TOTAL ASSETS	976,039	313,801	1,289,840
DEFERRED OUTFLOWS OF RESOURCES	38,722		38,722
LIABILITIES			
Accounts payable	42,701	20,689	63,390
Other payables	9,328		9,328
Advances payable	4,606		4,606
Long-term liabilities: (Note 11)			
Due within one year	6,024	121	6,145
Due in more than one year	121,686	884	122,570
TOTAL LIABILITIES	184,345	21,694	206,039
DEFERRED INFLOWS OF RESOURCES	14,871		14,871
NET POSITION			
Net investment in capital assets	148,372	13,465	161,837
Restricted for:			
Community development	621,977		621,977
First 5 LA		278,642	278,642
Unrestricted	45,196		45,196
TOTAL NET POSITION	$ 815,545	292,107	$ 1,107,652

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

COUNTY OF LOS ANGELES
STATEMENT OF ACTIVITIES
DISCRETELY PRESENTED COMPONENT UNITS
FOR THE YEAR ENDED JUNE 30, 2023 (in thousands)

	LOS ANGELES COUNTY DEVELOPMENT AUTHORITY	FIRST 5 LA	TOTAL
PROGRAM (EXPENSES) REVENUES:			
Expenses	$ (845,180)	(91,950)	$ (937,130)
Program revenues:			
Charges for services	35,570		35,570
Operating grants and contributions	890,064	70,397	960,461
Capital grants and contributions	13,142		13,142
Net program (expenses) revenues	93,596	(21,553)	72,043
GENERAL REVENUES:			
Investment income (loss)	(3,495)	13,091	9,596
Miscellaneous	2,004	2	2,006
Total general revenues	(1,491)	13,093	11,602
CHANGE IN NET POSITION	92,105	(8,460)	83,645
NET POSITION, JULY 1, 2022, AS RESTATED (Note 2)	723,440	300,567	1,024,007
NET POSITION, JUNE 30, 2023	$ 815,545	292,107	$ 1,107,652

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The County of Los Angeles (County), which was established in 1850, is a legal subdivision of the State of California (State) charged with general governmental powers. The County's powers are exercised through an elected five member Board of Supervisors (Board), which, as the governing body of the County, is responsible for the legislative and executive control of the County. As required by generally accepted accounting principles (GAAP), these basic financial statements include both those of the County and its component units. The component units discussed below are included in the County's reporting entity because of the significance of their operational or financial relationships with the County.

The basic financial statements include blended, fiduciary and discretely presented component units. The blended component units, although legally separate entities are, in substance, part of the County's operations. The data from these units are combined with data of the primary government. The fiduciary component unit is reported under Fiduciary Funds in the basic financial statements. The discretely presented component units, on the other hand, are reported in a separate column in the government-wide financial statements.

Blended Component Units

While each of the component units is legally separate from the County, the County is financially accountable for these entities. Financial accountability is primarily demonstrated by the County's Board acting as the governing board for each of the component units and its ability to impose its will or an existence of a financial benefit/burden relationship. County management has determined that the following related entities should be included in the basic financial statements as blended component units:

- Fire Protection District
- Flood Control District
- Garbage Disposal Districts
- Improvement Districts
- Regional Park and Open Space District
- Sewer Maintenance Districts
- Street Lighting Districts
- Waterworks Districts
- Los Angeles County Capital Asset Leasing Corporation (a Not-for-Profit Corporation) (NPC)
- Various Joint Powers Authorities (JPAs)
- Los Angeles County Securitization Corporation (LACSC)
- Los Angeles County Facilities Inc. (LACF)

The various districts are included primarily because the Board is also their governing board and the County has operational responsibilities for the districts. As such, the Board establishes policy, appoints management and exercises budgetary control. The NPC and JPAs have been included because their sole purpose is to finance and construct County capital assets and because they are dependent upon the County for funding.

The Los Angeles County Capital Asset Leasing Corporation (LACCAL) is organized as a not-for-profit corporation in which the primary government is the sole corporate member, as identified in LACCAL's articles of incorporation or bylaws, and the component unit is included in the financial reporting entity.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-Continued

Blended Component Units-Continued

The LACSC is a California public benefit corporation created by the County Board in January 2006. Three directors, the County's Auditor-Controller, Treasurer and Tax Collector, and an independent party designated by at least one of the County directors, govern the LACSC. The LACSC purpose is to acquire the County's rights in relation to future tobacco settlement payments and to facilitate the issuance of long-term bonds secured by the County Tobacco Assets. The LACSC provides service solely to the County and is reported as a blended component unit of the County.

LACF is a California nonprofit public benefit corporation and an organization described under Section 501(c)(3) of the Internal Revenue Code of 1986. It was formed on April 25, 2016. On July 26, 2018, LACF issued $302.38 million of lease revenue bonds to be used to finance the construction of the Vermont Corridor County Administration Building and parking structure. LACF is reported as a blended component unit because it provides services solely to the County and it is fiscally dependent on the County. It is reported under Public Buildings Debt Service and Capital Projects funds.

Fiduciary Component Unit

The County pension plan is administered by the Los Angeles County Employees Retirement Association (LACERA), which was established under the County Employees' Retirement Law of 1937 (CERL). LACERA is a cost-sharing, multi-employer defined benefit plan. LACERA provides retirement, disability, death benefits and cost of living adjustments to eligible members. LACERA also administers an agent multiple-employer Other Postemployment Benefit (OPEB) or Retiree Healthcare Program on behalf of the County. LACERA is reported in the Pension and OPEB Trust Funds on the Statement of Net Position - Fiduciary Funds of the basic financial statements and has been included because its operations are dependent upon County funding and because its operations, almost exclusively, benefit the County. LACERA issues a stand-alone financial report, which is available at its offices located at Gateway Plaza, 300 N. Lake Avenue, Pasadena, California 91101-4199 or at www.LACERA.com.

Discretely Presented Component Units

Los Angeles County Development Authority

The Los Angeles County Development Authority (LACDA) was established on July 1, 1982 under the provisions of Section 34100-34160 of the Health and Safety Code of the State of California.

LACDA is responsible for:

- Administering the Housing Choice Voucher and other Section 8 programs;
- Directing the County's housing programs, including planning, housing finance, production and conservation, and management of the County's public housing developments;
- Financing community improvements such as resurfacing streets and rehabilitating homes and businesses;
- Providing economic development, business revitalization services, and comprehensive planning systems for affordable housing; and
- Developing housing, business, and industry in designated areas.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-Continued

Discretely Presented Component Units-Continued

Los Angeles County Development Authority-Continued

While its Board members are the same as the County Board, LACDA does not meet the criteria for blending due to the following: 1) there is no financial burden or benefit relationship with the County nor does management of the County have operational responsibilities over it; 2) LACDA does not provide services entirely or almost entirely to the County; and 3) LACDA's total debt outstanding is not expected to be repaid with resources of the County. The financial activity of LACDA is reported within the Discretely Presented Component Units column of the government-wide financial statements. LACDA issues a separate financial report that can be obtained at https://www.lacda.org/home/about/agency-overview or by writing to the Los Angeles County Development Authority at 700 W. Main Street, Alhambra, California 91801.

Los Angeles County Children and Families First - Proposition 10 Commission

Los Angeles County Children and Families First - Proposition 10 Commission, also known as First 5 LA, was established by the County as a separate legal entity to administer the County's share of tobacco taxes levied by the State pursuant to Proposition 10. The Board established First 5 LA with nine voting members and four non-voting representatives. Of the nine voting members, one is a member of the Board of Supervisors, three are heads of County Departments (Public Health, Mental Health, and Children and Family Services), and five are public members appointed by the Board. The non-voting representatives are from other County commissions and planning groups.

First 5 LA services support programs and services for children ages prenatal through five, and their families, in the areas of health, safety, early education and literacy. First 5 LA is a discretely presented component unit of the County because the County's Board appoints the voting Commissioners and the County has the ability to impose its will by removing those Commissioners at will. First 5 LA hires its own employees, including an Executive Director and functions independent of the County. It is discretely presented because its governing body is not substantially the same as the County's governing body and it does not provide services entirely or exclusively to the County. The financial activity of First 5 LA is reported within the Discretely Presented Component Units column of the government-wide financial statements. First 5 LA issues a separate financial report that can be obtained at www.first5la.org/our-board/financials or by writing to First 5 LA at 750 N. Alameda Street, Suite 300, Los Angeles, California 90012.

Related Organization

Los Angeles County Office of Education (LACOE) is a legally separate entity from the County. LACOE is governed by a seven-member Board of Education appointed by the County Board. However, the County's accountability for LACOE does not extend beyond making appointments and no financial benefit/burden relationship exists between the County and LACOE. LACOE is deemed to be a related organization. LACOE issues a separate financial report that can be obtained by writing to the Los Angeles County Office of Education at 9300 Imperial Highway, Downey, California 90242-2890.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-Continued

Basic Financial Statements

In accordance with Governmental Accounting Standards Board Statement (GASB) 34, "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments," the basic financial statements consist of the following:

- Government-wide financial statements;
- Fund financial statements; and
- Notes to the basic financial statements.

Government-wide Financial Statements

The statement of net position and statement of activities display information about the primary government, the County, and its blended and discretely presented component units. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities, except for services provided among funds (other than internal service funds). These statements distinguish between the governmental and business-type activities of the County and between the County and its discretely presented component units.

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 charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the County and for each function of the County's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include charges paid by the recipients of goods or services offered by the programs. Grants and contributions that are restricted to meeting the operational or capital requirements of a particular program are also recognized as program revenues. Revenues that are not classified as program revenues, including all taxes, are presented instead as general revenues.

Net position is classified into the following three components: 1) net investment in capital assets; 2) restricted; and 3) unrestricted. Net position is reported as restricted when it has external restrictions imposed by creditors, grantors, or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation. At June 30, 2023, the restricted net position balances were $5.083 billion and $84.72 million for governmental activities and business-type activities, respectively. For governmental activities, $1.053 billion was restricted by enabling legislation.

When both the restricted and unrestricted components of net position are available, restricted resources are used first and then unrestricted resources are used to the extent necessary.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-Continued

Fund Financial Statements

The fund financial statements provide information about the County's funds, including fiduciary funds and blended component units. Separate statements for each fund category - governmental, proprietary, and fiduciary are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are separately aggregated and reported as nonmajor funds.

In accordance with GAAP, the County reports on each major fund. By definition, the General Fund is always considered a major fund. Funds other than the General Fund must be reported as major funds if they meet both the ten percent and five percent criterion, defined respectively, 1) an individual fund reports at least ten percent of any of the following: a) total fund assets and deferred outflows of resources, b) total fund liabilities and deferred inflows of resources, c) total fund revenues, or d) total fund expenditures/expenses; 2) an individual fund reports at least five percent of the aggregated total for both governmental funds and enterprise funds of any one of the items for which it met the ten percent criterion. In addition, a fund may be reported as major if it is believed to be of particular importance to financial statement users.

The County reports the following major governmental funds:

General Fund

The General Fund is available for any authorized purpose and is used to account for and report all financial resources not accounted for and reported in another fund.

Fire Protection District

The Fire Protection District Fund is used to account for fire prevention and suppression, rescue service, management of hazardous materials incidents, ocean lifeguard services, and acquisition and maintenance of the Fire Protection District property and equipment. Funding comes primarily from the Fire Protection District's statutory share of the Countywide tax levy, voter-approved taxes and charges for services.

Flood Control District

The Flood Control District Fund provides flood protection services that incorporate an integrated water resource management approach in providing flood protection; increases local water availability through conservation efforts; increases stormwater capture and reduces stormwater and urban runoff pollution; and provides passive recreational opportunities. The primary sources of revenue for the Flood Control District are property taxes and benefit assessments (charges for services).

LA County Library

The LA County Library Fund is used to account for free library services to the unincorporated areas of the County and to cities that contract for these services. Funding comes primarily from the Library's statutory share of the Countywide tax levy and voter-approved taxes.

Regional Park and Open Space District

The Regional Park and Open Space District Fund is used to account for the programs designed to preserve beaches, parks, and wild lands, to acquire and renovate new and existing recreational facilities, and to restore rivers, streams, and trails in the County. Funding comes primarily from voter-approved special taxes.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-Continued

Fund Financial Statements-Continued

Mental Health Services Act

The Mental Health Services Act (MHSA) Fund is used to account for the County's mental health delivery system for children, transition age youth, adults, older adults, and families. Revenues are derived primarily by the passage of State Proposition 63 in November 2004. Proposition 63 generates mental health revenue through a one percent income surcharge on individuals with State taxable incomes over $1.00 million.

The County's four Hospital Funds and Waterworks Fund are all considered major funds for presentation purposes. There is one nonmajor enterprise fund (Aviation Fund). The Hospital Enterprise funds provide health services to County residents. Revenues are principally patient service fees. Subsidies are also received from the General Fund. The Waterworks Enterprise Fund provides water services to County residents. Revenues are derived primarily from the sale of water and water service standby charges. The Aviation Enterprise Fund provides airport services for five County airports. Revenues are derived primarily from airport charges and lease payments. A description of each enterprise fund is provided below:

Harbor-UCLA Medical Center

The Harbor-UCLA Medical Center (H-UCLA) provides acute and intensive care unit medical/surgical inpatient and outpatient services, trauma and emergency room services, acute psychiatric services, pediatric and obstetric services, and transplants.

Olive View-UCLA Medical Center

The Olive View-UCLA Medical Center (OV-UCLA) provides acute and intensive care, emergency services, medical/surgical inpatient and outpatient health care services, obstetric and gynecological services, and psychiatric services.

Los Angeles General Medical Center

The Los Angeles General Medical Center, formerly known as the LAC+USC Medical Center, provides acute and intensive care unit medical/surgical inpatient and outpatient services, trauma and emergency room services, a burn center, psychiatric services, renal dialysis, AIDS services, pediatric and obstetric services, and communicable disease services.

Rancho Los Amigos National Rehabilitation Center

The Rancho Los Amigos National Rehabilitation Center (Rancho) specializes in the rehabilitation for victims of spinal cord injuries and strokes, pathokinesiology and polio services, services for liver diseases, pediatrics, ortho diabetes, dentistry, and neuro-science.

Waterworks

The Waterworks Enterprise Fund is used to account for the administration, maintenance, operation and improvement of district water systems.

Nonmajor Aviation

The Aviation Enterprise Fund is used to account for the administration, maintenance, operation and improvement of the five airports which are owned by the County.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-Continued

Fund Financial Statements-Continued

The following fund types have also been reported:

Internal Service Funds

The Internal Service Funds (ISFs) are used to account for the financing of services provided by a department or agency to other departments or agencies on a cost-reimbursement basis. The County's principal Internal Service Fund is used to account for the cost of services provided by the Department of Public Works to various other County funds and agencies.

Fiduciary Fund Types

Pension and Other Postemployment Benefit Trust

The Pension Trust Fund is used to account for the fiduciary activities of the County's Pension Plan administered by LACERA.

The OPEB Trust Fund is used to account for the fiduciary activities of the OPEB trust for the purpose of holding and investing assets to pre-fund the Retiree Healthcare Program administered by LACERA.

Investment Trust

The Investment Trust Fund is used to account for the fiduciary activities from the external portion of the investment pool and individual investment accounts which are administered through a trust agreement or equivalent arrangement in which the County is not a beneficiary. Participants include deposits held on behalf of cities and special districts.

Custodial

External Investment Pools

The External Investment Pools Funds are used to account for the fiduciary activities from the external portion of the investment pool for participants that do not have a trust agreement or equivalent arrangement in which the County is not a beneficiary. The participants primarily consist of deposits held on behalf of school districts, courts, and sanitation districts.

Other Custodial

The Other Custodial Funds include the property tax funds used to account for the fiduciary activities for the monies received from property and other taxes, which must be held pending authority for distribution. They also are used to account for funds which are held for other governmental agencies, including school districts and community college districts, or individuals in a custodial capacity.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-Continued

Basis of Accounting

The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property and sales taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenues from grants and similar items are recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The County considers revenues to be available if collectible within one year after year-end, except for property taxes, which are considered available to the extent that they are collectible within 60 days after year-end. When property taxes are measurable but not available, the collectible portion (taxes levied less estimated uncollectibles) is recorded as deferred inflows of resources in the period when an enforceable legal claim to the assets arises. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims (including workers' compensation) and judgments are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of long-term debt, financed purchase obligations, lease liabilities, and subscription liabilities are reported as other financing sources.

For the governmental funds financial statements, revenues are recorded when they are susceptible to accrual. Specifically, ad valorem property taxes (except for redevelopment agency dissolution), sales taxes, investment income (loss), charges for services, and other miscellaneous revenue are all considered to be susceptible to accrual and have been recognized as revenue in the current fiscal period. Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met and are recorded at the time of receipt or earlier, if the susceptible to accrual criteria are met. When all eligibility requirements are met, except for the timing requirements, a deferred inflow of resources is reported until the time requirements have passed. All other revenues are not considered susceptible to accrual and are recognized when received, including property tax revenues derived from redevelopment agency dissolution.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-Continued

Basis of Accounting-Continued

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County's four Hospital Enterprise Funds (Hospitals) are from patient services. The principal operating revenues for the Waterworks Enterprise Fund, Nonmajor Aviation Enterprise Fund and Internal Service Funds are charges for services. Operating expenses for all Enterprise Funds and the Internal Service Funds include the cost of sales and services, administrative expenses and depreciation and amortization on capital assets. Medical malpractice expenses, which are self-insured, are classified as operating expenses of the Hospitals. All other revenues and expenses not meeting this definition are reported as nonoperating items. As discussed in Note 14, intergovernmental transfer payments are recorded in the Hospitals and this item is classified as a nonoperating expense.

Budgetary Data

In accordance with the provisions of Sections 29000-29144 of the Government Code of the State of California (Government Code), commonly known as the County Budget Act, the County prepares and adopts a budget on or before October 2 for each fiscal year. Budgets are adopted for the major governmental funds and certain nonmajor governmental funds on a basis of accounting that is different from GAAP. Annual budgets were not adopted for the JPAs, Public Buildings and the LACSC debt service funds, the capital project funds and the permanent funds.

The County budget is organized by budget unit and by expenditure object. Budget units are established at the discretion of the Board. Within the General Fund (with certain exceptions), budget units are generally defined as individual departments. For other funds, each individual fund constitutes a budget unit. Expenditures are controlled at the object level for all budget units within the County, except for capital asset expenditures, which are controlled at the sub-object level. The total budget exceeds $46.323 billion and is currently controlled through the use of approximately 500 separate budget units. There were no excesses of expenditures over the related appropriations within any fund for the year ended June 30, 2023. The County prepares a separate budgetary document, the County Budget, which demonstrates legal compliance with budgetary control. This document is made available to the public on the County's website at https://ceo.lacounty.gov/budget, or can be obtained from the Auditor-Controller's office.

Transfers of appropriations between budget units must be approved by the Board. Supplemental appropriations financed by unanticipated revenue during the year must also be approved by the Board. Transfers of appropriations between objects of expenditure within the same budget unit must be approved by the Board or the Chief Executive Office, depending upon the amount transferred. The original and final budget amounts are reported in the accompanying basic financial statements. Any excess of budgetary expenditures and other financing uses over revenues and other financing sources is financed by beginning available fund balances as provided for in the County Budget Act.

Note 16 describes the differences between the budgetary basis of accounting and GAAP. A reconciling schedule is also presented for the major governmental funds.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-Continued

Property Taxes

All jurisdictions within California derive their taxing authority from the State Constitution and various legislative provisions contained in the Government Code and Revenue and Taxation Code. Property is assessed at 100% of full cash or market value (with some exceptions) pursuant to Article XIIIA of the California State Constitution and statutory provisions by the County Assessor and State Board of Equalization. The total Fiscal Year (FY) 2022-2023 assessed valuation of the County approximated $1.911 trillion.

The property tax levy to support general operations of the various jurisdictions is limited to one percent (1%) of full cash value and is distributed in accordance with statutory formulae. Amounts needed to finance the annual requirements of voter-approved debt are excluded from this limitation and are separately calculated and levied each fiscal year. The rates are formally adopted by either the Board or the city councils and, in some instances, the governing board of a special district.

The County is divided into 13,016 tax rate areas, which are unique combinations of various jurisdictions servicing a specific geographic area. The rates levied within each tax rate area vary only in relation to levies assessed as a result of voter-approved taxes or indebtedness.

Property taxes are levied on both real and personal property. Secured property taxes are levied during 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, which 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 5 years, the property may 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 payment and delinquent dates but are generally due within one year. If the new tax liens are lower, the taxpayer receives a tax refund rather than a tax bill. Unsecured personal property taxes are not a lien against real property. These taxes are due on August 1 and become delinquent, if unpaid, on August 31.

Property owners affected by the Coronavirus Disease 2019 (COVID-19) pandemic may have late payment penalties cancelled if they were unable to pay their FY 2022-2023 property taxes by the deadline. The California Revenue and Taxation Code grants the Treasurer and Tax Collector the authority to cancel payment penalties in limited circumstances. The Treasurer and Tax Collector has been accepting requests for a property tax penalty cancellation related to COVID-19. The program ended in March 2023.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-Continued

Legislation Dissolving Redevelopment Agencies and Affect on Property Taxes

State Assembly Bill (AB) x1 26, also referred to as the "Redevelopment Dissolution Act" was approved in 2011. Under AB x1 26, property tax revenues are allocated to pay enforceable legal obligations, pass-through payments and eligible administrative costs. Any remaining property tax revenues, otherwise known as "residual taxes," are distributed as property tax revenue to the appropriate local government agencies, including the County. In FY 2018-2019, 5 Oversight Boards were established in the County per Senate Bill 107. The Oversight Boards are required to evaluate and approve the successor agencies' remaining enforceable legal obligations. The County Auditor-Controller is responsible for disbursing property tax increment revenues in accordance with provisions of AB x1 26 and applicable amendments. For the year ended June 30, 2023, the County's share of residual property tax revenues was $473.40 million, of which $390.53 million was recognized in the County's General Fund.

Deposits and Investments

Deposits and investments as discussed in Note 4 are reflected in the following asset accounts:

Pooled Cash and Investments

As provided for by the Government Code, the cash balances of substantially all funds are pooled and invested by the County Treasurer for the purpose of increasing interest earnings through investment activities. Interest earned on pooled investments is deposited to participating funds based upon each fund's average daily deposit balance during the allocation period. Each respective fund's share of the total pooled cash and investments is included among asset balances under the caption "Pooled Cash and Investments."

Pooled Cash and Investments are identified within the following categories for all County operating funds:

Operating Pooled Cash and Investments

This account represents amounts reflected in the County's day-to-day financial records. Such amounts are utilized to determine the availability of cash for purposes of disbursing and borrowing funds.

Other Pooled Cash and Investments

This account represents amounts identified in various funds as of June 30, 2023, that were owed to or were more appropriately classified in County operating funds. Accordingly, certain cash balances have been reclassified from the custodial funds.

Other Investments

This account represents Pension and OPEB Trust Fund investments, various JPAs, NPCs and Public Buildings (bond financed capital assets, including leases), and amounts on deposit with the County Treasurer, which are invested separately as provided by the Government Code or by specific instructions from the depositing entities.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-Continued

Deposits and Investments-Continued

Restricted Assets

Enterprise Funds' restricted assets represent cash and investments of certain JPAs and Public Buildings projects restricted in accordance with the provisions of the certificates of participation issued. The Internal Service Funds' restricted assets represent cash and investments restricted for debt service in accordance with the provisions of the LACCAL bond indenture. All of the above noted assets are included in the various disclosures in Note 4. These restricted assets are presented as noncurrent assets and are generally associated with long-term bonds and certificates of participation payable.

Lease Receivable

As a lessor, the County recognized a lease receivable and a corresponding deferred inflow of resources based on the payment provisions of the contracts in the government-wide Statement of Net Position and the governmental funds balance sheet as discussed in Note 9. The lease receivable was measured at the present value of lease payments expected to be received during the lease term. The deferred inflows of resources was measured at the value of the lease receivable plus any payments received at or before the commencement of the lease term that relate to future periods. The amount of lease revenue and interest revenue are reflected as program revenues under "Charges for Services" on the Statement of Activities.

Inventories

Inventories, which consist of materials and supplies held for consumption, are valued at cost using the first in/first out basis. The inventory costs of the governmental funds are accounted for as expenditures when the inventory items are purchased. Reported inventories are categorized as nonspendable fund balance as required by GASB 54, "Fund Balance Reporting and Governmental Fund Type Definitions" (GASB 54) because these amounts are not available for appropriation and expenditure.

Capital Assets

Capital assets, which include land and easements, buildings and improvements, equipment, intangible assets, infrastructure assets, lease assets, intangible right-to-use assets, and subscription assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Infrastructure assets are divided into the five following networks: road, water, sewer, flood control and aviation. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Intangible right-to-use assets are defined as lease assets and subscription assets with a useful life of more than one year and are recorded at the present value of future lease or subscription payments, including expenses to place the asset into service. In accordance with GASB Statement Nos. 87 and 96, the County has reported intangible right-to-use assets for land, buildings and improvements, equipment, and subscriptions. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value rather than fair value.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-Continued

Capital Assets-Continued

Capital outlay is recorded as expenditures in the governmental fund financial statements and as assets in the government-wide financial statements to the extent the County's capitalization threshold is met. GASB 89, "Accounting for Interest Cost Incurred before the End of a Construction Period," changed the accounting for interest cost incurred before the end of a construction period for business-type activities and enterprise funds. It requires that such interest cost be recognized as an expense in the period in which the cost is incurred. Accordingly, such interest costs for business-type activity and enterprise funds are no longer capitalized as part of the historical cost of a capital asset.

The County's capitalization thresholds are $5,000 for equipment, $100,000 for buildings and improvements, $1 million for software intangible assets, $100,000 for non-software intangible assets, $25,000 for infrastructure assets, $500,000 for lease assets, and $5,000 for subscription assets. Maintenance and repairs are charged to operations when incurred. Betterments and major improvements, which significantly increase values, change capacities, or extend useful lives are capitalized subject to the threshold in the affected asset category. Upon sale or retirement of capital assets, the cost and the related accumulated depreciation or amortization, as applicable, are removed from the respective accounts and any resulting gain or loss is included in the results of operations. Specific disclosures related to capital assets appear in Note 5. Amortization for software, other intangible assets, lease assets, and subscription assets is included in the reporting of depreciation.

Capital assets are depreciated or amortized using the straight-line method over the following estimated useful lives:

Buildings and Improvements	10 to 50 years
Equipment	2 to 35 years
Software	5 to 25 years
Infrastructure	15 to 100 years
Lease assets	Shorter of the asset's useful life or the lease term
Subscription assets	Shorter of the asset's useful life or the agreement term

Works of art and historical treasures held for public exhibition, education, or research in furtherance of public service, rather than financial gain, are not capitalized. These items are protected, encumbered, conserved, and preserved by the County. It is the County's policy to utilize proceeds from the sale of these items for the acquisition of other items for collection and display.

Deferred Outflows and Inflows of Resources

Pursuant to GASB 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position," and GASB 65, "Items Previously Reported as Assets and Liabilities," the County recognizes deferred outflows of resources and/or deferred inflows of resources in the government-wide statement of net position, governmental funds balance sheets, and proprietary funds statement of net position.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-Continued

Deferred Outflows and Inflows of Resources-Continued

In addition to assets, the financial statements report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to future periods and will not be recognized as an outflow of resources (expense/expenditures) until then.

In addition to liabilities, the financial statements report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time, except for pension and OPEB related deferred inflows of resources, which will be recognized as a credit to expense.

Specific disclosures of items representing deferred outflows and inflows of resources appear in Note 20.

Advances Payable

The County uses certain funds as clearing accounts for the distribution of financial resources to other County funds. Pursuant to GASB 34, for external financial reporting purposes, the portions of the clearing account balances that pertain to other County funds should be reported as cash of the appropriate funds. The corresponding liability is included in “Advances Payable” because the amounts represent unearned revenue. The unspent balance of certain COVID-19 related financial assistance payments are recognized as Advances Payable due to the uncertainty on the revenue recognition. See Note 22 for additional information.

Compensated Absences

Vacation pay benefits accrue to employees ranging from 10 to 25 days per year depending on years of service and the benefit plan. Sick leave benefits accrue at the rate of 10 to 12 days per year for union represented employees depending on years of service. Non-represented employees accrue at a rate of up to eight days of sick leave per year depending on the benefit plan. Employees can also accumulate unused holiday and compensatory time off benefits throughout the year. All benefits are payable upon termination, if unused, within limits and rates as specified in the County Salary Ordinance.

Liabilities for accrued compensated absences are accrued in the government-wide financial statements and in the proprietary funds. For the governmental funds, expenditures are recorded when amounts become due and payable (i.e., when employees terminate from service).

Lease Liability

As a lessee, a lease is defined as a contractual agreement that conveys control of the right-to-use another entity's nonfinancial asset, for a minimum contractual period of greater than one year, in an exchange or exchange-like transaction. The County leases a significant amount of nonfinancial assets such as land, buildings, and equipment. The related lease liabilities are presented in the amounts equal to the present value of lease payments, payable during the remaining lease term. A lease liability, as discussed in Note 9, and the associated right-to-use lease asset, as discussed in Note 5, is recognized on the government-wide Statement of Net Position.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-Continued

Subscription Liability

A subscription is defined as a contractual agreement that conveys control of the right-to-use another entity's information technology software, for a minimum contractual period of greater than one year, in an exchange or exchange-like transaction. The County has entered into various subscription based information technology arrangements. The related subscription liabilities are presented in the amounts equal to the present value of subscription payments, payable during the remaining subscription term. A subscription liability, as discussed in Note 10, and the associated right-to-use subscription asset, as discussed in Note 5, is recognized on the government-wide Statement of Net Position.

Net Pension Liability and Related Balances

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of LACERA and additions to/deductions from LACERA's fiduciary net position have been determined on the same basis as they are reported by LACERA. 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 within the following defined timeframes:

Valuation Date - June 30, 2021 rolled forward to June 30, 2022
Measurement Date - June 30, 2022
Measurement Period - July 1, 2021 to June 30, 2022

Net OPEB Liability and Related Balances - Retiree Healthcare

For purposes of measuring the net OPEB liability related to Retiree Healthcare, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of LACERA and additions to/deductions from LACERA's fiduciary net position have been determined on the same basis as they are reported by LACERA. For this purpose, benefit payments 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 within the following defined timeframes:

Valuation Date - June 30, 2021 rolled forward to June 30, 2022
Measurement Date - June 30, 2022
Measurement Period - July 1, 2021 to June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-Continued

Total OPEB Liability and Related Balances - Long-Term Disability

For purposes of measuring the total OPEB liability related to Long-Term Disability (LTD), deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, have been determined on the same basis as they are reported by the plan. For this purpose, the LTD plan recognizes benefit payments when due and payable in accordance with the benefit terms. Reported results pertain to liability information within the following defined timeframes:

Valuation Date - June 30, 2021 rolled forward to June 30, 2022
Measurement Date - June 30, 2022
Measurement Period - July 1, 2021 to June 30, 2022

Long-term Debt

In the government-wide and proprietary funds financial statements, long-term debt and other long-term obligations, including financed purchase obligations, are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary funds statement of net position. Bond premiums and discounts are amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are recognized in the period issued.

In the governmental funds financial statements, bond premiums, discounts, and issuance costs are recognized in the period issued. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures. Interest is reported as an expenditure in the period in which the related payment is made. The matured portion of long-term debt (i.e., portion that has come due for payment) is reported as a liability in the fund financial statements of the related fund.

Fund Balances

In the fund financial statements, the governmental funds report the classification of fund balance in accordance with GASB 54. The reported fund balances are categorized as nonspendable, restricted, committed, assigned, or unassigned based on the extent to which the County is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Specific details related to Fund Balances appear in Note 21.

Nonspendable Fund Balance - amounts that cannot be spent because they are either (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example: inventories and long-term notes receivable.

Restricted Fund Balance - amounts with constraints placed on their use that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation. Restrictions may effectively be changed or lifted only by changing the condition of the constraint.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-Continued

Fund Balances-Continued

Committed Fund Balance - amounts that can only be used for the specific purposes determined by a formal action of the County's highest level of decision-making authority, the County's Board. Commitments may be changed or lifted only by the County taking the same formal action that imposed the constraint originally. The underlying action that imposed the limitation needs to occur no later than the close of the fiscal year.

Assigned Fund Balance - amounts intended to be used by the County for specific purposes that are neither restricted nor committed. The intent can be established at either the highest level of decision making, or by a body or an official designated for that purpose. Authorization to assign fund balance rests with the County's Board through the budget process. The Board has also delegated authority to the Chief Executive Officer and County Department Heads for contracts and purchasing authority.

Unassigned Fund Balance - the residual classification for the County's General Fund that includes amounts not contained in other classifications. In other funds, the unassigned classification is used only if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes.

The Board establishes, modifies, or rescinds fund balance commitments by passage of an ordinance or resolution. For its budget, the County utilizes the GASB 54 criteria and an ordinance or resolution that are equally binding, for purposes of establishing a fund balance commitment. This is done through the adoption of the budget and subsequent amendments that occur throughout the fiscal year.

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

Cash Flows

For purposes of reporting cash flows, all amounts reported as "Pooled Cash and Investments," "Other Investments," and "Restricted Assets" are considered cash equivalents. Pooled cash and investment amounts represent funds held in the County Treasurer's cash management pool. Other investments and restricted assets are invested in money market mutual funds and U.S. Treasury securities held by outside trustees. Such amounts are similar in nature to demand deposits (i.e., funds may be deposited and withdrawn at any time without prior notice or penalty).

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of certain assets and deferred outflows of resources, liabilities and deferred inflows of resources, disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

2. NEW ACCOUNTING PRONOUNCEMENTS

The following GASB Statements have been implemented in the current basic financial statements.

GASB Statement No. 91 - Statement No. 91, "Conduit Debt Obligations", provides a single method of reporting conduit debt obligations by issuer and eliminates diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This statement is effective for reporting periods beginning after December 15, 2021. This statement did not have a material impact on the financial statements. See Note 13 for additional information.

GASB Statement No. 94 - Statement No. 94, "Public-Private and Public-Public Partnerships and Availability Payment Arrangements", improves financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. This statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The statement is effective for reporting periods beginning after June 15, 2022. See Note 6 for additional information.

GASB Statement No. 96 - Statement No. 96, "Subscription-Based Information Technology Arrangements" provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs). This statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. This statement is effective for fiscal years beginning after June 15, 2022. See below for the restatement of Net Position, capital assets and long-term obligations due to implementation of this statement.

GASB Statement No. 99 - Statement No. 99, "Omnibus 2022", enhances comparability in accounting and financial reporting and improves the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. GASB Statement No. 99, paragraphs 11-25 are effective for reporting periods beginning after June 15, 2022. This statement did not have a material impact to the financial statements.

2. NEW ACCOUNTING PRONOUNCEMENTS-Continued

Restatement of Net Position

GASB 96

The County implemented GASB 96 during the fiscal year, which resulted in a restatement of net position, capital assets and long-term obligations. LACDA's net position was also restated due to the acquisition of a prior year capital asset. Net position at July 1, 2022, as restated is shown in the table below.

Table of beginning net position and fund balance restatements (in thousands):

	Government-wide
	Governmental Activities
Net position at July 1, 2022, as previously reported	$ (9,115,455)
Add capital assets, intangible asset - right-to-use subscription asset under GASB Statement No. 96 at July 1, 2022 (See Note 5)	55,802
Less subscription liabilities under GASB Statement No. 96 at July 1, 2022 (See Note 11)	(55,237)
Net position at July 1, 2022, as restated	$ (9,114,890)

	Internal Service Funds	Discretely Presented Component Units
	Public Works	LACDA
Net position at July 1, 2022, as previously reported	$ (1,207,154)	$ 719,671
Add capital assets, intangible asset - right-to-use subscription asset under GASB Statement No. 96 at July 1, 2022 (See Note 5)	613	271
Less subscription liabilities under GASB Statement No. 96 at July 1, 2022	(613)	
Prior year capital asset acquisition (See Note 5)		3,498
Net position at July 1, 2022, as restated	$ (1,207,154)	$ 723,440

Although the net position for the Internal Service Funds was not restated, it was included in the table above to show the impact of the implementation of GASB 96.

3. DEFICIT NET POSITION

The following activities/funds had a net deficit at June 30, 2023 (in thousands):

	Accumulated Deficit
Government-wide:	
Governmental Activities	$ 11,042,614
Business-type Activities	816,322
Enterprise Funds:	
Harbor-UCLA Medical Center	351,460
Olive View-UCLA Medical Center	584,724
Los Angeles General Medical Center	829,515
Rancho Los Amigos National Rehab Center	16,465
Internal Service Funds:	
Public Works	1,213,476

The government-wide governmental and business-type activities, enterprise and internal service funds deficits result primarily from the recognition of certain liabilities including accrued compensated absences, net pension liability, net OPEB liability, workers' compensation, self-insurance and, for the enterprise funds, medical malpractice, and third party payors, as required by GAAP. Deficits are expected to continue until such liabilities are retired through user charges or otherwise funded.

4. CASH AND INVESTMENTS

Investments in the County's cash and investment pool, other cash and investments, and Pension and OPEB Trust Funds investments, are stated at fair value. Aggregate pooled cash and investments and other cash and investments are as follows at June 30, 2023 (in thousands):

			Restricted Assets		
	Pooled Cash and Investments	Other Investments	Pooled Cash and Investments	Other Investments	Total
Governmental Funds	$ 15,912,770	62,382			$ 15,975,152
Proprietary Funds	1,156,418		96,265	3,390	1,256,073
Fiduciary Funds (excluding Pension and OPEB)	34,733,467	146,448			34,879,915
Pension and OPEB Trust Funds	129,878	78,641,958			78,771,836
Discretely Presented Component Units	182,030	791,448		11,870	985,348
Total	$ 52,114,563	79,642,236	96,265	15,260	$ 131,868,324

A summary of cash and investments (by type) as of June 30, 2023 is as follows (in thousands):

Cash:	
County	
Imprest Cash	$ 6,099
Cash in Vault	188
Cash in Bank	256,436
Deposits in Transit	11,697
Held by Outside Trustees	1
LACDA	28,045
Total Cash	302,466
Investments:	
In Treasury Pool	51,936,404
In Specific Purpose Investment (SPI)	281,398
In Other Specific Investments	302
Held by Outside Trustees	63,183
In LACERA	78,641,958
In Discretely Presented Component Unit - LACDA	642,613
Total Investments	131,565,858
Total Cash and Investments	$ 131,868,324

Cash and investments are reported as follows:

Governmental Funds	$ 15,975,152
Proprietary Funds	1,256,073
Investment Trust Fund	503,162
Custodial Funds	34,376,753
Pension and OPEB Trust Funds (LACERA)	78,771,836
Discretely presented component units:	
First 5 LA	286,759
LACDA	698,589
Total Cash and Investments	$ 131,868,324

4. CASH AND INVESTMENTS-Continued

County Treasurer Cash

As of June 30, 2023, the County Treasurer (Treasurer) maintained accounts in six banks. The carrying amount of the Treasurer's total deposits in financial institutions was $256.44 million, deposits in transit were $11.70 million, and cash in the Treasurer's vault was $188 thousand.

Under California Government Code Section 53652, each financial institution in California is required to pledge a pool of securities as collateral against all of its public deposits. California Government Code Section 53651 and 53652 delineate the types of eligible securities and the required collateral percentage of at least 110%, respectively. However, for the letters of credit issued by the Federal Home Loan Bank of San Francisco, with the consent of the Treasurer, the California Government Code 53632 only requests the collateral percentage to be 105%. In addition, under California Government Code Section 53653, the Treasurer has discretion to waive security for the portion of any deposits as insured pursuant to federal law. Through contractual agreement, the Treasurer has opted to waive security for the portion of deposits that is federally insured.

The total balance of deposits in financial institutions was covered by federal depository insurance or collateralized with securities monitored by the Department of Financial Protection and Innovation (DFPI). DFPI confirmed that the pools of collateral related to the County Treasurer's deposits were maintained at required levels as of June 30, 2023.

County Investment Pool

California Government Code Sections 53601 and 53635 authorize the Treasurer to invest the External Investment Pool (Pool) and SPI funds in obligations of the United States Treasury, federal agencies, municipalities, asset-backed securities, bankers' acceptances, commercial paper, negotiable certificates of deposit, medium-term notes, corporate notes, repurchase agreements, reverse repurchase agreements, forwards, futures, options, shares of beneficial interest of a Joint Powers Authority (JPA) that invests in authorized securities, shares of beneficial interest issued by diversified management companies known as money market mutual funds (MMF) registered with the Securities and Exchange Commission (SEC), securities lending agreements, the State of California's Local Agency Investment Fund (LAIF), and supranational institutions. California Government Code Section 53534 authorizes the Treasurer to enter into interest rate swap agreements. However, these agreements are only used in conjunction with the sale of the bonds approved by the Board. As permitted by the California Government Code, the Treasurer developed, and the Board adopted, an Investment Policy that further defines and restricts the limits within which the Treasurer may invest. The investments are managed by the Treasurer, which reports investment activity to the Board on a monthly basis. In addition, the Treasurer's investment activity is subject to an annual investment policy review, compliance oversight, quarterly financial review, and annual financial reporting. The Treasurer also maintains Other Specific Investments, which are invested pursuant to Section 1300.76.1, Title 28, California Code of Regulations. The County has not provided nor obtained any legally binding guarantees during the year ended June 30, 2023, to support the value of shares in the Pool.

4. CASH AND INVESTMENTS-Continued

County Investment Pool-Continued

The School Districts and the Superior Court are required by legal provisions to participate in the County's investment pool. Sixty percent (59.87%) of the Treasurer's Pool consists of these involuntary participants. Voluntary participants in the County's Pool include the Sanitation Districts, Metropolitan Transportation Authority, the South Coast Air Quality Management District and other special districts with independent governing boards. The deposits held for both involuntary and voluntary entities are included in either the Investment Trust Fund or the External Investment Pool (Custodial Fund). Certain SPI have been made by the County as directed by external depositors. This investment activity occurs separately from the County's Pool and is reported in the External Specific Investment Pool (Custodial Fund) in the amount of $146.15 million. The Pool is not registered as an investment company with the SEC. California Government Code statutes and the County Board set forth the various investment policies that the Treasurer must follow.

Investments are stated at fair value and are valued on a monthly basis. The Treasurer categorizes its fair value measurements within the fair value hierarchy established by GAAP. Securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Securities classified in Level 2 of the fair value hierarchy are valued using other observable inputs such as matrix pricing techniques or based on quoted prices for assets in markets that are not active. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. Level 3 inputs are significant unobservable inputs. Securities classified in Level 3 are valued using the income approach such as discounted cash flow techniques. Investment in an external government investment pool is not subject to reporting within the level hierarchy.

Investments in LAIF are governed by the California Government Code and overseen by a five member Local Investment Advisory Board as designated by the California Government Code. As of June 30, 2023, the total amount invested by all California local governments and special districts in LAIF was $25.680 billion. LAIF is part of the State of California's Pooled Money Investment Account (PMIA), which as of June 30, 2023 had a balance of $178.383 billion. The PMIA is not SEC registered, but is required to invest according to the California Government Code. Included in the PMIA's investment portfolio are structured notes and asset-backed securities totaling $4.960 billion at June 30, 2023. Collectively, these represent 2.78% of the PMIA balance of $178.383 billion. The SPI holdings in the LAIF investment pool as of June 30, 2023, were $40.63 million, which were valued using a fair value factor provided by LAIF.

4. CASH AND INVESTMENTS-Continued

County Investment Pool-Continued

The Treasurer has the following recurring fair value measurements as of June 30, 2023 (in thousands):

		Fair Value Measurement Using			
Pool	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	External Government Investment Pools
Commercial Paper	$ 13,701,956	$	$ 13,701,956	$	$
Corporate and Deposit Notes	10,480		10,480		
Los Angeles County Securities	4,725			4,725	
Negotiable Certificates of Deposit	2,948,935		2,948,935		
U.S. Agency Securities	25,342,975		25,342,975		
U.S. Treasury Securities:					
U.S. Treasury Notes	2,544,684		2,544,684		
U.S. Treasury Bills	7,360,319		7,360,319		
Municipals	22,330		22,330		
Total Investments	$ 51,936,404	$	$ 51,931,679	$ 4,725	$
SPI					
Local Agency Investment Fund	$ 40,634	$	$	$	$ 40,634
Los Angeles County Securities	2,588			2,588	
U.S. Agency Securities	199,199		199,199		
U.S. Treasury Securities:					
U.S. Treasury Notes	38,977		38,977		
Total Investments	$ 281,398	$	$ 238,176	$ 2,588	$ 40,634
Other Specific Investments					
U.S. Treasury Bills	$ 302	$	$ 302	$	$
Total Investments	$ 302	$	$ 302	$	$

4. CASH AND INVESTMENTS-Continued

County Investment Pool-Continued

As permitted by the Government Code, the Treasurer developed, and the Board adopted, an Investment Policy that further defines and restricts the limits within which the Treasurer may invest. The table below identifies the investment types that are authorized by the County, along with the related concentration of credit limits:

	Maximum Maturity		Maximum Percentage of Portfolio		Maximum Investment In One Issuer		Minimum Rating	
Authorized Investment Type	**Gov. Code**	**Pool Policy**	**Gov. Code**	**Pool Policy**	**Gov. Code**	**Pool Policy**	**Gov. Code**	**Pool Policy**
U. S. Treasury Notes, Bills and Bonds	5 years	None (1)	None	None	None	None	None	None
U.S. Agency Securities	5 years	None (1)	None	None	None	None	None	None
Local Agency Obligations	5 years	5 years (2)	None	10%*	None	None	None	None (2)
Asset-Backed Securities	5 years	5 years	20%	20%	None	$750 million*	AA	AA (3)*
Bankers' Acceptances	180 days	180 days	40%	40%	30%	$750 million*	None	A-1/P-1/F1*
Negotiable Certificates of Deposit (4)	5 years	3 years*	30%	30%	None	$750 million*	None	A-1/P-1/F1*
Commercial Paper	270 days	270 days	40%	40%	10%	$1.5 billion*	A-1	A-1/P-1/F1
Corporate and Depository Medium-Term Notes (5)	5 years	3 years*	30%	30%	None	$750 million*	A	A-1/P-1/F1*
LAIF	N/A	N/A	None	$75 million (6)	None	None	None	None
Shares of Beneficial Interest	N/A	N/A	20%	15%*	10%	10%	AAA	AAA
Repurchase Agreements	1 year	30 days*	None	$1 billion*	None	$500 million*	None	None
Reverse Repurchase Agreements	92 days	92 days	20%	$500 million*	None	$250 million*	None	None
Forwards, Futures, and Options	N/A	90 days*	None	$100 million*	None	$50 million*	None	A*
Interest Rate Swaps	N/A	None	None	None	None	None	A	A
Securities Lending Agreements	92 days	92 days	20%	20% (7)	None	None	None	None
Supranationals	5 years	5 years	30%	30%	None	None	AA	AA

(1) Pursuant to the California Government Code 53601, the Board granted authority to make investments in U.S. Treasury Notes, Bills and Bonds, and U.S. Agency Securities that have maturities beyond 5 years.

(2) Any obligation issued or caused to be issued on behalf of other County affiliates must have a minimum rating of "A3" (Moody's) or "A-" (S&P or Fitch) and the maximum maturity is limited to thirty years. Any short- or medium-term obligation issued by the State of California or a California local agency must have a minimum rating of "MIG-1" or "A2" (Moody's) or "SP-1" or "A" (S&P) and the maximum maturity is limited to 5 years.

(3) All Asset-Backed securities must be rated at least "AA." Pool Policy also requires that Asset-Backed securities issuers' debts be rated "A" or its equivalent or better.

(4) Euro Certificates of Deposit are further restricted to a maximum maturity of one year and a maximum percentage of portfolio of 10%.

(5) Floating Rate Notes are further restricted to a maximum maturity of 5 years, maximum of 10% of the portfolio, and maximum investment in one issuer of $750 million. The maximum maturity may be 7 years, provided that the Board's authorization to exceed maturities in excess of 5 years is in effect, of which $100 million par value may be greater than 5 years to maturity.

(6) The maximum percentage of the portfolio is based on the investment limit established by LAIF for each account, not by Pool Policy.

(7) The maximum par value is limited to a combined total of reverse repurchase agreements and securities lending agreements of 20% of the base value of the portfolio.

*Represents restriction in which the County's Investment Policy is more restrictive than the California Government Code.

4. CASH AND INVESTMENTS-Continued

County Investment Pool-Continued

A summary of investments held by the Pool at June 30, 2023 is as follows (dollars in thousands):

Pool	Fair Value	Principal	Interest Rate Range	Maturity Range	Weighted Average Maturity In Years
Commercial Paper	$ 13,701,956	$ 13,704,557	4.77% - 5.50%	07/03/23 - 11/03/23	0.12
Corporate and Deposit Notes	10,480	10,996	0.50%	06/18/24	0.97
Los Angeles County Securities	4,725	5,000	5.83%	06/30/25	2.00
Negotiable Certificates of Deposit	2,948,935	2,950,000	4.95% - 5.91%	07/03/23 - 04/01/24	0.23
Municipals	22,330	23,462	2.96%	08/01/24	1.09
U.S. Agency Securities	25,342,975	27,673,715	0.50% - 6.00%	07/03/23 - 01/05/34	3.32
U.S. Treasury Securities:					
U.S. Treasury Notes	2,544,684	2,842,726	0.25% - 1.13%	05/15/24 - 11/15/30	3.14
U.S. Treasury Bills	7,360,319	7,363,691	4.33% - 5.26%	07/05/23 - 06/13/24	0.29
Total	$ 51,936,404	$ 54,574,147			1.86

The unrealized loss on investments held in the Pool was $2.638 billion as of June 30, 2023. This amount takes into account all changes in fair value that occurred during the year. The method used to apportion the unrealized loss was based on a pro-rata share of each funds' cash balance as of June 30, 2023 relative to the County Pool balances. A separate financial report is issued for the Pool for the year ended June 30, 2023 and can be obtained at https://ttc.lacounty.gov/investor-information/.

Specific Purpose Investments and Other Specific Investments

A summary of investments held by the SPI and Other Specific Investments at June 30, 2023 is as follows (dollars in thousands):

SPI	Fair Value	Principal	Interest Rate Range	Maturity Range	Weighted Average Maturity In Years
Local Agency Investment Fund	$ 40,634	$ 41,260			
Los Angeles County Securities	2,588	2,475	5.00%	12/02/27	4.43
U.S. Agency Securities	199,199	222,542	2.00% - 5.21%	11/15/23 - 08/27/43	6.26
U.S. Treasury Notes	38,977	39,940	1.50%	02/29/24	0.67
Total	$ 281,398	$ 306,217			4.46

Other Specific Investments	Fair Value	Principal	Interest Rate Range	Maturity Range	Weighted Average Maturity In Years
U.S. Treasury Bills	$ 302	$ 302	5.07%	11/24/23	0.40

4. CASH AND INVESTMENTS-Continued

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The County's Investment Policy limits most investment maturities to less than five years, with the exception of U.S. Treasury Notes, Bills, and Bonds and U.S. Agency Securities, which may have maturities beyond five years. The Treasurer manages the Pool and mitigates exposure to declines in fair value by generally investing in short-term investments with maturities of six months or less and by holding all investments to maturity.

Historically, the Treasurer manages the Pool's exposure to declines in fair value by limiting its weighted average maturity target to a range between 1.0 and 2.0 years, in accordance with the Investment Policy. However, due to increased fluctuations of the Pool size and market activity resulting from COVID-19, the Treasurer increased the weighted average maturity target to between 1.0 and 3.0 years in FY 2020-2021 as permitted under the Investment Policy. Due to continued fluctuations in the Pool size and market activity resulting from COVID-19, the Treasurer further increased the weighted average maturity target to between 1.0 and 4.0 years on August 30, 2021. For purposes of computing weighted average maturity, the maturity date of variable-rate notes is the stated maturity.

The balance of the Pool's investments at June 30, 2023, is $51.936 billion, of which 61.38% will mature in six months or less. Of the remainder, 35.44% have a maturity of more than one year. At June 30, 2023, the weighted average maturity in years for the Pool was 1.86 years.

The California Government Code and the Investment Policy allow the Treasurer to purchase floating rate notes, that is, any instruments that have a coupon interest rate that is adjusted periodically due to changes in a base or benchmark rate. The Investment Policy limits the amount invested in floating rate notes to 10% of the Pool portfolio. The Investment Policy prohibits the purchase of inverse floating rate notes and hybrid or complex structured investments and for the year ended June 30, 2023, the Pool contained floating rate notes at fair value of $5.00 million (0.01% of the Pool). The notes are tied to the six-month U.S. Treasury Bill and Bank of America prime rates. The fair value of variable securities is generally less susceptible to changes in value than fixed rate securities because the variable-rate coupon resets back to the market rate on a periodic basis.

At June 30, 2023, there were no variable rate notes in the SPI and Other Specific Investments.

Fair value fluctuates with interest rates, and increasing interest rates could cause fair value to decline below original cost. County management believes the liquidity in the portfolios is adequate to meet cash flow requirements and to preclude the County from having to sell investments below original cost for that purpose.

Custodial Credit Risk

Custodial credit risk for investments is the risk that the Treasurer will not be able to recover the value of investment securities that are in the possession of an outside party. Investments are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the Treasurer and are held by either the counterparty, or the counterparty's trust department or agent but not in the Treasurer's name. At year-end, all Pool, SPI and Other Specific Investment securities, except for the Rancho Palos Verdes Redevelopment Agency Tax Allocation Bond (RPV Bond), Bond Anticipation Notes (BANS) and LAIF, were held by the custodian bank in the name of the Treasurer. The RPV Bond and BANS were held in the Treasurer's vault and are recorded in the Los Angeles County Securities line item. The LAIF investments were managed by the State of California and the County is considered a pool participant.

4. CASH AND INVESTMENTS-Continued

Credit Risk and Concentration of Credit Risk

Credit risk is the risk that an issuer, or other counterparty to an investment, will not fulfill its obligations. Concentration of credit risk is the risk of loss attributed to the magnitude of an investment in a single issuer. The County mitigates these risks by holding a diversified portfolio of high quality investments.

The Investment Policy establishes acceptable credit ratings for investments from any two of three Nationally Recognized Statistical Rating Organizations (NRSRO). For an issuer of short-term debt, the rating must be no less than A-1 (S&P) or P-1 (Moody's), and F-1 (Fitch) while an issuer of long-term debt shall be rated no less than an "A." All investments purchased during the year ended June 30, 2023 met the credit rating criteria in the Investment Policy, at the issuer level. However, while the NRSROs did rate the issuer of the investments purchased, the NRSROs did not, in all instances, rate the investment itself (e.g., commercial paper, corporate and deposit notes, negotiable certificates of deposit, and U.S. Treasury bills, bonds and notes). Accordingly, for purposes of reporting the credit quality distribution of investments, some investments are reported as not rated.

The Investment Policy also permits investments in LAIF, pursuant to California Government Code Section 16429.1. At June 30, 2023, a portion of the SPI was invested in LAIF, which is unrated as to credit quality.

The Pool and SPI had the following investments in a single issuer that represent 5% or more of total investments at June 30, 2023 (dollars in thousands):

Issuer	Pool		SPI	
	Fair Value	% of Portfolio	Fair Value	% of Portfolio
Federal Home Loan Bank	$ 9,613,104	18.51%	$ 104,718	37.21%
Federal Home Loan Mortgage Corporation	6,581,349	12.67%	55,223	19.63%
Federal Farm Credit Bank	6,496,390	12.51%	39,258	13.95%
Federal National Mortgage Association	2,652,132	5.11%		

4. CASH AND INVESTMENTS-Continued

Credit Risk and Concentration of Credit Risk-Continued

The following is a summary of the credit quality distribution and concentration of credit risk by investment type as a percentage of each portfolio's fair value at June 30, 2023:

Pool	S&P	Moody's	Fitch	% of Portfolio
Commercial Paper	Not Rated	Not Rated	Not Rated	26.38 %
Corporate and Deposit Notes	A+	A1	A+	0.02 %
Los Angeles County Securities	Not Rated	Not Rated	Not Rated	0.01 %
Municipals	AA	Not Rated	AA	0.04 %
Negotiable Certificates of Deposits	Not Rated	Not Rated	Not Rated	5.68 %
U.S. Agency Securities	AA+	Aaa	AAA	17.53 %
	AA+	Not Rated	AAA	0.05 %
	AA+	Aaa	Not Rated	8.74 %
	AA+	WR	AAA	0.26 %
	Not Rated	Aaa	A+	0.09 %
	Not Rated	Aaa	AAA	5.59 %
	Not Rated	Aaa	Not Rated	0.05 %
	Not Rated	Not Rated	Not Rated	16.49 %
U.S. Treasury Securities*				19.07 %
				100.00 %
SPI				
Local Agency Investment Fund	Not Rated	Not Rated	Not Rated	14.44 %
Los Angeles County Securities	Not Rated	Not Rated	Not Rated	0.92 %
U.S. Agency Securities	AA+	Aaa	AAA	19.76 %
	AA+	Aaa	Not Rated	30.01 %
	Not Rated	Aaa	AAA	1.39 %
	Not Rated	Aaa	Not Rated	2.07 %
	Not Rated	Not Rated	Not Rated	17.56 %
U.S. Treasury Securities*				13.85 %
				100.00 %
Other Specific Investments				
U.S. Treasury Securities*				100.00 %
				100.00 %

*Pursuant to GASB Statement No. 40, unless there is information to the contrary, obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk and do not require disclosure of credit quality.

4. CASH AND INVESTMENTS-Continued

Reverse Repurchase Agreements

The California Government Code permits the Treasurer to enter into reverse repurchase agreements, that is, a sale of securities with a simultaneous agreement to repurchase them in the future at the same price plus a contract rate of interest. The fair value of the securities underlying reverse repurchase agreements normally exceeds the cash received, providing the broker-dealer a margin against a decline in the fair value of the securities. If the broker-dealer defaults on the obligation to resell these securities to the County or provide securities or cash of equal value, the County would suffer an economic loss equal to the difference between the fair value plus accrued interest of the underlying securities and the agreement obligation, including accrued interest.

The County's investment guidelines limit the maximum par value of reverse repurchase agreements to $500.00 million and proceeds from reverse repurchase agreements may only be reinvested in instruments with maturities at or before the maturity of the reverse repurchase agreement. During the fiscal year, the County did not enter into any reverse repurchase agreements.

Securities Lending Transactions

For the year ended June 30, 2023, the Pool did not enter into any securities lending transactions.

Cash and Investments - Held by Outside Trustees

NPC and JPAs have been established for the purpose of rendering assistance to the County to refinance, acquire, construct, improve, lease and sell properties and equipment, including the construction of buildings, and purchase of equipment, land, and any other real or personal property, for the benefit of County residents, through the issuance of bonds, certificates of participation notes (COPs) and commercial paper.

The NPC and JPAs' cash is invested with the outside trustees and the amounts are held in the NPC and JPAs name. Investment practices are governed by the County's investment guidelines, established pursuant to the California Government Code and the County Board's action.

Investments are stated at fair value. Deposits held by outside trustees as of June 30, 2023 were $626. A total of $72.29 million of investments held by outside trustees are invested in the Pool. In addition, the outside trustees invested $63.18 million outside of the Pool.

The following is a summary of investments held by outside trustees as of June 30, 2023 (dollars in thousands):

	Fair Value	Principal	Interest Rate Range	Maturity Range	Weighted Average Maturity (Years)
U.S. Treasury Securities:					
U.S. Treasury Bonds	$ 19,943	$ 19,943		11/15/26 - 11/15/28	4.56
U.S. Treasury Notes	2,955	2,955	0.41% - 2.99%	11/30/23 - 05/31/26	0.22

	Net Asset Value
Money Market Mutual Funds	$ 40,285

4. CASH AND INVESTMENTS-Continued

The following is a summary of the credit quality distribution and concentration of credit risk as of June 30, 2023:

Other Investments	S&P	Moody's	Fitch	% of Portfolio
Money Market Mutual Funds	Not Rated	Not Rated	Not Rated	63.76%
U.S. Treasury Securities *				36.24%
				100.00%

*Pursuant to GASB Statement No. 40, unless there is information to the contrary, obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk and do not require disclosure of credit quality.

LACERA Investment Portfolio

Narratives and tables presented for the Pension and OPEB Trust funds managed by LACERA are taken directly from LACERA's ACFR for the year ended June 30, 2023 (certain terms have been modified to conform with the County's ACFR presentation). The custodial credit risk, credit risk, concentration of credit risk, interest rate risk, and foreign currency risk related to Pension and OPEB Trust Fund investments are different than the corresponding risk on investments held by the Treasurer. Detailed deposit and investment risk disclosures are included in Note G and Note I and the fair value measurement disclosures are included in Note P of LACERA's ACFR.

Investments

The investments of the Pension and OPEB Trust Funds are reported at fair value at June 30, 2023, (in thousands) and are as follows:

	Fair Value
Cash Collateral on Loaned Securities	$ 1,869,433
Short-term Investments	2,289,958
Domestic and International Equity	28,598,874
Fixed Income	19,162,790
Real Estate*	5,421,420
Real Assets	2,514,132
Private Equity	13,894,495
Hedge Funds	4,890,856
Total	$ 78,641,958

* Refer to Note J of LACERA's ACFR for the year ended June 30, 2023, for additional discussion on special purpose entities.

The Pension and OPEB Trust Funds also had deposits with the Pool at June 30, 2023 totaling $129.88 million.

4. CASH AND INVESTMENTS-Continued

LACERA Investment Portfolio-Continued

Investment Risks

The County Employees Retirement Law of 1937 (CERL) vests the Board of Investments (BOI) with exclusive control over LACERA's investment portfolio. The BOI established Investment Policy Statements and Manager Guidelines for the management of the LACERA defined benefit retirement plan (Pension Plan) and the LACERA Other Post-Employment Benefit Master Trust (OPEB Master Trust or OPEB Trust). BOI exercises authority and control over the management of LACERA's Fiduciary Net Position Restricted for Benefits by setting a policy that the investment staff executes either internally or through the use of prudent external experts.

Each Investment Policy Statement recognizes that every investment asset class and type is subject to certain risks. Outlined below are the deposit and investment risks as they relate to fixed income investments.

Credit Risk

Credit risk is the risk that an issuer or a counterparty to an investment transaction will not fulfill its obligations, causing the investment to decline in value. LACERA seeks to maintain a diversified portfolio of fixed income instruments in order to obtain the highest total return for the Pension plan at an acceptable level of risk within this asset class. To control credit risk, credit quality guidelines have been established.

Investment Grade Bonds

Investment Grade bonds are categorized as a component of the Risk Reduction and Mitigation functional asset category. LACERA invests with Core investment grade bond managers. Investment guidelines for Core managers require that they invest predominantly in sectors represented in their benchmark index, which consists 100% of bonds rated investment grade. As a result, Core portfolios contain almost 100% of bonds rated investment grade by the major credit rating agencies: Moody's, S&P, and Fitch.

High Yield Bonds

Dedicated High Yield bond portfolios are categorized in the Credit functional asset category. By definition, high yield bonds are securities rated below investment grade. Therefore, the majority of bonds in the high yield portfolios are rated below investment grade by at least one of the major credit rating agencies: Moody's, S&P, and Fitch.

The credit portfolios allow for the assumption of more credit risk than Investment Grade portfolios by investing in securities that include unrated bonds, bonds rated below investment grade issued by corporations undergoing financial stress or distress, junior tranches of structured securities backed by residential and commercial mortgages, bank loans, illiquid credit, and emerging market debt. LACERA utilizes specific investment manager guidelines for these portfolios that may include limiting maximum exposure by issuer, industry, and sector, which result in well-diversified portfolios.

4. CASH AND INVESTMENTS-Continued

LACERA Investment Portfolio-Continued

Credit Quality Ratings

The following is a schedule as of June 30, 2023 of the credit quality ratings by Moody's, a nationally recognized statistical rating organization, of investments in fixed income securities. Whole loan mortgages included in the Pension Plan portfolio of $9.89 million are excluded from this presentation.

Credit Quality Ratings of Investments in Fixed Income Securities - Pension Plan
As of June 30, 2023
(dollars in thousands)

Quality Ratings	U.S. Treasuries	U.S. Govt. Agencies	Municipals	Corporate Debt/Credit Securities	Pooled Investment	Non U.S. Fixed Income	Private Placement Fixed Income	Total	Percentage of Portfolio
Aaa	$ 5,565,802	809,069		130,970	1,293,657	1,030	91,385	$ 7,891,913	44.06 %
Aa			5,129	21,880	61,540	635	21,854	111,038	0.62 %
A			1,112	285,590	336,059	29,900	31,502	684,163	3.82 %
Baa				310,753	359,095	23,429	50,271	743,548	4.15 %
Ba			1,900	167,781	7,786	23,355	280,349	481,171	2.69 %
B				868,205		90,284	507,379	1,465,868	8.18 %
Caa				185,790		6,745	155,347	347,882	1.94 %
Ca				5,995			2,183	8,178	0.05 %
C				987		101	2,680	3,768	0.02 %
Not Rated		464		209,735	5,773,745	48,102	142,088	6,174,134	34.47 %
Total Investment in Fixed Income Securities - Pension Plan	$ 5,565,802	809,533	8,141	2,187,686	7,831,882	223,581	1,285,038	$17,911,663	100.00 %

Note: Pooled Investments included within the Not Rated Quality Ratings, represent investments in commingled funds. The Credit Quality Ratings table does not include holdings with commingled investment structures or structures that are not directly held in custody by LACERA's global custodian, State Street Bank and Trust Company.

Credit Quality Ratings of Investments in Fixed Income Securities - OPEB Trust
As of June 30, 2023 (dollars in thousands)

Quality Ratings	U.S. Treasuries	Pooled Investments	Total	Percentage of Portfolio
Aaa	$ 75,346	$	$ 75,346	6.07 %
Not Rated		1,165,887	1,165,887	93.93 %
Total Investment in Fixed Income Securities - OPEB Trust	$ 75,346	$ 1,165,887	$ 1,241,233	100.00 %

Note: Pooled Investments included with the Not Rated Quality represents investments in commingled funds. For FY 2022-2023, the OPEB Trust held fixed income securities.

4. CASH AND INVESTMENTS-Continued

LACERA Investment Portfolio-Continued

Custodial Credit Risk

LACERA's contract with its custodian, State Street Bank and Trust (Bank), provides that the Bank may hold LACERA's securities registered in the Bank's or its agent's nominee name, in bearer form, book-entry form, with a clearing house corporation, or with a depository, so long as the Bank's records clearly indicate that the securities are held in custody for LACERA's account. The Bank may also hold securities in custody in LACERA's name when required by LACERA. When held in custody by the Bank, the securities are not at risk of loss in the event of the Bank's financial failure, because the securities are not property (assets) of the Bank. Cash invested overnight in the Bank's depository accounts is subject to the risk that in the event of the Bank's failure, LACERA might not recover all or some of those overnight deposits. This risk is mitigated when the overnight deposits are insured or collateralized.

LACERA's policy as incorporated in its current contract with the Bank requires the Bank to certify it has taken all steps to assure all LACERA monies on deposit with the Bank are eligible for and covered by pass-through insurance, in accordance with applicable law and FDIC rules and regulations. The steps taken by the Bank include paying deposit insurance premiums when due, maintaining a prompt corrective action capital category of "well capitalized," and identifying on the Bank's records that it acts as a fiduciary for LACERA with respect to the monies on deposit. In addition, the Bank is required to provide evidence of insurance and to maintain a financial institution bond, which would cover the loss of money and securities with respect to any and all property the Bank or its agents hold in or for LACERA's account, up to the amount of the bond. To implement certain investment strategies, some of LACERA's assets are invested in investment managers' pooled vehicles. The securities in these vehicles may be held by a different custodian other than the Bank.

Counterparty Risk

Counterparty risk for investments is the risk that, in the event of the failure of the counterparty to complete a transaction, LACERA would not be able to recover the value of the investment or collateral securities that are in the possession of an outside party. LACERA and its investment managers seek to minimize risk of loss from its counterparties by diversifying the number of counterparties, periodically reviewing their credit quality, and seeking to structure agreements so that collateral is posted on accrued gains if they reach certain size thresholds.

Concentration of Credit Risk

For diversification purposes, all investment grade and liquid credit portfolios limit the exposure to a single issuer. This limitation is typically 5.00%, but does not apply to U.S. Treasury securities, government-guaranteed debt (including G-7 countries), agency debt, agency mortgage-backed securities, and approved commingled funds and fund-of-one vehicles.

As of June 30, 2023, LACERA did not hold any investments in any one issuer that would represent 5.00% or more of the Pension Plan Fiduciary Net Position. Investments issued or explicitly guaranteed by the U.S. government and pooled investments are excluded from this requirement.

4. CASH AND INVESTMENTS-Continued

LACERA Investment Portfolio-Continued

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Duration is a measure of the price sensitivity of a fixed income portfolio to changes in interest rates. It is calculated as the weighted average time to receive a bond's coupon and principal payments. The longer the duration of a portfolio, the greater its price sensitivity to changes in interest rates.

To manage interest rate risk, investment manager guidelines require that the duration of all investment grade bond portfolios must remain within a range centered around the duration of the benchmark index. This range is currently +/- 10.00% of the benchmark duration. The investment manager guidelines require that the duration of the U.S. long-term government bonds portfolio must remain within +/- 0.30 years of the duration of its benchmark index. Deviations from any of the stated guidelines require prior written authorization from LACERA.

The Duration in Fixed Income Securities - Pension Plan schedule for the year ended June 30, 2023 presents the duration by investment type. Whole loan mortgages included in the Pension Plan Portfolio of $9.89 million are excluded from this presentation.

Duration in Fixed Income Securities - Pension Plan
As of June 30, 2023
(dollars in thousands)

Investment Type	Fair Value	Portfolio Weighted Average Effective Duration*
U.S. Treasuries, U.S. Government Agency, and Municipal Instruments:		
U.S. Treasuries	$ 5,565,802	11.82
U.S. Government Agency	809,533	4.29
Municipal / Revenue Bonds	8,141	10.47
Subtotal U.S. Treasuries, U.S. Government Agency, and Municipal Instruments	6,383,476	
Corporate Bonds and Credit Securities:		
Asset-Backed Securities	196,008	2.03
Corporate and Other Credit	1,991,678	2.13
Pooled Funds	7,831,882	1.70
Subtotal Corporate Bonds and Credit Securities	10,019,568	
Non-U.S. Fixed Income	223,581	1.64
Private Placement Fixed Income	1,285,038	3.37
Subtotal Non-U.S. and Private Placement Securities	1,508,619	
Total Fixed Income Securities - Pension Plan	$ 17,911,663	

Note: The Duration table does not include holdings within commingled investment structures or structures that are not directly held in custody by LACERA's global custodian, State Street Bank and Trust Company.

*Effective Duration is a measure of a bond's sensitivity to interest rates. It is calculated as the percentage change in a bond's price caused by a change in the bond's yield. For example, a duration of 5 indicates that a 1.00% increase in a bond's yield will cause the bond price to decline 5.00%.

4. CASH AND INVESTMENTS-Continued

LACERA Investment Portfolio-Continued

Interest Rate Risk-Continued

Duration in Fixed Income Securities - OPEB Trust
As of June 30, 2023 (dollars in thousands)

Investment Type		Fair Value	Portfolio Weighted Average Effective Duration*
U.S. Treasuries Instruments:			
U.S. Treasuries	$	75,346	16.12
Corporate Bonds and Credit Securities:			
Pooled Investments		1,165,887	3.32
Total Fixed Income Securities - OPEB Trust	$	1,241,233	

*Effective Duration is a measure of a bond's sensitivity to interest rates. It is calculated as the percentage change in a bond's price caused by a change in the bond's yield. For example, a duration of 5 indicates that a 1.00% increase in a bond's yield will cause the bond price to decline 5.00%.

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or deposit. LACERA's investment managers are permitted to invest in approved countries or regions, as stated in their respective investment manager guidelines. To mitigate foreign currency risk with global equity, LACERA has implemented a passive currency hedging program, which hedges into U.S. dollars approximately 50% of LACERA's foreign currency exposure for developed market equities.

The following schedule represents LACERA's exposure to foreign currency risk in U.S. dollars. Most of the exposure is from separately managed accounts with the remaining exposure from non-U.S. commingled funds that are denominated in foreign currency. For the commingled funds, LACERA owns units, and the fund holds the actual securities and/or currencies. The values shown include LACERA's separately managed account holdings and the pro-rata portion of non-U.S. commingled fund holdings. The OPEB Trust did not hold any non-U.S. investment securities as of June 30, 2023.

4. CASH AND INVESTMENTS-Continued

LACERA Investment Portfolio-Continued

Non-U.S. Investment Securities at Fair Value - Pension Plan
As of June 30, 2023
(in thousands)

Currency	Equity	Fixed Income	Foreign Currency	Real Estate	Real Assets	Private Equity Investments	Forward Contracts	Total
AFRICA								
South African Rand	$ 79,420		1,346					$ 80,766
AMERICAS								
Brazilian Real	137,294		2,195					139,489
Canadian Dollar	975,906	2,676	5,384		150,149		(9,163)	1,124,952
Chilean Peso	9,280		1,129					10,409
Colombian Peso	2,288		415					2,703
Mexican Peso	59,152		1,521					60,673
ASIA								
Australian Dollar	485,905		3,183			11,013	1,020	501,121
Chinese Renminbi	96,786		1,641					98,427
Hong Kong Dollar	663,581		2,826				183	666,590
Indonesian Rupiah	53,459		3,702					57,161
Japanese Yen	1,297,919		13,606				63,747	1,375,272
Malaysian Ringgit	31,769		1,859					33,628
New Zealand Dollar	11,375		497				133	12,005
Pakistan Rupee			28					28
Philippine Peso	13,232		406					13,638
Singapore Dollar	85,120		675				373	86,168
South Korean Won	275,212		3,092					278,304
Taiwan Dollar	327,583		7,229					334,812
Thai Baht	47,002		(165)					46,837
EUROPE								
British Pound Sterling	1,253,582	13,785	15,218	68		173,007	(16,208)	1,439,452
Czech Republic Koruna	4,069		421					4,490
Danish Krone	269,940		1,144				(114)	270,970
Euro	2,448,886	44,322	21,511	310,590	383,847	1,263,178	(2,674)	4,469,660
Hungarian Forint	4,643		343					4,986
Norwegian Krone	74,432		893				233	75,558
Polish Zloty	28,567		935					29,502
Russian Ruble			1,906					1,906
Swedish Krona	231,093		720				4,364	236,177
Swiss Franc	574,640		1,548				245	576,433
MIDDLE EAST								
Egyptian Pound	3,438		123					3,561
Israeli New Shekel	39,465		876				417	40,758
Kuwaiti Dinar	23,827		792					24,619
Qatari Rial	30,922		1,747					32,669
Saudi Riyal	6,220							6,220
Turkish Lira	19,948		438					20,386
UAE Dirham	40,609		201					40,810
Total Investment Securities Subject to Foreign Currency Risk - Pension Plan	$ 9,706,564	60,783	99,385	310,658	533,996	1,447,198	42,556	$12,201,140

4. CASH AND INVESTMENTS-Continued

LACERA Investment Portfolio-Continued

Securities Lending Program

The BOI policies authorize LACERA to participate in a securities lending program. Securities lending is an investment management activity that mirrors the fundamentals of a loan transaction. Securities are lent to brokers and dealers (borrower), and in turn, LACERA receives cash and non-cash collateral. When cash collateral is received, the income that is generated from securities lending has two sources: lending and reinvestment. LACERA pays the borrower interest on the collateral and invests the collateral with the goal of earning a higher yield than the interest rate paid to the borrower. When non-cash collateral is received, the borrower pays a fee for borrowing the security.

Bank is the sole manager of LACERA's securities lending program. Collateralization is set on non-U.S. loans at 105% minimum and on U.S. loans at 102% minimum of the fair value of the securities on loan.

State Street Global Advisors invests the collateral received from the lending programs. The collateral is invested in short-term highly liquid instruments. The maturities of the investments made with cash collateral typically do not match the maturities of their securities loans. Loans are marked-to-market daily, so that if the fair value of a security on loan rises, LACERA receives additional collateral. Conversely, if the fair value of a security on loan declines, then the borrower receives a partial return of the collateral. Earnings generated in excess of the interest paid to the borrowers represent net income to LACERA who shares this net income with the lending agent based on contractual agreements.

Under the terms of their lending agreements, both lending agents provide borrower default indemnification in the event a borrower does not return securities on loan. The terms of the lending agreements entitle LACERA to terminate all loans upon the occurrence of default and purchase a like amount of “replacement securities” when loaned securities are not returned. LACERA does not have the ability to pledge assets received as collateral without a borrower default. In the event the purchase price of replacement securities exceeds the amount of collateral, the lending agent is liable to LACERA for the difference, plus interest. Either LACERA or the borrower of the security can terminate a loan on demand.

At fiscal year-end, LACERA had no credit risk exposure to borrowers, because the amount of collateral received exceeded the value of securities on loan. LACERA had no losses on securities lending transactions resulting from the default of a borrower for the year ended June 30, 2023.

As of June 30, 2023, the fair value of securities on loan was $3.759 billion, with a value of cash collateral received of $1.869 billion, which is included in Other payables on the financial statements, and non-cash collateral of $2.042 billion. LACERA’s investment income, net of expenses from securities lending, was $14.10 million for the year ended June 30, 2023.

4. CASH AND INVESTMENTS-Continued

LACERA Investment Portfolio-Continued

Securities Lending Program-Continued

Securities Lending
As of June 30, 2023
(in thousands)

Securities on Loan	Fair Value of Securities on Loan	Cash Collateral Received	Non-Cash Collateral Received	Calculated Mark [1]	Collateral Percent [2]
U.S. Equity	$ 2,332,066	$ 1,561,245	$ 840,301	$ 18,375	103.77 %
U.S. Fixed Income	927,308	233,202	743,620	4,685	105.84 %
Non-U.S. Equity	499,246	74,986	457,963	3,673	107.49 %
Total	$ 3,758,620	$ 1,869,433	$ 2,041,884	$ 26,733	

(1) Calculated Mark is performed daily. It is the amount LACERA will collect from the borrower (if the amount is positive), or payment to the borrower (if the amount is negative) to bring the collateralization to appropriate levels based on fair value.
(2) Collateral percent is the total collateral received divided by the fair value of securities on loan. U.S. loans are collateralized at 102% minimum of the fair value of the securities on loan while non-U.S. loans are collateralized at 105% minimum.

Hedge Funds

LACERA's Investment Policy Statement establishes the portfolio framework for and role of the hedge funds program. Diversified hedge funds comprise a variety of hedged investments, such as relative value, arbitrage, and long/short strategies within a diversified portfolio.

The status of LACERA's hedge fund program as of June 30, 2023 is as follows:

- LACERA is invested in eight hedge fund managers in the core hedge funds portfolio.
- LACERA is invested in a total of seven hedge fund emerging managers in the hedge funds emerging manager portfolio. LACERA's discretionary hedge funds emerging manager separate account manager, Stable Asset Management, selected two new emerging managers during Fiscal Year 2022-2023.
- LACERA continues to have exposure with one hedge fund of funds manager, Grosvenor Capital Management (GCM). In 2019, LACERA initiated the full redemption of the GCM hedge fund of funds' portfolio. This portfolio began returning cash during Fiscal Year 2019-2020 and will continue to distribute cash in alignment with the liquidity terms of the portfolio or underlying managers. GCM is managing the redemption process of the GCM portfolio.

The investment performance for this strategy is measured separately from other asset classes. The fair value of assets invested in hedge funds as of June 30, 2023 was $4.891 billion.

The core portfolio, emerging manager portfolio, and GCM hedge funds of funds portfolio reside within Diversified Hedge Funds under the Risk Reduction and Mitigation functional asset category of LACERA's Total Fund.

4. CASH AND INVESTMENTS-Continued

LACERA Investment Portfolio-Continued

Fair Value

GASB 72 was issued to address accounting and financial reporting issues related to fair value measurements and disclosures. LACERA categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the investment securities and holdings. The fair value hierarchy includes three levels and one additional category.

Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. Certain other investments held by LACERA are valued at net asset value (NAV) per share when an investment does not have a readily determined fair value, provided that the NAV is calculated and used as a practical expedient to estimate fair value in accordance with the requirements of GAAP. The table below illustrates investments classified by their fair value hierarchy (Levels 1, 2, and 3) as well as investments measured at NAV.

Equity and Fixed Income Securities

Equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets issued by pricing vendors for these securities.

Fixed income and equity securities classified in Level 2 of the fair value hierarchy are valued using prices determined by matrix pricing techniques maintained by the various pricing vendors for these securities. Equity securities classified in Level 2 are not traded in the active market. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. These matrix pricing techniques incorporate inputs such as yield, prepayment speeds, and credit spreads for fixed income securities. Derivative securities classified as Level 2 are securities whose value are either derived daily from associated securities that are traded, or are determined by using a market approach that considers benchmark interest rates.

Fixed income and equity securities classified in Level 3 are securities whose stated market price is unobservable by the marketplace; many of these securities are priced by the issuers or industry groups for these securities. Fair value is defined as the quoted market value on the last trading day of the period. These prices are obtained from various pricing sources by the Bank.

Hedge Funds, Private Equity, Real Assets, Real Estate, Equity, and Fixed Income Funds

Investments in hedge funds, private equity, real assets, real estate, equity and fixed income funds are valued at estimated net asset value (NAV) based upon the fair value of the underlying investments, as determined in good faith by the General Partner (GP), in accordance with GAAP fair value principles in instances where no observable public market values are available. Investments that are estimated at fair value are initially valued at cost with subsequent adjustments that reflect third party transactions, financial operating results, and other factors deemed relevant by the GP. These assets are reported by LACERA based on the practical expedient allowed under GAAP. In instances where observable public market values are available for the underlying securities held, fair value is determined by the fund's administrator using independent pricing sources.

4. CASH AND INVESTMENTS-Continued

LACERA Investment Portfolio-Continued

Fair Value-Continued

Real Estate Separate Account Investments

Real estate investments are valued at NAV, based upon estimated fair value, as determined in good faith by the Investment Manager. These investments are initially valued at cost with subsequent adjustments that reflect third party transactions, financial operating results, and other factors deemed relevant by the Investment Manager. Properties are subject to independent third party appraisals annually.

Investments and Derivative Instruments Measured at Fair Value - Pension Plan
As of June 30, 2023
(in thousands)

Investments by Fair Value Level	Total	Quoted Prices In Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3
Fixed Income Securities				
Asset-Backed Securities	$ 196,008	$	$ 196,008	$
Corporate and Other Credit	1,991,678		1,932,426	59,252
Municipal/Revenue Bonds	8,141		8,141	
Non-U.S. Fixed Income	223,581		179,595	43,986
Private Placement Fixed Income	1,285,038		1,280,928	4,110
U.S. Government Agency	809,533		809,533	
U.S. Treasuries	5,565,802		5,565,802	
Whole Loan Mortgages	9,893			9,893
Total Fixed Income Securities	10,089,674		9,972,433	117,241
Equity Securities				
Non-U.S. Equity	10,285,307	10,280,730	519	4,058
Pooled Investments	414,172	414,172		
U.S. Equity	15,976,842	15,967,901	1,770	7,171
Total Equity Securities	26,676,321	26,662,803	2,289	11,229
Collateral from Securities Lending	1,869,433		1,869,433	
Total Investments by Fair Value Level	$ 38,635,428	$ 26,662,803	$ 11,844,155	$ 128,470
Investments Measured at NAV				
Fixed Income	$ 7,831,883			
Equity	453,239			
Hedge Funds	4,890,856			
Private Equity	13,894,495			
Real Estate	5,109,454			
Real Assets	2,514,132			
Total Investments Measured at NAV	34,694,059			
Total Investments	$ 73,329,487			
Derivatives				
Foreign Exchange Contracts	$ 42,556	$	$ 42,556	$
Foreign Equity Derivatives	562	562		
Total Derivatives	$ 43,118	$ 562	$ 42,556	$

4. CASH AND INVESTMENTS-Continued

LACERA Investment Portfolio-Continued

Fair Value-Continued

Investments Measured at the Net Asset Value - Pension Plan
As of June 30, 2023
(dollars in thousands)

	Fair Value	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Fixed Income Funds (1)	$ 7,831,883	$ 1,834,547	Daily, Monthly or Not Eligible	1-60 days or N/A
Commingled Equity Funds (2)	453,239		Daily, Monthly or Not Eligible	1-60 days or N/A
Hedge Funds (3)	4,890,856	181,598	Daily, Monthly, Quarterly, Semi-Annual, Annual, Self-Liquidating	5-180 days
Private Equity (4)	13,894,495	5,299,231	Not Eligible	N/A
Real Estate (4)	5,109,454	1,289,323	Quarterly or Not Eligible	30 days+ or N/A
Real Assets (4)	2,514,132	913,268	Not Eligible	N/A
Total Investments Measured at the NAV	$ 34,694,059			

(1) Fixed Income Funds: 11 fixed income funds are valued at the NAV of units held at the end of the period based upon the fair value of the underlying investments. Approximately 60% of assets are available within 12 months; these funds provide daily, monthly or quarterly liquidity. Approximately 40% of the fund assets have liquidity beyond 12 months.

(2) Commingled Equity Funds: 1 equity fund is considered commingled in nature. The fund is valued at the NAV of units held at the end of the period based upon the fair value of the underlying investments. The fund represents 2% of the equity assets and is subject to a lock up period that limits redemptions for the next year.

(3) Hedge Funds: This portfolio consists of 15 current funds and 1 fund of funds. Hedge Fund investments are valued at NAV per share. When considering liquidity terms of the current funds, 70% of the fund assets are available within 12 months; these funds provide daily, monthly, quarterly, semi-annual, or annual liquidity. Some of these funds are subject to redemption notices that extend the time frame to receive redemptions beyond the next 12 months. Approximately 30% of fund assets are in funds that offer periodic liquidity that extends beyond the next 12 months.

LACERA's Hedge Funds portfolio invests in the following strategies:
(a) Macro and Tactical Trading: This strategy makes investments based on analyses and forecasts of macroeconomic trends, including governmental and central bank policies, fiscal trends, trade imbalances, interest rate trends, inter-country relations, and economic and technical analysis.
(b) Equity Long/Short: This strategy purchases and/or sells equities based on fundamental and/or quantitative analysis and other factors.
(c) Credit: This strategy includes long-biased credit, long/short credit, structured credit, and mortgage credit.
(d) Relative Value: This strategy’s focus is to benefit from valuation discrepancies that may be present in related financial instruments by purchasing and/or shorting these instruments.
(e) Multi-Strategy: This strategy aims to pursue varying strategies to diversify risks and reduce volatility.
(f) Event Driven: This strategy seeks to gain an advantage from pricing inefficiencies that may occur in the onset or aftermath of a corporate action or related event.

(4) Private Equity, Real Assets, and Real Estate Funds: LACERA’s Private Equity portfolio consists of 296 funds, investing primarily in buyout funds, with some exposure to venture capital, special situations, fund of funds, and co-investments. Due to contractual limitations, none of the funds are currently eligible for redemption. The Real Assets portfolio consists of 24 funds, investing primarily in infrastructure and natural resources. 4 of the funds are eligible for redemption after an initial lock-up period, and the other 20 of the funds are not eligible for redemption as the lock-up period is typically from 10-15 years. The Real Estate portfolio, composed of 25 commingled funds, invests in both U.S. and Non-U.S. commercial real estate. The fair values of these funds have been determined using net assets valued at the end of the period and net assets valued one quarter in arrears plus current quarter cash flows. 5 out of 25 Real Estate funds are eligible for redemption depending upon the availability of cash for redemptions in the fund. Distributions are received as underlying investments within the funds are liquidated, which on average can occur over the span of 5 to 10 years. For Real Estate investments held in separate accounts and debt program investments, see Note J - Special Purpose Entities of LACERA's ACFR.

4. CASH AND INVESTMENTS-Continued

LACERA Investment Portfolio-Continued

Fair Value-Continued

Investments Measured at Fair Value - OPEB Trust
As of June 30, 2023
(in thousands)

Investments by Fair Value Level	Total	Quoted Prices in Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3
Fixed Income Securities				
Pooled Investments	$ 293,690	$ 293,690	$	$
U.S. Treasuries	75,346		75,346	
Total Fixed Income Securities	369,036	293,690	75,346	
Total Investments by Fair Value Level	$ 369,036	$ 293,690	$ 75,346	$
Investments Measured at Net Asset Value (NAV)				
Fixed Income	$ 872,197			
Equity	1,468,752			
Real Estate Investment Trust (REIT)	311,966			
Total Investments Measured at NAV	2,652,915			
Total Investments	$ 3,021,951			

Investments Measured at Net Asset Value - OPEB Trust
As of June 30, 2023
(dollars in thousands)

Investment by Fair Value Level	Fair Value	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Fixed Income Securities				
Commingled Fixed Income Funds	$ 872,197	$	Daily, Monthly	1-30 days or N/A
Commingled Equity Fund	1,468,752		Daily, Monthly	1-30 days or N/A
Real Estate Investment Trust (REIT)	311,966		Daily, Monthly	1-30 days or N/A
Total Investments Measured at NAV (1)	$ 2,652,915			

(1) Commingled Funds: The OPEB Master Trust is invested in 8 funds that are considered commingled in nature. They are valued at the NAV of units held at the end of the period based upon the fair value of the underlying investments. Most of the funds are highly liquid within one month.

5. CAPITAL ASSETS

As a result of the implementation of GASB 96, the reclassification of certain lease asset types, and LACDA's recognition of a prior year capital asset acquisition, the capital asset balances as of July 1, 2022 were restated as follows (in thousands):

	Balance July 1, 2022, as previously reported	Restatement Amounts	Balance July 1, 2022, as restated
Governmental Activities			
Capital assets, being depreciated/amortized:			
Subscription assets	$	$ 55,802	$ 55,802
Lease land	9,081	684	9,765
Lease buildings and improvements	1,504,371	(684)	1,503,687
Accumulated depreciation/amortization:			
Lease land	(3,406)	(81)	(3,487)
Lease buildings and improvements	(124,118)	81	(124,037)
Total governmental activities capital assets restatement		$ 55,802	
LACDA:			
Capital assets, being depreciated/amortized:			
Buildings and improvements	$ 254,644	$ 3,498	$ 258,142
Subscription assets		271	271

5. CAPITAL ASSETS-Continued

Capital assets activity for the year ended June 30, 2023 is as follows (in thousands):

Governmental Activities	Balance July 1, 2022, as restated	Additions	Deletions	Balance June 30, 2023
Capital assets, not being depreciated/ amortized:				
Land	$ 2,506,545	75,139	(9,563)	$ 2,572,121
Easements	5,038,570	36,226		5,074,796
Software in progress	64,652	17,884	(1,258)	81,278
Construction in progress-buildings and improvements	1,185,181	353,107	(85,444)	1,452,844
Construction in progress-infrastructure	604,166	174,583	(18,784)	759,965
Subscription assets in progress		8,250		8,250
Subtotal	9,399,114	665,189	(115,049)	9,949,254
Capital assets, being depreciated/amortized:				
Buildings and improvements	6,952,548	76,615	(22,654)	7,006,509
Equipment	1,871,749	105,690	(75,897)	1,901,542
Software	608,122			608,122
Infrastructure	8,190,431	17,188		8,207,619
Lease land	9,765	372		10,137
Lease buildings and improvements	1,503,687	276,087	(30,176)	1,749,598
Lease equipment	9,690	7,905	(198)	17,397
Subscription assets	55,802	52,788		108,590
Subtotal	19,201,794	536,645	(128,925)	19,609,514
Less accumulated depreciation/amortization for:				
Buildings and improvements	(2,620,078)	(140,529)	3,350	(2,757,257)
Equipment	(1,408,850)	(111,081)	73,477	(1,446,454)
Software	(408,139)	(35,542)		(443,681)
Infrastructure	(4,776,123)	(152,136)		(4,928,259)
Lease land	(3,487)	(3,631)		(7,118)
Lease buildings and improvements	(124,037)	(116,190)		(240,227)
Lease equipment	(1,722)	(3,014)		(4,736)
Subscription assets		(21,651)		(21,651)
Subtotal	(9,342,436)	(583,774)	76,827	(9,849,383)
Total capital assets, being depreciated/ amortized, net	9,859,358	(47,129)	(52,098)	9,760,131
Governmental activities capital assets, net	$19,258,472	$ 618,060	$ (167,147)	$ 19,709,385

5. CAPITAL ASSETS-Continued

Business-type Activities	Balance July 1, 2022, as restated	Additions	Deletions	Balance June 30, 2023
Capital assets, not being depreciated/ amortized:				
Land	$ 134,932			$ 134,932
Easements	32,054	1,188		33,242
Construction in progress-buildings and improvements	316,099	241,378	(42,000)	515,477
Construction in progress-infrastructure	63,417	10,365	(14,690)	59,092
Subtotal	546,502	252,931	(56,690)	742,743
Capital assets, being depreciated/ amortized:				
Buildings and improvements	2,897,025	53,143		2,950,168
Equipment	455,582	35,355	(36,811)	454,126
Software	58,922			58,922
Infrastructure	1,307,277	14,263		1,321,540
Lease equipment	1,188	902		2,090
Subtotal	4,719,994	103,663	(36,811)	4,786,846
Less accumulated depreciation/ amortization for:				
Buildings and improvements	(1,005,720)	(52,361)		(1,058,081)
Equipment	(315,050)	(30,668)	35,701	(310,017)
Software	(53,393)	(3,359)		(56,752)
Infrastructure	(719,947)	(24,692)		(744,639)
Lease equipment	(107)	(397)		(504)
Subtotal	(2,094,217)	(111,477)	35,701	(2,169,993)
Total capital assets, being depreciated/ amortized, net	2,625,777	(7,814)	(1,110)	2,616,853
Business-type activities capital assets, net	3,172,279	245,117	(57,800)	3,359,596
Total capital assets, net	$ 22,430,751	832,803	(194,573)	$ 23,068,981

5. CAPITAL ASSETS-Continued

Depreciation/Amortization Expense

Depreciation/Amortization expense was charged to functions/programs of the primary government as follows (in thousands):

Governmental activities:		
General government	$	63,082
Public protection		179,299
Public ways and facilities		91,261
Health and sanitation		110,919
Public assistance		67,591
Education		6,361
Recreation and cultural services		46,049
Capital assets held by the County's internal service funds are charged to the various functions based on their usage of the assets		19,212
Total depreciation/amortization expense, governmental activities	$	583,774
Business-type activities:		
Hospitals	$	83,995
Waterworks		23,850
Aviation		3,632
Total depreciation/amortization expense, business-type activities	$	111,477

5. CAPITAL ASSETS-Continued

Discretely Presented Component Units

LACDA

Capital assets activity for the LACDA component unit for the year ended June 30, 2023, was as follows (in thousands):

	Balance July 1, 2022, as restated	Additions	Deletions	Balance June 30, 2023
Capital assets, not being depreciated/ amortized:				
Land	$ 88,791	84	(3,532)	$ 85,343
Construction in progress-buildings and improvements	5,310	4,912	(4,044)	6,178
Subtotal	94,101	4,996	(7,576)	91,521
Capital assets, being depreciated/amortized:				
Buildings and improvements	258,142	13,793		271,935
Equipment	8,908	491	(374)	9,025
Software	1,025			1,025
Lease buildings and improvements	1,267		(1,267)	
Lease equipment	431		(171)	260
Subscription assets	271	2,808		3,079
Subtotal	270,044	17,092	(1,812)	285,324
Less accumulated depreciation/amortization for:				
Buildings and improvements	(176,768)	(6,118)		(182,886)
Equipment	(7,957)	(401)	373	(7,985)
Software	(333)	(103)		(436)
Lease buildings and improvements	(206)	(34)	240	
Lease equipment	(250)	(108)	171	(187)
Subscription assets		(1,334)		(1,334)
Subtotal	(185,514)	(8,098)	784	(192,828)
Total capital assets being depreciated/ amortized, net	84,530	8,994	(1,028)	92,496
LACDA capital assets, net	$ 178,631	13,990	(8,604)	$ 184,017

5. CAPITAL ASSETS-Continued

First 5 LA

Capital assets activity for the First 5 LA component unit for the year ended June 30, 2023, was as follows (in thousands):

	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023
Capital assets, not being depreciated-				
Land	$ 2,039			$ 2,039
Capital assets, being depreciated:				
Buildings and improvements	14,933	889		15,822
Equipment	3,103	134		3,237
Subtotal	18,036	1,023		19,059
Less accumulated depreciation for:				
Buildings and improvements	(4,217)	(353)		(4,570)
Equipment	(2,978)	(85)		(3,063)
Subtotal	(7,195)	(438)		(7,633)
Total capital assets being depreciated,net	10,841	585		11,426
First 5 LA capital assets, net	$ 12,880	585		$ 13,465

6. PUBLIC-PRIVATE AND PUBLIC-PUBLIC PARTNERSHIPS AND AVAILABILITY AGREEMENTS

GASB 94, “Public-Private and Public-Public Partnerships (PPPs) and Availability Payment Arrangements (APAs)" (GASB 94) defines a PPP as an arrangement in which the government (the transferor) contracts with an operator to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction type of public-private or public-public partnership. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. An APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction.

The County determined that golf courses met the criteria set forth in GASB 94 (where the County is the transferor) and therefore included these SCAs in the County’s financial statements as deferred inflows of resources. GASB 94 also provides guidance on accounting treatment if the County were acting as an operator of another government’s facility. The County has determined that there are no incidences where the County would qualify as an operator.

6. PUBLIC-PRIVATE AND PUBLIC-PUBLIC PARTNERSHIPS AND AVAILABILITY AGREEMENTS-Continued

Golf Courses

The County manages a public golf course system, which offers affordable greens fees, discount programs for senior citizens and students, and a junior golf program. Each golf course is leased under agreement with an operator, which provides for activities such as golf course management, clubhouse operations, and food and beverage concessions. The operators collect user fees and are responsible for the day-to-day operations of the golf courses. The operators are required to operate and maintain the golf courses, and make installment payments to the County, in accordance with their respective contracts.

As of June 30, 2023, the present value of the installment payments under contract is estimated to be $85.00 million and reported as deferred inflows of resources in the statement of net position. The present values of the installment payments were calculated using discount rates of 5.12%, 3.55%, 3.70%, 1.87% and 4.20% for the term of the agreement for each SCA. The lease terms for the twenty golf courses cover remaining periods ranging from 0 to 16 years as of June 30, 2023. The FY 2022-2023 total monthly installment payments are approximately $908,000. The County primarily uses the proceeds to fund parks and recreation operations, 10% of which is set aside for future golf course capital improvements. The acquisition value of the golf courses, including land, buildings, and construction in progress, is reported at $22.84 million as of June 30, 2023.

7. PENSION PLAN

Plan Description

The County pension plan is administered by LACERA, which was established under the CERL. LACERA is a cost-sharing, multi-employer defined benefit plan. It provides benefits to employees of the County and the following additional entities that are not part of the County's reporting entity:

Los Angeles Superior Court
Little Lake Cemetery District
Local Agency Formation Commission
Los Angeles County Office of Education (LACOE)
South Coast Air Quality Management District (SCAQMD)

New employees of LACOE hired on or after July 1971 and new employees of SCAQMD hired after December 31, 1979 are not eligible for LACERA benefits.

LACERA issues a stand-alone financial report, which is available at its offices located at Gateway Plaza, 300 N. Lake Avenue, Pasadena, California 91101-4199 or at www.LACERA.com.

Benefits Provided

Benefits are authorized in accordance with the California Constitution, the CERL, the bylaws, and procedures and policies adopted by LACERA's Boards of Retirement and Investments. The County Board may also adopt resolutions, as permitted by CERL, which may affect the benefits of LACERA members.

7. PENSION PLAN-Continued

Benefits Provided-Continued

LACERA provides retirement, disability, death benefits and cost of living adjustments to eligible members. Vesting occurs when a member accumulates 5 years of creditable service under contributory plans or accumulates 10 years of creditable service under the general service non-contributory plan. Benefits are based upon 12 or 36 months' average compensation, depending on the plan, as well as age at retirement and length of service as of the retirement date, according to applicable statutory formula. Vested members who terminate employment before retirement age are considered terminated vested (deferred) members. Service-connected disability benefits may be granted regardless of length of service consideration. Five years of service are required for nonservice-connected disability eligibility according to applicable statutory formula. Members of the non-contributory plan, who are covered under separate long-term disability provisions not administered by LACERA, are not eligible for disability benefits provided by LACERA.

Contributions

LACERA has nine benefit tiers known as A, B, C, D, E and G, and Safety A, B and C. All tiers except E are employee contributory. Tier E is employee non-contributory. Prior to December 31, 2012, new general members were only eligible for tier D or E and new safety members were only eligible for Safety B. As of January 1, 2013, new general employees are only eligible for tier G and new safety members are only eligible for Safety C. These new tiers were added as a result of the California Public Employees' Pension Reform Act of 2013 (PEPRA) and became effective January 1, 2013. Rates for the tiers are established in accordance with State law by LACERA's Boards of Retirement and Investments and the County Board.

The following employer rates were in effect for FY 2022-2023:

July 1, 2022 - June 30, 2023	A	B	C	D	E	G
General Members	31.11%	24.13%	21.23%	22.75%	24.3%	22.66%
Safety Members	39.93%	34.79%	27.91%			

The rates were determined by the actuarial valuations performed as of June 30, 2021. The investment rate of return assumption used in the valuation performed as of June 30, 2021 remained at 7.00%. The employer contribution rates used in FY 2022-2023 increased from (0.29)% to 0.20% over the rates used in FY 2021-2022 and may increase again during the following fiscal year. The most significant factors causing the increase were increases to the normal cost rate and deferred recognition of new assumptions.

Employee rates vary by option and employee entry age from 6% to 18% of their annual covered salary.

During FY 2022-2023, the County contributed the full amount of the Actuarial Determined Contribution, as determined by the actuarial valuations, in the form of semi-monthly cash payments in the amount of $2.216 billion.

7. PENSION PLAN-Continued

Net Pension Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2023, the County reported a liability of $13.161 billion for its proportionate share of the net pension liability in accordance with the parameters of GASB 68, "Accounting and Financial Reporting For Pensions-an amendment of GASB Statement No. 27" (GASB 68). The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021, projected forward to the measurement date, taking into account any significant changes between the valuation date and the measurement date. The County's proportion of the net pension liability was based on a projection of the County's future contribution effort to the pension plan relative to the projected contributions of all pension plan participants, actuarially determined. At June 30, 2022, the County's proportionate share was 96.47%, which was an increase of 0.06% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the County recognized negative pension expense of $(318.83) million which is reported as $(264.27) million for governmental activities and $(54.56) million for business-type activities. Pension expense represents the change in the net pension liability during the measurement period, adjusted for actual contributions and the deferred recognition of changes in investment gain/loss, actuarial gain/loss, actuarial assumptions or methods, and plan benefits. At June 30, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (in thousands):

	Deferred Inflows of Resources	Deferred Outflows of Resources
Net difference between projected and actual earnings	$ 187,758	$
Change in assumptions		2,326,220
Change in experience	64,162	1,602,848
Change in proportion and differences between County contributions and proportionate share of contributions	295,286	325,013
Contributions made subsequent to measurement date		2,216,111
Total	$ 547,206	$ 6,470,192

Deferred outflows of resources and deferred inflows of resources above represent the unamortized portion of changes to net pension liability to be recognized in future periods in a systematic and rational manner. Investment gains or losses are recognized in pension expense over a 5 year period and economic/demographic gains or losses and assumption changes or inputs are recognized over the average remaining service life for all active and inactive members, which is 8 years as of June 30, 2022.

7. PENSION PLAN-Continued

Net Pension Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions-Continued

Amounts currently reported as deferred outflows and inflows of resources, other than contributions related to pension, will be recognized in pension expense as follows (in thousands):

Year Ending June 30:	Deferred Outflows/(Inflows) of Resources
2024	$ 760,458
2025	629,051
2026	(283,817)
2027	1,893,880
2028	536,210
Thereafter	171,093

Deferred outflows of $2.216 billion related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal period rather than the current fiscal period.

As of the measurement date of June 30, 2023, the Pension Plan's fiduciary net position increased approximately $3.562 billion due to significant increases in the fair value of the Pension Plan's investments. Overall, the increase in the fiduciary net position and increase in the total pension liability of $4.538 billion from interest and service costs, resulted in an increase in net pension liability from $13.642 billion to $14.618 billion. The County's proportionate share of the Pension Plan's net pension liability was 96.47% as of June 30, 2022 and is historically above 96%.

Actuarial Assumptions

Valuation Timing	June 30, 2021, rolled forward to June 30, 2022
Actuarial Cost Method	Individual Entry Age Normal
Inflation	2.75%
General Wage Growth	3.25%
Projected Salary Increases	3.66% to 12.54%
Investment Rate of Return	7.13%, net of investment expense, including inflation
Cost of Living Adjustments (COLA)	Post-retirement benefit increases of either 2.75% or 2.00% per year are assumed based on the benefits provided. Supplemental Targeted Adjustment for Retirees (STAR) COLA benefits are assumed to be substantively automatic at the 80% purchasing power level until the STAR reserve is projected to be insufficient to pay further STAR benefits.
Mortality	Various rates based on the Pub-2010 mortality tables and using the MP-2014 Ultimate Projection Scale. See June 30, 2021 actuarial valuation for details. It can be found at www.LACERA.com.
Experience Study	Covers the 3 year period ended June 30, 2022.

7. PENSION PLAN-Continued

Actuarial Assumptions-Continued

The long-term expected rate of return on pension plan investments (7.00%, net of all expenses) was determined using a building block method in which a median, or expected, geometric rate of return was developed for each major asset class. The median rates were combined to produce the long-term expected rate of return by weighting the expected future rates of return by the target asset allocation percentages.

For the year ended June 30, 2022:

Asset Class	Target Allocation		Weighted Average Long-Term Expected Rate of Return (After Expected 2.75% Inflation Rate) (Geometric)	
Growth	51.00%		5.50 %	
Global Equity		34.00 %		4.30 %
Private Equity		14.00 %		6.90 %
Non-Core Private Real Estate		3.00 %		6.70 %
Credit	11.00%		2.20 %	
Liquid Credit		6.00 %		1.50 %
Illiquid Credit		5.00 %		2.80 %
Real Assets and Inflation Hedges	17.00%		3.60 %	
Core Private Real Estate		6.00 %		3.30 %
Natural Resources and Commodities		4.00 %		3.70 %
Infrastructure		4.00 %		4.80 %
TIPS		3.00 %		(0.30)%
Risk Reduction and Mitigation	21.00%		0.20 %	
Investment Grade Bonds		13.00 %		(0.30)%
Diversified Hedge Fund Portfolio		5.00 %		1.60 %
Long-Term Government Bonds		2.00 %		
Cash Equivalents		1.00 %		(1.00)%

Discount Rate

The discount rate used to measure the total pension liability was 7.13%. This is equal to the 7.00% long-term investment return assumption adopted by LACERA (net of investment and administrative expenses), plus 0.13% assumed administrative expenses. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate, and that County contributions will be made at rates equal to the difference between actuarially determined contribution rates and member rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be sufficient to pay all projected future benefit payments of current active and inactive plan members. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return, gross of administrative expenses.

7. PENSION PLAN-Continued

Sensitivity of the County's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following represents the County's proportionate share of the net pension liability calculated using the discount rate of 7.13%, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.13%) or 1-percentage point higher (8.13%) than the current rate (in thousands):

	1% Decrease (6.13%)	Discount Rate (7.13%)	1% Increase (8.13%)
Net Pension Liability/(Asset)	$ 24,145,685	$ 13,160,560	$ 4,089,111

Pension Plan Fiduciary Net Position

Detailed information about pension plan fiduciary net position as of June 30, 2022 is available in the separately issued LACERA financial report, which can be found at www.LACERA.com.

Deferred Compensation Plans

The County offers to its employees three deferred compensation plans created in accordance with Sections 401 and 457 of the Internal Revenue Code. One or more of these plans are available to substantially all employees and allow participants to defer a portion of their current income until future years.

Plan Description and Funding Policy

The Deferred Compensation and Thrift Plan was established as a Section 457 defined contribution plan covering employees who have achieved full time and permanent employment status. The plan is designed to permit these employees to voluntarily defer a portion of their compensation and provide for retirement and death benefits. The plan is funded by employer and employee contributions. As of June 30, 2023, the County provided up to a 4% matching contribution per pay period of the employee's voluntary contribution. Employer and employee contributions are deposited into the participant accounts and invested based on participant selected options. Total employer contributions for the year ended June 30, 2023, were $305.67 million.

The Savings Plan is a Section 401(k) defined contribution plan covering eligible full-time permanent employees of the County not covered by collective bargaining agreements and who desire to participate in the plan. Employees eligible for voluntary participation in this plan are also eligible for participation in the Deferred Compensation and Thrift Plan. The plan is funded by employer and employee contributions. As of June 30, 2023, the County provided up to a 4% matching contribution per pay period of the employee's voluntary contribution. Employer and employee contributions are deposited into the participant accounts and invested based on participant selected options. Total employer contributions for the year ended June 30, 2023, were $83.29 million.

7. PENSION PLAN-Continued

Deferred Compensation Plans-Continued

Plan Description and Funding Policy-Continued

The Pension Savings Plan is a Section 457 defined contribution plan covering part-time, temporary and seasonal County employees who are not eligible to participate in the retirement programs provided through the LACERA. The plan was established in lieu of employee coverage under Social Security. Participation in the plan is mandatory and employees must contribute a minimum of 4.5% of their eligible earnings and the County makes a contribution equal to 3% of compensation. Participants may contribute additional amounts beyond the required 4.5%. Total employer contributions for the year ended June 30, 2023, were $9.62 million.

The plans are administered through a third-party administrator. The assets of the plans are held in trust by Great West Trust Company LLC and invested at the direction of the participants. Thus, plan assets and any related liability to plan participants have been excluded from the County's financial statements.

8. OTHER POSTEMPLOYMENT BENEFITS

Retiree Healthcare

Plan Description

LACERA administers an agent multiple-employer Retiree Healthcare (RHC) OPEB program on behalf of the County, its affiliated Superior Court, and four outside districts. The outside districts include: Little Lake Cemetery District, Local Agency Formation Commission, LACOE and the South Coast Air Quality Management District. As of July 1, 2018, LACERA transitioned the OPEB program from a cost-sharing, multiple-employer plan. The agent plan structure determines program liabilities and costs directly by employer and allocates shared expenses. The measurement date for the RHC OPEB program is June 30, 2022.

In April 1982, the County adopted an ordinance pursuant to Government Code Section 31691, which provided for a health insurance program and death benefits for retired employees and their dependents. In 1994, the County amended the agreements to continue to support LACERA's retiree insurance benefits program regardless of the status of active member insurance.

In June 2014, the LACERA Board approved the County's request to modify the agreements to create a new retiree healthcare benefit plan in order to lower its Retiree Healthcare Program (RHP) costs. Structurally, this means the County will be segregating all current retirees and current employees into RHP Tier 1 and placing all employees hired after June 30, 2014 into RHP Tier 2. Under the new RHP Tier 2, retirees who are eligible for Medicare will be required to enroll in that program. In addition, coverage will be available for employees or eligible survivors only.

8. OTHER POSTEMPLOYMENT BENEFITS-Continued

Retiree Healthcare-Continued

Plan Description-Continued

Pursuant to the 1982, 1994, and 2014 Agreements between the County and LACERA, the parties agreed to the continuation of the health insurance benefits then in existence. The County agreed to subsidize a portion of the insurance premiums of certain retired members and their eligible dependents based on the member's length of service. The County further agreed to maintain the status quo of existing benefits provided to participants. As part of the 2014 Agreement, the County modified the existing healthcare benefit plan, which created a new benefit structure, Tier 2, for all employees hired after June 30, 2014. LACERA agreed not to change retired members' contributions toward insurance premiums or modify medical benefit levels without the County's prior consent. Active employees are not required to make contributions to the plan.

Pursuant to the California Government Code, the County established an irrevocable OPEB Trust for the purpose of holding and investing assets to pre-fund the RHP, which LACERA administers. On May 15, 2012, the County Board entered into a trust and investment services agreement with the LACERA Board of Investments to act as trustee and investment manager. The OPEB Trust does not modify the County's benefit programs.

LACERA issues a stand-alone financial report that includes the required information for the OPEB plan. The report is available at its offices located at Gateway Plaza, 300 North Lake Avenue, Pasadena, California 91101-4199 or www.LACERA.com.

Benefits Provided

Health care benefits earned by County employees are dependent on the number of completed years of retirement service credited to the retiree by LACERA upon retirement; it does not include reciprocal service in another retirement system. Service includes all service on which the member's retirement allowance was based.

The RHC OPEB Program offers members an extensive choice of medical plans as well as two dental/vision plans. The medical plans are either HMOs or indemnity plans, and some are designed to work with Medicare benefits, such as the Medicare Supplement or Medicare HMO plans. Coverage is available regardless of preexisting medical conditions. Under Tier 2, retirees who are eligible for Medicare are required to enroll in that program. Medicare-eligible retirees and their covered dependents must enroll in Medicare Parts A and B and in a Medicare HMO plan or Medicare Supplement plan under Tier 2.

Medical and Dental/Vision - Program benefits are provided through third party insurance carriers with the participant's cost for medical and dental/vision insurance varying according to the years of retirement service credit with LACERA, the plan selected, and the number of persons covered. The County contribution subsidizing the participant's cost starts at 10 years of service credit in the amount of 40% of the lesser of the benchmark plan rate or the premium of the plan in which the retiree is enrolled. For each year of retirement service credit earned beyond 10 years, the County contributes 4% per year, up to a maximum of 100% for a member with 25 years of service credit. The County contribution can never exceed the premium of the benchmark plans. Members are responsible for premium amounts above the benchmark plans, including those with 25 or more years of service credit.

8. OTHER POSTEMPLOYMENT BENEFITS-Continued

Retiree Healthcare-Continued

Benefits Provided-Continued

Under Tier 1, the County subsidy is based on the coverage elected by the retiree. The benchmark plans are Anthem Blue Cross Plans I and II for medical and Cigna Indemnity Dental/Vision for dental and vision. Under Tier 2, the County subsidy is based on retiree only coverage. Tier 2 medical benchmark plans are Anthem Blue Cross Plans I and II for Medicare-ineligible members, Anthem Blue Cross Plan III for Medicare-eligible members, and Cigna Indemnity Dental/Vision for dental and vision plans.

Medicare Part B - The County reimburses the member’s Medicare Part B standard rate premiums paid by member to Social Security for Part B coverage, subject to annual approval by the County Board of Supervisors. Eligible members and their dependents must be enrolled in both Medicare Part A and Medicare Part B and enrolled in a LACERA- administered Medicare HMO Plan or Medicare Supplement Plan and meet all of the qualifications. Under Tier 2, the County reimburses for Medicare Part B (at the standard rate) for eligible members or eligible survivors only.

Disability - If a member is granted a service-connected disability retirement and has less than 13 years of service, the County contributes the lesser of 50% of the benchmark plan rate or the premium of the plan in which the retiree is enrolled. Under Tier 2, the benchmark plan rate is based on retiree-only premiums. A member with 13 years of service credit receives a 52% subsidy. This percentage increases 4% for each additional completed year of service, up to a maximum of 100%.

Death/Burial Benefit - There is a one-time lump-sum $5,000 death/burial benefit payable to the designated beneficiary upon the death of a retiree, reimbursed to LACERA by the County. Active and vested terminated (deferred) members are eligible for this benefit once they retire. Spouses and dependents are not eligible for this death benefit.

Employees Covered by Benefit Terms

Medical and Dental/Vision Benefits

	2022	
	Medical	Dental/ Vision
Retired Participants		
Retired Members and Survivors	54,065	55,772
Spouses and Dependents	27,684	31,811
Total Retired	81,749	87,583
Inactive Members - Vested	9,250	9,250
Active Members - Vested	74,796	74,796
Total Membership Eligible for Benefits	165,795	171,629

8. OTHER POSTEMPLOYMENT BENEFITS-Continued

Retiree Healthcare-Continued

Employees Covered by Benefit Terms-Continued

Death Benefits

	2022
Retired with Eligibility for Death Benefits	61,931
Active Members - Vested	74,796
Inactive Members - Vested	9,250
Total Membership Eligible for Benefits	145,977

Contributions

The current funding policy requires the County to contribute on a pay-as-you-go basis. During FY 2022-2023, the County made payments to LACERA totaling $713.03 million for retiree healthcare benefits. Included in this amount was $97.50 million for Medicare Part B reimbursements and $9.80 million in death benefits. Additionally, $48.40 million was paid by member participants. During FY 2022-2023, the County also contributed $441.45 million in excess of the pay-as-you-go amounts.

Net OPEB Liability

At June 30, 2023, the County reported a net RHC OPEB liability of $23.451 billion. The net RHC OPEB liability was measured as of June 30, 2022, and the total RHC OPEB liability used to calculate the net RHC OPEB liability was determined by an actuarial valuation as July 1, 2021, projected forward to the measurement date taking into account any significant changes between the valuation date and the measurement date.

8. OTHER POSTEMPLOYMENT BENEFITS-Continued

Retiree Healthcare-Continued

Actuarial Methods and Assumptions

Valuation Timing	July 1, 2021, rolled forward to June 30, 2022
Actuarial Cost Method	Individual Entry Age Normal, Level Percent of Pay
Asset Valuation Method	Fair Value
Inflation	2.75%
Salary Increases	3.25% general wage increase and merit according to Table A-5 of the July 1, 2021 actuarial valuation of retirement benefits. It can be found at: www.LACERA.com.
Mortality	Various rates based on the RP-2014 Healthy and Disabled Annuitant mortality tables and including projection for expected future mortality improvement using the MO Healthcare Cost Trend Rates MP-2014 Ultimate Projection Scale.
Experience Study	Covers the three year period ended June 30, 2020.
Discount Rate	4.85%
Long-term expected rate of return, net of investment expenses	6.00%
20 Year Tax-Exempt Municipal Bond Yield	3.54%

Healthcare Cost Trend rates:

	Initial Year	Ultimate
LACERA Medical Under 65	8.50%	4.20%
LACERA Medical Over 65	3.70%	4.20%
Part B Premiums	8.50%	4.00%
Dental/Vision	3.70%	3.60%
Weighted Average Trend	5.92%	4.13%

Investments

The LACERA Board of Investments is responsible for setting the investment policy and investing any contributions made to the OPEB Trust from the participating employers. In December 2017, the LACERA Board of Investments adopted a revised asset allocation policy which divides the OPEB Trust into four broad functional categories and contains asset classes that align with the purpose of each function. The approved target weights provide for diversification of assets in an effort to meet the LACERA's actuarial assumed rate of return, consistent with market conditions and risk control. The following was the adopted asset allocation policy as of June 30, 2022.

8. OTHER POSTEMPLOYMENT BENEFITS-Continued

Retiree Healthcare-Continued

Investments-Continued

Asset Class	Target Allocation	
Growth	50.00%	
Global Equity		50.00 %
Credit	20.00%	
High Yield Bonds		6.00 %
Bank Loans		10.00 %
EM Local Currency Bonds		4.00 %
Risk Reduction and Mitigation	10.00%	
Cash Equivalents		2.00 %
Investment Grade Bonds		8.00 %
Inflation Hedges	20.00%	
TIPS		6.00 %
Real Estate (REITs)		10.00 %
Commodities		4.00 %

Money-Weighted Rate of Return

As of the measurement date, June 30, 2022, the annual money-weighted rate of return on OPEB Trust investments, net of OPEB Trust investment expense, was 6.00%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. For the measurement date of June 30, 2021, the annual money-weighted rate of return was also 6.00%.

Discount Rate

GASB 75 requires determination of whether the OPEB Trust's Fiduciary Net Position is projected to be sufficient to make projected benefit payments. The Plan's fiduciary net position was not projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate incorporates a municipal bond rate based on the 20-year Bond Buyer GO index (municipal bond rate) which was 3.54% as of June 30, 2022. For 2021, the long-term expected rate of return of 2.16% was applied to projected benefit payments from 2021 to 2068. The municipal bond rate was applied to the remaining periods. The resultant blended discount rate used to measure the Total OPEB Liability as of June 30, 2022 was 4.85%, an increase of 0.57% from the rate as of June 30, 2021.

8. OTHER POSTEMPLOYMENT BENEFITS-Continued

Retiree Healthcare-Continued

Changes in the Net OPEB Liability (in thousands)

	Increase (Decrease)		
Changes in Net OPEB Liability	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)
Balance as of June 30, 2021	$ 27,760,135	2,235,814	$ 25,524,321
Service cost	1,024,895		1,024,895
Interest on Total OPEB Liability	1,217,398		1,217,398
Effect of economic/demographic gains or losses	(168,643)		(168,643)
Effect of assumption changes or inputs	(3,365,579)		(3,365,579)
Benefit payments	(689,511)	(689,511)	
Employer contributions		1,071,024	(1,071,024)
Net investment income		(280,358)	280,358
Administrative expenses		(9,534)	9,534
Balance as of June 30, 2022	$ 25,778,695	2,327,435	$ 23,451,260

Sensitivity of the County's Net RHC OPEB Liability to Changes in the Discount Rate

The following represents the County's net RHC OPEB liability calculated using the discount rate of 4.85%, as well as what the County's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (3.85%) or 1-percentage point higher (5.85%) than the current rate (in thousands):

	1% Decrease (3.85%)	Discount Rate (4.85%)	1% Increase (5.85%)
Net RHC OPEB Liability	$ 27,974,578	$ 23,451,260	$ 19,837,784

Sensitivity of the County's Net RHC OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following represents the County's proportionate share of the net RHC OPEB liability, as well as what the County's proportionate share of the net RHC OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage point lower or 1-percentage point higher than the current healthcare cost trend rates (in thousands):

	1% Decrease	Current Trend Rate	1% Increase
Net RHC OPEB Liability	$ 19,150,590	$ 23,451,260	$ 29,075,261

8. OTHER POSTEMPLOYMENT BENEFITS-Continued

Retiree Healthcare-Continued

OPEB Expense and the Deferred Outflows/Inflows of Resources Related to RHC OPEB

For the year ended June 30, 2023, the County recognized OPEB expense of $91.67 million which is reported as $136.38 million for governmental activities and $(44.71) million for business-type activities. OPEB expense represents the change in the net OPEB liability during the measurement period, adjusted for actual contributions and the deferred recognition of change in investment gain/ loss, actuarial gain/loss, actuarial assumptions or methods, and plan benefits.

At June 30, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to RHC OPEB from the following sources (in thousands):

	Deferred Inflows of Resources	Deferred Outflows of Resources
Net difference between projected and actual earnings	$	$ 165,499
Change of assumptions	7,216,505	2,873,651
Change in experience	1,021,102	251,246
Change in proportion and differences between contributions and the proportionate share of contributions	1,133,238	1,133,238
Contributions made subsequent to measurement date		1,154,487
Total	$ 9,370,845	$ 5,578,121

The deferred inflows of resources and deferred outflows of resources above represent the unamortized portion of changes to the net RHC OPEB liability to be recognized in future periods in a systematic and rationale manner. Investment gains or losses are recognized in OPEB expense over a five year period and economic/demographic gains or losses and assumption changes or inputs are recognized over the average remaining service life of all active and inactive members, which is 8 years as of June 30, 2022. The change in proportion and differences between the contributions and the proportionate share of contributions represents the changes in allocation percentages to the individual funds, including the proprietary funds, of the total OPEB RHC liability from the prior measurement date to the current measurement date.

Amounts currently reported as deferred outflows and inflows of resources, other than contributions related to RHC OPEB, will be recognized in RHC OPEB expense as follows (in thousands):

Year ending June 30:	Deferred Outflows/(Inflows) of Resources
2024	$ (849,540)
2025	(849,772)
2026	(864,316)
2027	(609,814)
2028	(345,818)
Thereafter	(1,427,951)

Deferred outflows of resources of $1.154 billion related to contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the subsequent fiscal period rather than in the current fiscal period.

8. OTHER POSTEMPLOYMENT BENEFITS-Continued

Long-Term Disability

Plan Description

The County provides LTD benefits to employees and these benefits have been determined to fall within the definition of OPEB. The LTD plans are administered by the County and are not administered through a trust. Each of the LTD plans are a single employer plan and the amounts paid by the County are on a pay-as-you-go basis. These LTD benefits provide for income replacement if an employee is unable to work because of illness or injury. The Board approved the County's original LTD plan effective March 3, 1982. Effective January 1, 1991, a new Megaflex plan was approved by the Board and includes a Megaflex LTD plan and a LTD Health plan. The LTD Health plan was added to the LTD program and made available to all participants effective January 1, 2002.

Benefits Provided

The benefit provisions of the four LTD plans are as follows:

Eligibility

Non-Megaflex Income/Survivor Income Benefit (SIB) - The plan covers:

(1) An employee who becomes totally disabled as a direct result of an injury or disease while performing his/her assigned duties; or,
(2) An employee who becomes totally disabled after having completed five or more years of continuous service with the County; or,
(3) A qualified beneficiary of a deceased employee who had previously become totally disabled as a direct result of an injury or disease while performing his/her assigned duties; or,
(4) A qualified beneficiary of a deceased employee who had previously become totally disabled after having completed five or more years of continuous service with the County; or,
(5) A qualified beneficiary of an employee who dies as a direct result of an injury or disease while performing his/her assigned duties, or,
(6) A qualified beneficiary of an employee who dies in active service after having completed five or more years of continuous service with the County.

Megaflex Income/SIB - The plan covers:

(1) An employee purchases LTD coverage and then becomes totally disabled; or,
(2) An employee who becomes totally disabled after having completed five or more years of continuous service with the County and is a member of Retirement Plan E.
(3) The Qualified Beneficiary of a Retirement Plan E participant who is currently enrolled in the SIB plan at the time of death.

8. OTHER POSTEMPLOYMENT BENEFITS-Continued

Long-Term Disability-Continued

Benefits Provided-Continued

Non-MegaFlex Member LTD Health Plan - The plan continues medical insurance coverage for employees who are receiving or eligible to receive LTD Income benefits and are enrolled in one of the County approved health plans.

MegaFlex Member LTD Health Plan - The plan continues medical insurance coverage for employees who are receiving or eligible to receive LTD Income benefits and are enrolled in one of the County approved health plans.

Benefit Formula

Non-Megaflex Income/SIB - The plan provides a basic monthly benefit of:

(1) 60% of Basic Monthly Compensation (commences after 6 months of disability).
(2) Annual COLA, beginning after 2 years of benefit payments (limited to a maximum of 2%/ year), if disabled after 1/1/2001.
(3) For a qualified beneficiary, 55% of the LTD disability benefit that the employee was receiving or would have received immediately prior to death; and, continues for the life of the qualified surviving spouse/domestic partner and upon spousal death to the qualified children beneficiaries.

Megaflex Income/SIB - The plan provides a basic monthly benefit of:

(1) 40% or 60% of Basic Monthly Compensation (commences after 6 months of disability)
    a. Plan E members
        (1) With 5+ years of services 40% non-elective or can buy up to 60%
        (2) With less than 5 years of service: can buy 40% or 60%
    b. Plan A, B, C, or D members: can buy 40% or 60%
(2) Annual COLA, beginning after 2 years of benefit payments (limited to a maximum of 2% per year), if disabled after 1/1/2001.
(3) For a qualified beneficiary, the plan provides a basic monthly benefit of 10%, 15%, 25%, 35%, or 50% of employee’s monthly salary if they elected.

Non-MegaFlex Member LTD Health Plan - The plan pays 75% of monthly medical premiums for disabled members.

MegaFlex Member LTD Health Plan - The plan pays 75% of monthly medical premiums for disabled members.

8. OTHER POSTEMPLOYMENT BENEFITS-Continued

Long-Term Disability-Continued

Benefits Provided-Continued

Maximum Period

Non-Megaflex Income/SIB and Megaflex Income/SIB - LTD benefits stop when:

(1) Employee is no longer totally disabled or turns age 65, whichever occurs first. However, if employee is age 62 or older when benefit commences, benefit can continue beyond age 65 (length depends on age at commencement) as follows:

Age at Disability	Maximum Period
62	3 ½
63	3
64	2 ½
65	2
66	1 ¾
67	1 ½
68	1 ¼
69 and older	1

or

(2) Employee takes early or normal retirement under Plan E.

Employees covered by benefit terms

At June 30, 2022, the following employees were covered by the benefit terms:

LTD Income and Survivor Benefit Plans:	
Inactive employees or beneficiaries currently receiving benefit payments	2,502
Inactive employees entitled to but not yet receiving benefit payments	0
Active employees	80,591
LTD Health Plans	
Inactive employees or beneficiaries currently receiving benefit payments	623
Inactive employees entitled to but not yet receiving benefit payments	0
Active employees	77,551

Total LTD OPEB Liability

At June 30, 2023, the County reported a total LTD OPEB liability of $1.289 billion. The total LTD OPEB liability was determined by an actuarial valuation as of July 1, 2021, rolled forward to June 30, 2022.

8. OTHER POSTEMPLOYMENT BENEFITS-Continued

Long-Term Disability-Continued

Actuarial Methods and Assumptions

Valuation Timing	June 30, 2021, rolled forward to June 30, 2022
Actuarial Cost Method	Individual Entry Age Normal, Level Percent of Pay
Inflation	The inflation rate is included in the salary increase percentage and the Healthcare cost trend rates.
Salary Increases	3.25% general wage increase and merit according to Table A-5 of the June 30, 2021 RHC OPEB Program's actuarial valuation report which can be found at www.LACERA.com.
Mortality	Various rates based on the RP-2014 Healthy and Disabled Annuitant mortality tables and including projection for expected future mortality improvement using the MO Healthcare Cost Trend Rates - MP-2014 Ultimate Projection Scale.
Discount Rate	Equal to the municipal bond rate based on the 20-year Bond Buyer GO index (municipal bond rate), which was 2.16% as of June 30, 2021, and 3.54% as of June 30, 2022.

Healthcare Cost Trend rates:

Year	Rate (pre Medicare/ post Medicare)	Year	Rate (pre Medicare/ post Medicare)
2022-2023	-0.40%/0.30%	2061-2062	4.60%/4.60%
2023-2024	8.50%/3.70%	2071-2072	4.30%/4.30%
2024-2025	6.80%/6.50%	2081+	4.20%/4.20%
2025-2026	6.60%/6.50%		
2026-2027	6.00%/6.00%		
2027-2028	5.50%/5.50%		
2028-2029	5.10%/5.10%		
2029-2030	5.00%/5.00%		
2030-2031	4.90%/4.90%		
2041-2042	4.50%/4.50%		
2051-2052	4.60%/4.60%		

8. OTHER POSTEMPLOYMENT BENEFITS-Continued

Long-Term Disability-Continued

Changes in the Total LTD OPEB Liability (in thousands):

Total LTD OPEB Liability at 6/30/2021	$	1,473,239
Service cost		68,827
Interest		32,594
Differences between expected and actual experience		(512)
Changes of assumptions or other inputs		(218,398)
Benefit payments		(66,425)
Net Changes		(183,914)
Total LTD OPEB Liability at 6/30/2022	$	1,289,325

Changes of assumptions or other inputs reflect a change in the discount rate from 2.16% as of June 30, 2021 to 3.54% as of June 30, 2022.

Sensitivity of the Total LTD OPEB Liability to Changes in the Discount Rate

The following represents the County's total LTD OPEB liability calculated using the discount rate of 3.54%, as well as what the County's total LTD OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (2.54%) or 1-percentage point higher (4.54%) than the current rate (in thousands):

	1% Decrease (2.54%)	Discount Rate (3.54%)	1% Increase (4.54%)
Total LTD OPEB Liability	$ 1,454,655	$ 1,289,325	$ 1,142,786

Sensitivity of the County's Total LTD OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following represents the County's total LTD OPEB liability, as well as what the County's total LTD OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage point lower or 1-percentage point higher than the current healthcare cost trend rates (in thousands):

	1% Decrease	Current Trend Rate	1% Increase
Total LTD OPEB Liability	$ 1,273,562	$ 1,289,325	$ 1,309,555

8. OTHER POSTEMPLOYMENT BENEFITS-Continued

Long Term Disability-Continued

OPEB Expense and the Deferred Outflows of Resources and Deferred Inflows of Resources Related to LTD OPEB

For the year ended June 30, 2023, the County recognized LTD OPEB expense of $35.15 million which is reported as $32.98 million for governmental activities and $2.17 million for business-type activities. OPEB expense represents the change in the total LTD OPEB liability during the measurement period, adjusted for the deferred recognition of change in actuarial gain/loss, actuarial assumptions or methods, and plan benefits.

At June 30, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to LTD OPEB from the following sources (in thousands):

	Deferred Inflows of Resources	Deferred Outflows of Resources
Change in experience	$ 35,571	$ 100,029
Change of assumptions	278,715	204,617
Change in proportionate share	90,433	90,433
Total	$ 404,719	$ 395,079

The deferred inflows of resources and deferred outflows of resources above represent the unamortized portion of changes to the total LTD OPEB liability to be recognized in future periods in a systematic and rational manner. Economic/demographic gains or losses, assumption changes or inputs, and change in proportion are recognized over the average remaining service life of all active and inactive members, which is 12 years. The change in proportionate share represents the changes in allocation percentages to the individual funds, including the proprietary funds, of the total OPEB LTD liability from the prior measurement date to the current measurement date.

Amounts currently reported as deferred outflows and inflows of resources will be recognized in OPEB expense as follows (in thousands):

Year Ending June 30:	Deferred Outflows/(Inflows) of Resources
2024	$ 151
2025	151
2026	151
2027	151
2028	151
Thereafter	(10,395)

8. OTHER POSTEMPLOYMENT BENEFITS-Continued

Combined Balances of the Net OPEB Liability, Deferred Outflows of Resources, Deferred Inflows of Resources and the OPEB Expense

The following total balances are reflected in the accompanying statement of net position (in thousands):

	RHC OPEB	LTD OPEB	Total
Net OPEB Liability	$ 23,451,260	$ 1,289,325	$ 24,740,585
Deferred Outflows of Resources	5,578,121	395,079	5,973,200
Deferred Inflows of Resources	9,370,845	404,719	9,775,564
OPEB Expense	91,666	35,146	126,812

9. LEASES

Lease Liabilities

The County has entered into various leases as a lessee. These leases vary in the nature, substance, terms and conditions dependent upon the asset being leased. Examples of the types of assets leased range from office space, parking, warehouse space and office equipment to land for fire operations. GASB 87 requires that leases be categorized as either short-term (12 months or less in length, including options) or long-term. In determining the future minimum lease payments and receipts, the County includes the right to extend option terms in the non-cancelable lease term. Short-term lease financial transactions are reflected in the government-wide Statement of Activities and in the fund financial statements.

9. LEASES-Continued

Lease Liabilities-Continued

The following is a schedule of future minimum lease payments for the lease liabilities as of June 30, 2023 (in thousands):

	Governmental Activities		Business-type Activities	
Year Ending June 30	Principal	Interest	Principal	Interest
2024	$ 117,184	$ 44,836	$ 425	$ 59
2025	112,197	41,554	445	42
2026	112,736	38,339	462	25
2027	106,909	35,170	399	7
2028	102,814	32,157		
2029-2033	414,951	120,515		
2034-2038	287,824	70,005		
2039-2043	154,228	37,967		
2044-2048	80,177	19,570		
2049-2053	43,194	10,241		
2054-2058	39,975	3,612		
2059-2063	5,797	228		
2064-2068	206	12		
Total	$ 1,578,192	$ 454,206	$ 1,731	$ 133

Rent expenses related to leases for governmental activities were $110.33 million and $318 thousand for business-type activities, for the year ended June 30, 2023. Variable payments not previously included in the measurement of the lease liability were $5.31 million for the year ended June 30, 2023.

There were no payments for residual value guarantees or termination penalties during the reporting period.

The following is a schedule of right-to-use lease assets by major classes at June 30, 2023, (in thousands):

	Governmental Activities	Business-type Activities
Lease land	$ 10,137	$
Lease buildings and improvements	1,749,598	
Lease equipment	17,397	2,090
Lease asset accumulated amortization	(252,081)	(504)
Total	$ 1,525,051	$ 1,586

9. LEASES-Continued

<u>Lease Receivables</u>

As the lessor, the County leases County-owned properties such as land and buildings. The County has entered into long-term leases relative to the Marina del Rey Project area, asset development projects, regional parks, roads, Martin Luther King, Jr. Community Hospital (MLK Hospital), Flood Control District property, and County airports (Brackett Field, San Gabriel Valley, Whiteman, and General Wm. J. Fox Airfield). Substantially all the Marina's land and harbor facilities are leased to others. The asset development projects, which include the Marina del Rey Project area, are ground leases and development agreements entered into by the County for private sector development of commercial, industrial, residential, and cultural uses on vacant or underutilized County-owned property. Certain regional parks are leased under agreements which provide for activities such as food and beverage concessions, and recreational vehicle camping. Certain roads are leased under franchise agreements for electrical transmission system operations. The MLK Hospital is leased to the Martin Luther King, Jr. - Los Angeles Healthcare Corporation (MLK-LA) and is further discussed in Note 14. Flood Control District leases are for parking lots, and ingress and egress in connection with various commercial centers. The airport leases are for hanger space, vehicle parking, aircraft tiedowns and storage facilities, and are currently the only leases within the Business-type activities category. The asset development leases covering remaining periods ranging generally from 1 to 91 years, regional parks leases covering remaining periods from 5 to 16 years, roads leases with remaining periods of 34 years, and the MLK Hospital lease with a remaining period of 61 years are all accounted for in the General Fund. The Flood Control District leases cover remaining periods ranging from 12 to 67 years and are accounted for in the Flood Control District Fund. The airport leases cover remaining periods from 8 to 36 years and are accounted for in the Aviation Enterprise Fund.

The land carrying value of the asset development project ground leases that include the Marina del Rey Project area and the Flood Control District totals $730.20 million. The carrying value of the capital assets associated with the regional park, roads, MLK Hospital, and County airports leases is not determinable.

9. LEASES-Continued

Lease Receivables-Continued

The following is a schedule of future minimum lease payment receipts on noncancelable leases as of June 30, 2023 (in thousands):

Year Ending June 30,	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2024	$ 33,652	$ 34,290	$ 847	$ 369
2025	34,195	33,668	862	354
2026	34,672	33,037	878	338
2027	34,932	32,397	895	321
2028	33,373	31,768	911	305
2029-2033	172,661	149,531	4,092	1,278
2034-2038	184,836	133,151	2,960	974
2039-2043	192,737	115,791	3,243	691
2044-2048	185,614	98,615	2,835	404
2049-2053	196,572	81,116	1,848	181
2054-2058	196,818	62,990	991	64
2059-2063	175,124	45,182	203	2
2064-2068	102,838	33,110		
2069-2073	79,832	25,066		
2074-2078	87,406	17,463		
2079-2083	94,575	9,167		
2084-2088	20,081	3,066		
2089-2093	4,294	2,050		
2094-2098	4,277	1,398		
2099-2103	3,726	528		
2104-2108	549	85		
2109-2113	602	32		
2114	42			
Total	$ 1,873,408	$ 943,501	$ 20,565	$ 5,281

The following is a schedule of lease payment income for leases for the year ended June 30, 2023 (in thousands):

	Governmental Activities	Business-type Activities
Minimum lease payments	$ 35,686	$ 831
Variable lease payments	33,231	893
Total	$ 68,917	$ 1,724

9. LEASES-Continued

Lease Receivables-Continued

The minimum lease income is a fixed amount based on the lease agreements. The variable lease income is a percentage of revenue above a certain base for the asset development leases or a calculated percentage of the gross revenue less the minimum rent payment for the other leases.

The interest revenue received for leases of County-owned property for the year ended June 30, 2023 is $34.92 million.

10. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

The County has entered into various Subscription-Based Information Technology Arrangements (SBITAs) as a lessee. These leases are for software as a service, platform as a service or infrastructure as a service and vary in terms and conditions. Beginning with FY 2022-2023, SBITA leases are presented in the financial statements and accompanying footnotes in accordance with GASB 96. GASB 96 requires that SBITA leases be categorized as either short-term (12 months or less in length, including options) or long-term. In determining the future minimum subscription lease payments, the County will include the right to extend option terms in the non-cancelable lease term if it is reasonably certain that the option will be exercised. Variable payments based on a per seat subscription or based on transaction volumes are not included in the measurement of the subscription liability. Short-term lease financial transactions are reflected in the government-wide Statement of Activities and in the fund financial statements.

SBITA Lease Liabilities

The following is a schedule of future minimum lease payments for the SBITA lease liabilities as of June 30, 2023 (in thousands):

	Governmental Activities	
Year Ending June 30,	Principal	Interest
2024	$ 19,223	$ 3,486
2025	14,299	2,751
2026	9,169	2,211
2027	8,719	1,798
2028	8,405	1,403
2029-2033	24,850	2,478
2034-2038	1,260	56
Total	$ 85,925	$ 14,183

10. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS-Continued

SBITA variable payments not included in the measurement of the subscription liability for governmental activities were $84.54 million for the year ended June 30, 2023. There were no SBITA leases for business-type activities during the period. Additionally, there were no payments for termination penalties during the reporting period.

The following is a schedule of the right-to-use (RTU) assets and accumulated amortization for subscription leases at June 30, 2023, (in thousands):

	Governmental Activities
Subscription asset	$ 108,590
Subscription asset accumulated amortization	(21,651)
Total	$ 86,939

The development in progress for SBITAs that are not yet in production as of June 30, 2023 is $8.25 million.

11. LONG-TERM OBLIGATIONS

Long-term obligations of the County consist of bonds, notes and loans from direct borrowings and direct placements, financed purchase obligations from direct borrowing, pension (see Note 7), OPEB (see Note 8), lease (see Note 9), subscription (see Note 10) and other liabilities, which are payable from the General, Special Revenue, Debt Service, Enterprise and Internal Service Funds.

A summary of bonds, and notes and loans from direct borrowings and direct placements recorded within governmental activities follows (in thousands):

	Original Par Amount of Debt	Balance June 30, 2023
NPC Bonds, 5.83%	$ 5,000	$ 5,000
Public Buildings Bonds and Notes, 0.32% to 7.62%	2,066,006	2,058,815
Los Angeles County Securitization Corporation Tobacco Settlement Asset-Backed Bonds, 0.71% to 5.35%	349,584	343,338
Marina del Rey Loans, 4.50% to 4.70%	23,500	7,967
Lease Revenue Obligation Notes, 0.85% to 5.35%	135,467	135,467
Total	$ 2,579,557	$ 2,550,587

A summary of bonds, and notes and loans from direct borrowings and direct placements recorded within business-type activities follows (in thousands):

	Original Par Amount of Debt	Balance June 30, 2023
Public Buildings Bonds and Notes, 2.00% to 7.62%	$ 820,783	$ 794,574
Lease Revenue Obligation Notes, 0.85% to 5.35%	115,476	115,476
Waterworks District Loans, 1.40% to 2.28%	12,619	8,675
Aviation Loan, 2.95%	2,000	1,180
Total	$ 950,878	$ 919,905

11. LONG-TERM OBLIGATIONS-Continued

Certificates of Participation and Bonds

The County has issued lease revenue bonds through various financing entities that have been established and are component units of the County. The debt proceeds have been used to finance the acquisition of County facilities and equipment. The County makes annual payments to the financing entities for the use of the property and the debt is secured by the underlying capital assets that have been financed. The County has pledged a total of 16 County-owned properties as collateral for various bonds. During FY 2022-2023, the County did not issue new bonds.

Principal and interest requirements on NPC bonds and Public Buildings certificates of participation and bonds for governmental activities and business-type activities are as follows (in thousands):

	Governmental Activities		Business-type Activities	
Year Ending June 30,	Principal	Interest	Principal	Interest
2024	$ 49,931	$ 88,043	$ 20,729	$ 43,677
2025	52,336	85,403	21,690	42,373
2026	54,967	82,511	22,748	40,926
2027	57,747	79,444	23,878	39,401
2028	60,681	76,216	25,069	37,791
2029-2033	329,073	328,493	145,366	161,826
2034-2038	361,175	235,402	185,645	107,232
2039-2043	374,061	136,483	170,479	42,349
2044-2048	281,700	58,148	60,265	14,596
2049-2052	177,420	12,183	33,300	1,711
Subtotal	1,799,091	$ 1,182,326	709,169	$ 531,882
Add: Unamortized bond premiums	259,724		85,405	
Total certificates of participation and bonds	$ 2,058,815		$ 794,574	

Tobacco Settlement Asset-Backed Bonds

In 2006, the County entered into a Sale Agreement with the LACSC under which the County relinquishes to the LACSC a portion of its future tobacco settlement revenues (TSRs) for the next 40 years. The County received from the sold TSRs a lump sum payment of $319.83 million and a residual certificate in exchange for the rights to receive and retain 25.90% of the County's TSRs through 2046. The residual certificate represented the County's ownership interest in excess TSRs to be received by the LACSC during the term of the Sale Agreement. Residuals through 2023 were $131.51 million. The total TSRs sold, based on the projected payment schedule in the Master Settlement Agreement and adjusted for historical trends, was estimated to be $1.438 billion. The estimated present value of the TSRs sold, net of the expected residuals and assuming a 5.70% interest rate at the time of the sale, was $309.23 million. In the event of a decline in the tobacco settlement revenues for any reason, including the default or bankruptcy of a participating cigarette manufacturer, resulting in a decline in the tobacco settlement revenues and possible default on the Tobacco Bonds, neither the California County Tobacco Securitization Agency, the County, nor the LACSC has any liability to make up any such shortfall.

11. LONG-TERM OBLIGATIONS-Continued

Tobacco Settlement Asset-Backed Bonds-Continued

On June 10, 2020, the California County Tobacco Securitization Agency issued $349.59 million of Tobacco Settlement Bonds comprised of three series, maturing on various dates between 2021 and 2055, as reflected in governmental activities. These tax-exempt Tobacco Settlement Bonds Series 2020A (Senior) totaling $213.46 million, Series 2020B-1 (Subordinate) totaling $52.50 million, and Series 2020B-2 (Subordinate) totaling $83.63 million were issued to refund on a current basis all of the outstanding principal amount of $392.40 million of the Agency's Tobacco Settlement Asset-Backed Bonds Series 2006 through defeasance and redemption. The effective interest rates of the Series 2020 bonds vary from 0.71% through 5.35%.

Principal and interest requirements (in thousands) for the Tobacco Settlement Asset-Backed bonds are as follows:

	Governmental Activities	
Year Ending June 30,	Principal	Interest
2024	$ 6,280	$ 9,558
2025	6,240	9,244
2026	6,445	8,932
2027	6,775	8,609
2028	7,070	8,271
2029-2033	37,015	35,926
2034-2038	38,885	27,355
2039-2043	40,505	19,194
2044-2048	37,795	11,416
2049-2052	29,110	1,379
2054-2055	83,629	446,441
Subtotal	299,749	586,325
Add: Accretions	14,227	(14,227)
Add: Unamortized bond premiums	29,362	
Total tobacco settlement asset-backed bonds	$ 343,338	$ 572,098

Notes, Loans, and Lease Revenue Obligation Notes

Notes from Direct Placements

BANs are issued by LACCAL to provide interim financing for equipment purchases. BANs are purchased by the County Treasury Pool and are payable within 3 years of their initial issuance date from the proceeds of long-term bonds or other available funds. The repayment of the BANs is secured by lease agreements between the County and LACCAL and a pledge of the purchased equipment. During FY 2022-2023, LACCAL, an Internal Service Fund, issued additional BANs in the amount of $10.00 million as reflected in governmental activities. As of June 30, 2023, the note balance is $5.00 million for governmental activities only.

11. LONG-TERM OBLIGATIONS-Continued

Notes, Loans, and Lease Revenue Obligation Notes-Continued

Loans from Direct Borrowings

Marina del Rey loans were obtained from the California Department of Boating and Waterways for the restoration and renovation of the marina seawall. The loans are secured by Marina del Rey lease revenue and by Los Angeles County Music Center parking revenues. The loan contract contains a provision that in the event the County fails to make payment due, all principal and interest outstanding shall become immediately due and payable, and the deficiency will be added to, and become part of, the principal of the loan. As of June 30, 2023, the balance is $7.97 million for governmental activities.

In June 2010, the Board approved a resolution authorizing the Waterworks Districts to obtain Safe Drinking Water State Revolving loans in the amount of $3.41 million and $5.47 million from the California Department of Public Health to fund the Sepulveda Feeder Interconnection project (Malibu) and the Marina del Rey Waterline Replacement project (Marina), respectively. The loans will be repaid over 20 years and are secured by revenues from surcharges collected for capital improvements. Annual principal and interest payments of the loans are expected to require less than 46.73% of the annual surcharge revenues. The funding agreements contain a provision that in an event of default, obligations may be immediately due and payable, and further disbursements may be terminated. As of June 30, 2023, total loans drawn are $3.40 million on the Sepulveda Feeder Interconnection project and $5.47 million on the Marina del Rey Waterline Replacement project. As of June 30, 2023, the balance is $5.31 million for business-type activities.

In July 2014, the Board approved the Whiteman Airport Leasehold Interest Acquisition Project, with a total Project cost of $4.02 million. To partially finance the acquisition, the Aviation Enterprise Fund obtained an Airport Development Loan from the State of California Department of Transportation, Aeronautics Program for $2.00 million with an annual interest rate of 2.95%. The Airport Development Loan will be repaid over 17 years with revenue generated by lease payment income. The loan agreement contains a provision that if the County fails to comply with or perform any term or condition in the agreement, or fails to pay the annual loan payment, the entire outstanding principal amount of the loan and all accrued interest may be immediately due and payable. In addition, the County may be ineligible for future financing under the program. During FY 2022-2023, the County did not obtain any additional airport development loans. As of June 30, 2023, the balance is $1.18 million for business-type activities.

In September 2020, the Board approved a resolution authorizing the Waterworks Districts to obtain Safe Drinking Water State Revolving loans in the amount of $3.75 million from the California State Water Resources Control Board to fund the Del Valle Road Water Main Replacement Project. The loan will be repaid over 20 years and is secured by revenues from surcharges collected for capital improvements. Annual principal and interest payments of the loans are expected to require approximately 36% of the annual surcharge revenues. The funding agreement contains a provision that in an event of default, obligations may be immediately due and payable, and further disbursements may be terminated. During FY 2022-2023, the County drew down $2.32 million in loans. As of June 30, 2023, the balance is $3.37 million for business-type activities.

11. LONG-TERM OBLIGATIONS-Continued

Notes, Loans, and Lease Revenue Obligation Notes-Continued

Lease Revenue Obligation Notes from Direct Borrowings

LRON provide the County with a flexible and cost-effective source of financing to provide interim funding during the initial construction phase of a capital project and fund tenant improvements costs on certain leases, which may be refinanced with the issuance of long-term bonds upon completion. Repayment of LRON is secured by four irrevocable direct-pay letters of credit (LOC) from separate banks supporting the issuance of LRON. This program is secured by fifteen County-owned properties pledged as collateral in a lease-revenue financing structure with LACCAL.

The LOCs were issued for a five-year period and have a termination date of April 30, 2024. The County has the option to extend the LOCs for an additional one-year period or to some other term mutually agreed to with the participating banks.

The aggregate maximum principal amount of the four LOCs is $600.00 million, which consists of $100.00 million of Series A (Bank of the West), $200.00 million of Series B (U.S. Bank), $200.00 million of Series C (Wells Fargo Bank), and $100.00 million of Series D (State Street Bank). The County is responsible for the payment of a non-refundable letter of credit fee for each LOC on a quarterly basis in an amount equal to the rate per annum corresponding to the lowest long-term unenhanced debt ratings assigned by any of Moody's, S&P, or Fitch to any Lease Obligation Debt of the County. The letter of credit fee for all four series of LOCs is equal to 0.35% of the maximum principal amount of the LOC. As of June 30, 2023, $250.94 million of LRON issued under the program were outstanding, including $18.53 million of Series A, $76.13 million of Series B, $99.21 million of Series C, and $57.07 million of Series D.

LRON are issued as variable rate instruments with a maximum term not to exceed 270 days. On the maturity date of LRON, the notes are reissued at the prevailing interest rates in the note market, which reflects the term of the note and the perceived credit quality of the supporting letter of credit bank. In the event the notes are not able to be reissued in the note market, the bank will make a Principal Advance to pay the principal of the maturing note. If the Principal Advance remains outstanding longer than 90 days, a term loan is created to repay the bank.

During FY 2022-2023, the County reissued $99.24 million for governmental activities and $151.10 million for business-type activities, representing the total amounts outstanding at the beginning of the year. These reissues, along with new County LRON of $36.62 million for governmental activities and $184.38 million for business-type activities, totaling $221.00 million, and redemptions of $400 thousand for governmental activities and $220.00 million for business-type activities, totaling $220.40 million, are reflected as notes payable. The total outstanding LRON as of June 30, 2023 is $250.94 million, which is reported as $135.46 million for governmental activities and $115.48 million for business-type activities. The average interest rate on LRON issued in FY 2022-2023 was 2.41%.

11. LONG-TERM OBLIGATIONS-Continued

Notes, Loans, and Lease Revenue Obligation Notes-Continued

Lease Revenue Obligation Notes from Direct Borrowings-Continued

Principal and interest requirements on NPC BANS, Marina del Rey Loans and LRON for governmental activities and NPC BANS, Waterworks District Loans, Aviation Loan and LRON for business-type activities are as follows (in thousands):

Year Ending	Governmental Activities		Business-type Activities	
June 30	Principal	Interest	Principal	Interest
2024	$ 136,653	$ 359	$ 115,896	$ 143
2025	6,239	305	648	191
2026	1,295	249	662	176
2027	1,354	191	677	161
2028	1,414	130	692	146
2029-2033	1,479	67	3,555	482
2034-2038			1,343	172
2039-2043			577	114
2044-2048			618	73
2049-2053			663	27
Total notes, loans, and LRON	$ 148,434	$ 1,301	$ 125,331	$ 1,685

Financed Purchase Obligations-Direct Borrowings

Principal and interest requirements on financed purchase obligations for governmental activities are as follows (in thousands):

Year Ending	Governmental Activities	
June 30	Principal	Interest
2024	$ 7,177	$ 397
2025	2,906	255
2026	2,687	199
2027	2,667	147
2028	2,616	96
2029-2031	4,697	67
Total financed purchase obligations	$ 22,750	$ 1,161

11. LONG-TERM OBLIGATIONS-Continued

Summary-All Future Principal, Interest and Accretions

The following summarizes total future principal and interest requirements for the various debt issues referenced above (in thousands):

	Governmental Activities		Business-type Activities	
Debt Type	Principal	Interest	Principal	Interest
Certificates of participation and bonds	$ 1,799,091	$ 1,182,326	$ 709,169	$ 531,882
Tobacco settlement asset-backed bonds	299,749	586,325		
Notes, Loans, and LRON from direct borrowings and placements	148,434	1,301	125,331	1,685
Subtotal	2,247,274	$ 1,769,952	834,500	$ 533,567
Add: Accretions	14,227			
Unamortized premiums on bonds payable	289,086		85,405	
Total bonds and notes	$ 2,550,587		$ 919,905	

Long-term liabilities recorded in the government-wide statement of net position include accreted interest on zero coupon bonds and unamortized bond premiums.

Bonds Defeased in Prior Years

In prior years, various debt obligations, consisting of bonds and certificates of participation, were defeased by placing the proceeds of refunding bonds in an irrevocable trust to provide for all future debt service payments on the old obligations. GASB 86, "Certain Debt Extinguishment Issues," requires that debt also be considered defeased when cash and other monetary assets acquired with only existing resources are placed in an irrevocable trust to extinguish debt. Accordingly, the trust account assets and the related debt service payments for the defeased bonds would not be reflected in the County's statement of net position. At June 30, 2023, there were no outstanding bonds and certificates of participation considered defeased.

Changes in Long-term Liabilities

The following is a summary of the restatement of beginning balances as a result of the implementation of GASB 96, as described in Note 2 (in thousands):

	Balance at July 1, 2022, as previously reported	Adjustment	Balance at July 1, 2022, as restated
Governmental activities:			
Subscription liability (Note 10)	$	55,237	$ 55,237

11. LONG-TERM OBLIGATIONS-Continued

Changes in Long-term Liabilities-Continued

The following is a summary of long-term liabilities and corresponding activity for the year ended June 30, 2023 (in thousands):

	Balance July 1, 2022 as restated	Additions/ Accretions	Transfers/ Maturities	Balance June 30, 2023	Due Within One Year
Governmental activities:					
Bonds payable	$ 2,184,272		85,432	$ 2,098,840	$ 56,211
Notes, loans, and LRON from direct borrowings and placements	108,346	135,467	100,379	143,434	136,653
	2,292,618	135,467	185,811	2,242,274	192,864
ISF bonds payable and notes from direct placements	245	10,000	5,245	5,000	
Total bonds payable, notes, loans and LRON	2,292,863	145,467	191,056	2,247,274	192,864
Interest accretion on capital appreciation bonds payable	9,192	5,035		14,227	
Unamortized premium on bonds payable	294,346		5,260	289,086	6,258
Other long-term liabilities:					
Lease liability (Note 9)	1,419,492	284,364	125,664	1,578,192	117,184
Subscription liability (Note 10)	55,237	61,038	30,350	85,925	19,223
Financed purchase obligations	29,816		7,066	22,750	7,177
Accrued compensated absences	2,040,862	271,686	138,227	2,174,321	126,226
Workers' compensation (Note 18)	3,014,106	720,646	622,795	3,111,957	626,398
Litigation and self-insurance (Note 18)	546,007	3,409,421	223,265	3,732,163	261,775
Pollution remediation obligation (Note 19)	38,032	1,759	2,625	37,166	2,815
Net pension liability (Note 7)	6,073,131	5,309,310		11,382,441	
Net OPEB liability (Note 8)	22,862,738		1,868,134	20,994,604	
Third party payor	408,097	216,621	292,197	332,521	195,898
Total governmental activities	$ 39,083,919	10,425,347	3,506,639	$ 46,002,627	$ 1,555,818
Business-type activities:					
Bonds payable	$ 729,059		19,890	$ 709,169	$ 20,729
Add: Unamortized premium on bonds payable	85,907		502	85,405	756
Notes, loans, and LRON from direct borrowings and placements	159,167	117,798	151,634	125,331	115,896
Total bonds payable, notes, loans and LRON	974,133	117,798	172,026	919,905	137,381
Other long-term liabilities:					
Lease liability (Note 9)	1,148	902	319	1,731	425
Financed purchase obligations	11		11		
Accrued compensated absences	267,130	35,938	19,200	283,868	17,385
Workers' compensation (Note 18)	386,357	39,723	33,804	392,276	36,865
Litigation and self-insurance (Note 18)	67,911	1,433	35,294	34,050	21,709
Net pension liability (Note 7)	957,332	820,787		1,778,119	
Net OPEB liability (Note 8)	4,134,822		388,841	3,745,981	
Third party payor (Note 14)	496,901	146,925	117,052	526,774	142,136
Total business-type activities	$ 7,285,745	1,163,506	766,547	$ 7,682,704	$ 355,901

11. LONG-TERM OBLIGATIONS-Continued

Changes in Long-term Liabilities-Continued

For governmental activities, the General Fund, the Fire Protection District Special Revenue Fund and the LA County Library Special Revenue Fund have typically been used to liquidate workers' compensation, accrued compensated absences, pension, OPEB, lease, financed purchase, subscription, litigation and self-insurance.

Bond interest accretions for deep discount bonds have been included in the amounts reported for Bonds. Accretions increased during FY 2022-2023, thereby increasing liabilities for Bonds by $5.04 million for governmental activities. Note 18 contains information about changes in the combined current and long-term liabilities for workers' compensation and litigation and self-insurance.

Discretely Presented Component Unit

Long-term debt obligations and corresponding activity for the LACDA and First 5 LA discretely presented component units for the year ended June 30, 2023, were as follows (in thousands):

	Balance July 1, 2022	Additions	Maturities	Balance June 30, 2023	Due Within One Year
LACDA					
Governmental activities:					
Bonds payable	$ 31,140		35	$ 31,105	$ 675
Unamortized premium on bonds payable	3,631		23	3,608	
Notes from direct borrowing	5,882	10,300	2,736	13,446	1,083
Compensated absences	1,848	1,752	1,668	1,932	1,739
Lease liability	186		110	76	70
Subscription liability		2,489	1,197	1,292	490
Claims payable	3,525	7,251	3,862	6,914	691
Net pension liability	11,032	32,098	3,814	39,316	
Net OPEB liability		2,409	1,132	1,277	
Total governmental activities	$ 57,244	56,299	14,577	$ 98,966	$ 4,748
Business-type activities:					
Lease liability	1,059		1,059		
Subscription liability		319	76	243	53
Notes from direct borrowing	2,200			2,200	
Compensated absences	1,467	1,273	1,382	1,358	1,223
Net pension liability	2,597	25,128	2,984	24,741	
Net OPEB liability		556	354	202	
Total business-type activities	$ 7,323	27,276	5,855	$ 28,744	$ 1,276
Total long-term obligations-LACDA	$ 64,567	83,575	20,432	$ 127,710	$ 6,024
First 5 LA					
Compensated absences	$ 1,057	700	752	$ 1,005	$ 121
Total long-term obligations-First 5 LA	$ 1,057	700	752	$ 1,005	$ 121
Total long-term obligations-Discretely presented component units	$ 65,624	84,275	21,184	$ 128,715	$ 6,145

12. SHORT-TERM DEBT

On July 1, 2022, the County issued $900.00 million of short-term Tax and Revenue Anticipation Notes at an effective interest rate of 1.65%. The proceeds of the notes were used to assist with County General Fund cash flow needs prior to the first major apportionment of property taxes, which occurred in December 2022. The notes matured and were redeemed on June 30, 2023.

13. CONDUIT DEBT OBLIGATIONS

Community Facilities and Improvement District Bonds

As of June 30, 2023, various community facilities and improvement districts established by the County had outstanding special tax bonds payable totaling $64.95 million and limited obligation improvement bonds totaling $573 thousand. The bonds were issued to finance the cost of various construction activities and infrastructure improvements, which have a regional or direct benefit to the related property owners.

The bonds do not constitute an indebtedness of the County and are payable solely from special taxes and benefit assessments collected from property owners within the districts. In the opinion of County officials, these bonds are not payable from any revenues or assets of the County and neither the full faith and credit of the County, the State or any political subdivision thereof is obligated to the payment of the principal or interest on the bonds. The County has limited commitments for these bonds. Accordingly, no liability has been recorded in the accompanying basic financial statements.

The County functions as an agent for the districts and bondholders. Debt service transactions related to the various bond issues are reported in the custodial funds. Construction activities are reported in the Improvement Districts' Capital Projects Fund.

Industrial Development and Other Conduit Bonds

Industrial development bonds, and other conduit bonds, have been issued to provide financial assistance to private sector entities and nonprofit corporations for the acquisition of industrial and health care facilities, which provide a public benefit. The bonds are secured by the facilities acquired and/or bank letter of credit and are payable solely from project revenue or other pledged funds. The County is not obligated in any manner for the repayment of the bonds. All industrial development bonds were paid during the year and no amount was outstanding as of June 30, 2023.

Redevelopment Refunding Bonds

The County of Los Angeles Redevelopment Refunding Authority, a JPA between the County and the Los Angeles County Public Works Financing Authority, was established to issue bonds that would enable successor agencies to former redevelopment agencies within the County to refund their outstanding tax allocation bonds in order to achieve debt service savings and to provide significant economies of scale through reduced costs of issuance and lower interest rates. The bonds are secured by a lien on future tax revenues of successor agencies. The County is not obligated in any manner for the repayment of the bonds. The County has limited commitment for these bonds. Accordingly, no liability has been recorded in the accompanying basic financial statements.

As of June 30, 2023, the amount of redevelopment refunding bonds outstanding was $421.17 million.

14. HOSPITAL AND OTHER PROGRAM REVENUES

Net patient service revenues are reported at the estimated net realizable amounts from patients, third party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods, as final settlements are determined.

California Advancing and Innovating Medi-Cal

On December 28, 2021, the federal Centers for Medicaid and Medicare Services (CMS) approved the California Advancing and Innovating Medi-Cal (CalAIM) Section 1115 demonstration and CalAIM Section 1915(b) waiver, effective through December 31, 2026. CalAIM is an innovative and long-term commitment to transform and strengthen Medi-Cal, making the program more equitable, coordinated, and person-centered to help people maximize their health and life trajectory. CalAIM shifts Medi-Cal to a population health approach on a statewide level that prioritizes prevention and addresses social drivers of health.

Revenues from CalAIM include those derived from Medical Managed Care (which the State moved from the Section 1115 waiver - where it resided in Medi-Cal 2020 - to the 1915(b) waiver portion of CalAIM). Those revenues are depicted below, consistent with historicals, to facilitate year-to-year comparisons.

CalAIM revenues include (among other sources):

1. Global Payment Program
2. Providing Access and Transforming Health
3. Enhanced Care Management
4. Community Support

Global Payment Program

The Global Payment Program (GPP) originated under the Medi-Cal 2020 Waiver and was approved to continue under the CalAIM Section 1115 demonstration. GPP is a payment reform program that aims to change the way county-owned and operated Public Hospital Systems (PHS) in California are compensated for providing care to the remaining uninsured. The program encourages a shift away from cost-based, hospital-centric models of care, through financial incentives to provide cost-effective primary and specialty care.

The GPP lifts restrictions that have historically impeded providing services for the remaining uninsured in the most appropriate setting for each patient, and now includes non-traditional methods of care delivery that have not been covered under either program. The shift from volume to value is done through a value-based point methodology, which takes into account both the value of care to the patient, and the recognition of costs to the health care system.

14. HOSPITAL AND OTHER PROGRAM REVENUES-Continued

California Advancing and Innovating Medi-Cal-Continued

Global Payment Program-Continued

The GPP funds are comprised of (a) Disproportionate Share Hospital (DSH) funds that otherwise would have been allotted to the PHS, and (b) Safety Net Uncompensated Care Pool (SNCP) funds. DSH is a federal program to support safety-net hospitals that care for a disproportionate share of low-income patients. SNCP was established under California's 2005 waiver to support services provided to uninsured patients.

Each GPP (PHS) participant has an opportunity to earn a global budget for care to the remaining uninsured and must meet service thresholds to receive full funding. Points are assigned to services in the following categories:

- Traditional Outpatient (e.g., primary or specialty care visit, dental, ER/urgent care, mental health visit).
- Non-Traditional Outpatient (e.g., health coaching, care navigation, community wellness encounters).
- Technology-Based Outpatient (e.g., nurse advice line, email consultation, provider-to-provider eConsult for specialty care).
- Inpatient and Facility Stays (e.g., trauma care, ICU stays, recuperative care, respite care, sober center stays, skilled nursing facility stays).

The County provides funding for the State of California's (State) share of the program by using "intergovernmental transfers" (IGTs) to draw down federal matching funds.

The estimated GPP revenues and related IGTs recorded in FY 2022-2023 were as follows (in thousands):

	GPP Revenues	Intergovernmental Transfers Expense
Harbor-UCLA Medical Center	$ 273,373	$ 135,399
Olive View-UCLA Medical Center	133,786	65,958
Los Angeles General Medical Center	384,750	230,925
Rancho Los Amigos National Rehab Center	120,812	95,684
Total	$ 912,721	$ 527,966

The General Fund received $347.63 million for GPP and paid $92.52 million of related IGTs, which were recorded as “Charges for Services” revenue and "Health and Sanitation" expenditures, respectively, on the governmental funds statement.

Providing Access and Transforming Health

Providing Access and Transforming Health (PATH) is a five-year, $1.850 billion initiative to provide and build capacity and infrastructure for initiatives under CalAIM, namely Enhanced Care Management, Community Support, and Justice-Involved services. There are several subaccounts in PATH that the Department of Health Services (DHS) has either applied for or will apply for:

14. HOSPITAL AND OTHER PROGRAM REVENUES-Continued

California Advancing and Innovating Medi-Cal-Continued

Providing Access and Transforming Health-Continued

- Whole Person Care Services and Transition to Managed Care Mitigation Initiative
  PATH will fund services provided by former Whole Person Care Pilot Lead Entities until the services transition to managed care coverage under CalAIM. This funding will end by January 1, 2024. The County must provide local match funding in the form of an IGT, based on actual expenditures, to receive reimbursement from the Department of Health Care Services (DHCS).

- Capacity and Infrastructure Transition, Expansion and Development (CITED) Initiative
  PATH will provide direct funding to support the transition, expansion, and development of Enhanced Care Management and Community Support services. Funds will be made available from DHCS directly to recipients in several rounds, with the first round being up to $100 million statewide. DHS is in the process of applying for this competitive pool of funds. The non-federal share will be provided with State general fund resources. DHS applied for funds in Round 1 and was authorized for $8.59 million. Currently, DHS is in the process of applying for funds in Round 2.

- Justice-Involved Capacity Building Program
  Starting in 2023, PATH funding will be available from DHCS to support DHS pre-release capacity building activities to support the ability to claim for certain health services provided in jail 90 days before release. CMS authorized payment for these services in a waiver amendment approved January 26, 2023. DHS is working with DHCS to determine how much funding will be available for pre-release capacity building.

In FY 2022-2023, the General Fund accrued $49.08 million for PATH and $20.87 million of related IGTs, which were recorded as “Charges for Services” revenue and "Health and Sanitation" expenditures, respectively, on the governmental funds statement.

Enhanced Care Management

Enhanced Care Management (ECM) is a new Medi-Cal managed care benefit that supports a whole person-focused, interdisciplinary approach to intensive care management intended to improve care coordination and address the physical, behavioral health, and social needs of the highest cost, highest need Medi-Cal beneficiaries. It is designed to replace similar services that were previously provided under Whole Person Care and Health Homes Program. DHS has contracted with LA Care and Health Net to provide ECM services to certain high-need members assigned to DHS for primary care, and beginning in January 2024 it will add a contract with Molina.

In FY 2022-2023, an estimated $2.88 million of ECM revenues were recorded as part of net patient service revenues.

The General Fund received an estimated $3.52 million for ECM, which were recorded as "Charges for Services" revenue on the governmental funds statement.

14. HOSPITAL AND OTHER PROGRAM REVENUES-Continued

California Advancing and Innovating Medi-Cal-Continued

Community Support

Community Support (CS) covers a variety of managed care services that address complex barriers to health and drivers of health care costs, such as homelessness and unstable or unsafe housing, and food insecurity. CS is focused on addressing specific medical and social needs of the high-risk clients, in order to reduce utilization of higher-cost services. The services are voluntary for the managed care plan to offer, and for the patients to opt in to receiving. DHS has contracted with six Medi-Cal managed care plans to launch and offer the following CS services in 2022 and 2023: recuperative care, housing navigation and tenancy sustaining services. Additional services for newly eligible populations are scheduled to roll out through 2024. The General Fund received an estimated $66.36 million for CS, which were recorded as "Charges for Services" revenue on the governmental funds statement. It is expected that these amounts will decline in future years due to health plans limiting the duration of housing benefits to periods that are shorter than the time during which a person receives housing services from the County. While current year revenues reflect coverage for a substantial share of current clients, in future years, only newly housed individuals will be reimbursed.

Previous Medi-Cal Demonstration Projects

Bridge to Reform

Bridge to Reform was approved in November 2010 by CMS, pursuant to Section 1115(a) of the Social Security Act. This waiver affected many aspects of Medi-Cal revenue for the County hospitals and clinics including the financing methods by which the State drew down federal matching funds. Bridge to Reform covered the period November 1, 2010 to October 31, 2015, with a temporary extension to December 31, 2015. As of the end of the FY 2022-2023, Program Years 2010-2011 and 2014-2015 are still pending State's final reconciliation.

Managed Care for Seniors and Persons with Disabilities

Under the Medi-Cal Demonstration Project, in an effort to provide more coordinated care and contain costs, Medi-Cal beneficiaries who are Seniors and Persons with Disabilities (SPDs) are required to enroll in managed care plans, rather than using a fee for service system. In FY 2022-2023, an estimated $153.58 million of SPD revenues were recorded as part of net patient service revenues.

The General Fund received $16.45 million for SPD, which were recorded as "Charges for Services" revenue on the governmental funds statement.

14. HOSPITAL AND OTHER PROGRAM REVENUES-Continued

Affordable Care Act

On January 1, 2014, when the federal health care reform of the Patient Protection and Affordable Care Act went into effect, the Hospital Presumptive Eligibility program also provided individuals with temporary Medi-Cal benefits while a formal, permanent Medi-Cal application is being processed.

Medicaid Coverage Expansion

The Medicaid Coverage Expansion (MCE), also known as the Optional Medicaid Expansion program, provides Medi-Cal coverage for adult citizens or legal residents (ages 19-64) who are uninsured and have incomes at or below 138.00% of the Federal Property Level. The Federal Medical Assistance Percentage (FMAP) for the MCE Program was 100.00% from July 1, 2016 through December 31, 2016, 95.00% from January 1, 2017 through December 31, 2017, 94.00% from January 1, 2018 through December 31, 2018, and 93.00% from January 1, 2019 through December 31, 2019. It became 90.00% on January 2020 and is set to continue at the level thereafter.

The County contracts with LA Care Health Plan (LA Care) and Health Net Community Solutions, Inc. (Health Net) to provide services for their Medi-Cal managed care members. During FY 2022-2023, LA Care paid the County managed care capitation payments based on the CY 2022 contract rates, while Health Net paid contracted rates effective January 2022.

In FY 2022-2023, the total estimated MCE revenues and related estimated IGTs, including prior year over/under-realization were as follows (in thousands):

	Program Revenues	Intergovernmental Transfers Expense
MCE	$ 402,102	$
MCRS - MCE	157,814	27,461
Total	$ 559,916	$ 27,461

The General Fund received $90.69 million for MCE which was recorded as "Charges for Services" revenue. The IGTs recorded under "Health and Sanitation" expenditures on the governmental funds statement are related to prior year IGT reconciliations.

On September 1, 2023, the County received a Civil Investigative Demand (“CID”) from the United States Department of Justice (“DOJ”). The demand seeks records and information related to managed care and the expansion of Medicaid to adult expansion under the Affordable Care Act. The County is cooperating with the investigation and has made an initial production of documents responsive to the CID. Potential penalties are contingent on a number of factors and too speculative to reasonably estimate at this time.

14. HOSPITAL AND OTHER PROGRAM REVENUES-Continued

Other Medi-Cal Programs

Medi-Cal Fee-For-Service

The Medi-Cal Demonstration Project restructured the financing method by which the State draws down federal matching funds for the inpatient hospital FFS to cost based reimbursement. The non-federal share of the Medi-Cal FFS is provided by the hospitals primarily through certified public expenditures (CPE) whereby the hospital expends its local funding for services to draw down the federal financing participation (FFP), currently provided at a 56.20% match which incorporates a 6.20% increase in the FFP rate as authorized by the Families First Coronavirus Response Act (FFCRA). For FY 2022-2023, an estimated $456.31 million of Medi-Cal FFS revenues were recorded as part of net patient service revenue.

Medi-Cal Physician State Plan Amendment

The Medi-Cal Demonstration Project payment for inpatient and other facility services excluded professional services. State Plan Amendment 05-23 allows professional services provided by public entities to be paid similarly to the inpatient hospital services under the Medi-Cal Demonstration Project. Hospitals are allowed to claim federal reimbursement for unreimbursed costs of Medi-Cal professional services (Hospital Inpatient, Emergency Room, and Psychiatric services), which is matched at the applicable FMAP rate for the year.

Revenues of $73.57 million were recognized and recorded as part of net patient service revenue during FY 2022-2023.

Cost Based Reimbursement Clinics

Cost Based Reimbursement Clinics (CBRC) reimburse 100% of allowable costs for outpatient services provided to Medi-Cal FFS beneficiaries at the County's hospital-based clinics, outpatient centers and Ambulatory Care Network health centers (excluding clinics that provide predominately public health services). In FY 2022-2023, CBRC revenues were $231.70 million for the enterprise funds and were recorded as net patient services revenue.

As of June 30, 2023, the County estimated that approximately $27.64 million of CBRC accounts receivable would not be collectible within 12 months and this amount is classified as a noncurrent asset in the enterprise fund statements of net position for each hospital.

The General Fund received $42.92 million for CBRC, which was recorded as "Charges for Services" revenue on the governmental funds statement. As of June 30, 2023, the County estimated that approximately $8.56 million of CBRC accounts receivable would not be collectible within 12 months.

Medi-Cal Cost Report Settlements

In FY 2022-2023, the County recognized final inpatient hospital FFS settlements of $29.48 million related to the FY 2011-2012. In addition, the County received CBRC audit settlements of $68.35 million related to FY 2019-2020 and FY 2020-2021. The County’s appeal of certain CBRC audit adjustments at various levels to the Office of Administrative Appeals have been favorably resolved resulting in $7.32 million of final settlement revenues.

The State is in the process of auditing the FY 2020-2021 non-hospital CBRC and FY 2021-2022 hospital cost reports. Settlements are expected by the 4th quarter of FY 2023-2024.

14. HOSPITAL AND OTHER PROGRAM REVENUES-Continued

Other Medi-Cal Programs-Continued

Medi-Cal Managed Care Graduate Medical Education

On March 19, 2020, the State executed State Plan Amendment (SPA) Transmittal Number 17-009 that allows for graduate medical education (GME) payments to certain governmental hospitals for Medi-Cal managed care services effective January 1, 2017. The Medi-Cal managed care plans do not include GME payments within the capitation rates.

These supplemental GME payments are funded by voluntary IGTs made by the County pursuant to Welfare and Institutions Code (WIC) sections 14164 and 14105.29(c), that is used solely as the source for the non-federal share of GME payments made to the eligible providers of the Governmental Funding Entity pursuant to WIC section 14105.29 and Supplement 6 to Attachment 4.19-A of the SPA. The funds transferred qualify for FFP pursuant to 42 Code of Federal Regulations part 433 subpart B.

Under the SPA, the County is required by Welfare and Institutions Code Section 14105.29, to pay the State a 5% administrative fee that is assessed on the full amount of the IGTs. This amount is also recorded as part of the IGT.

In FY 2022-2023, the County recorded the GME supplemental gross revenue payments as listed below and recorded the corresponding IGT expense as follows (in thousands):

	GME Revenues	Intergovernmental Transfers Expense
Harbor-UCLA Medical Center	$ 62,537	$ 7,764
Olive View-UCLA Medical Center	28,506	1,971
Los Angeles General Medical Center	108,501	11,951
Rancho Los Amigos National Rehab Center	2,342	281
Total	$ 201,886	$ 21,967

Medi-Cal Managed Care Rate Supplements

The State is obtaining CMS' approval to continue the Medi-Cal Managed Care Rate Supplements (MCRS) paid to LA Care and Health Net Health Plans for calendar year 2023. The supplements are funded by IGTs made by the County. The County does not receive the supplemental payments directly from the State; rather, the State contracts with LA Care and Health Net, which then subcontract for services with various provider networks.

In addition, in order to receive the supplemental payments, the County is required by Welfare and Institutions Code Section 14301.4, to pay the State a 20% administrative fee that is assessed on the full amount of the IGTs. This amount is also recorded as part of the IGT.

14. HOSPITAL AND OTHER PROGRAM REVENUES-Continued

Other Medi-Cal Programs-Continued

Medi-Cal Managed Care Rate Supplements-Continued

The total estimated managed care rate supplement revenues and related estimated IGTs recorded in FY 2022-2023, including prior year over/under realization, were as follows (in thousands):

	MCRS Revenues	Intergovernmental Transfers Expense
Harbor-UCLA Medical Center	$ 1,230	$ (705)
Olive View-UCLA Medical Center	216,060	117,058
Rancho Los Amigos National Rehab Center	(7,529)	(6,487)
Total	$ 209,761	$ 109,866

The MCRS IGTs related to the prior year reconciliations, in the amount of $0.04 million, were recorded in the General Fund as "Health and Sanitation" expenditures on the governmental fund statements. There are no associated revenues related to these IGT reconciliations.

Managed Care Rule

On April 25 2016, CMS published the Medicaid and Children's Health Insurance Program (CHIP) Managed Care Final Rule. The rule, many provisions of which went into effect July 1, 2017, is an update to the regulatory framework for Medicaid, aligning it as much as possible with Medicare and other commercial insurance requirements for issues like rate setting, access standards, grievances and appeals, and quality.

The managed care rule limits the ability of states to direct payments to health care providers, unless certain conditions are met. Among the allowable exceptions are payments tied to performance, and payments that provide a uniform payment increase which includes a pre-determined increase over contracted rates. The previous SPD-SB208 and AB85 MCE-to-Cost programs did not meet these conditions. In order to retain this critical funding, the following two programs were introduced:

1. Enhanced Payment Program
2. Quality Incentive Program

Enhanced Payment Program

The Enhanced Payment Program (EPP) creates a funding pool to supplement the base rates public health care systems receive through Medi-Cal managed care contracts. It was intended to meet the managed care rule’s criteria that allow payments that provide a uniform increase within a class of providers such as a predetermined increase over contracted rates.

The mechanism for delivering EPP payments to public health care systems depends largely on those systems’ existing payment arrangements with their managed care plans. Under the proposed structure, health plans would receive an add-on to their managed care rates and would provide interim payments to providers throughout the year. Payments would be reconciled at the end of the year, protecting health plans from any risk associated with payment.

14. HOSPITAL AND OTHER PROGRAM REVENUES-Continued

Other Medi-Cal Programs-Continued

Managed Care Rule-Continued

Enhanced Payment Program-Continued

The estimated EPP revenues and related IGTs reported in FY 2022-2023 are as follows (in thousands):

	EPP Revenues	Intergovernmental Transfers Expense
Harbor-UCLA Medical Center	$ 301,653	$ 60,791
Olive View-UCLA Medical Center	133,803	26,825
Los Angeles General Medical Center	327,440	67,121
Rancho Los Amigos National Rehab Center	29,342	5,657
Total	$ 792,238	$ 160,394

The General Fund received $249.42 million for EPP and paid $50.51 million of related IGTs, which were recorded as "Charges for Services" revenue and "Health and Sanitation" expenditures, respectively, on the governmental funds statement.

Quality Incentive Program

The Quality Incentive Program (QIP) is meant to meet the Managed Care Rule’s exception that allows payments tied to performance.

The QIP represents a pay for performance program for California’s public health care systems that uses a value-based structure. QIP payments are tied to the achievement of performance on a set of clinically established quality measures for Medi-Cal managed care enrollees.

At FY 2022-2023 year-end, the estimated QIP revenues, which were recorded as patient service revenues, and related IGTs, including prior year over/under realization, are as follows (in thousands):

	QIP Revenues	Intergovernmental Transfers Expense
Harbor-UCLA Medical Center	$ 119,085	$ 26,513
Olive View-UCLA Medical Center	63,979	14,224
Los Angeles General Medical Center	145,914	32,397
Rancho Los Amigos National Rehab Center	22,304	4,964
Total	$ 351,282	$ 78,098

The General Fund received $34.09 million for QIP and paid $7.72 million of related IGTs, which were recorded as "Intergovernmental Revenues - Federal" and "Health and Sanitation" expenditures, respectively, on the governmental funds statement.

14. HOSPITAL AND OTHER PROGRAM REVENUES-Continued

Third Party Payor Liability

The County's Hospitals reported third party payor liabilities of $526.77 million (see Note 11) as of June 30, 2023, as reported on the statement of net position for proprietary funds. The current liabilities for amounts due within one year are $142.13 million.

The noncurrent liabilities for third party payors related to enterprise funds are $384.64 million. The primary programs associated with third party payors liabilities include DSH ($113.09 million), Medi-Cal ($56.33 million), SNCP ($26.64 million), Medicare ($46.97 million), SPD ($16.27 million), MCE ($69.79 million), AB 915 ($30.70 million), In-home Supportive Services (IHSS) ($14.42 million), Medi-Cal Physician SPA ($9.57 million), and other miscellaneous programs ($853 thousand).

Accounts Receivable-Net

The following is a summary, by hospital, of accounts receivable and allowances for uncollectible amounts as of June 30, 2023 (in thousands):

	H-UCLA	OV-UCLA	Los Angeles General	Rancho	Total
Accounts receivable	$ 2,680,967	1,483,593	3,530,850	692,579	$ 8,387,989
Less: Allowance for uncollectible amounts	1,876,091	1,021,312	2,473,495	467,368	5,838,266
Accounts receivable - net	$ 804,876	462,281	1,057,355	225,211	$ 2,549,723

Charity Care

Charity care includes those uncollectible amounts for which the patient is unable to pay. Generally, charity care adjustment accounts are those accounts for which an indigence standard has been established and under which the patient qualifies. Inability to pay may be determined through DHS's Ability-to-Pay program, through other collection efforts by DHS, by the Treasurer and Tax Collector, or by an outside collection agency. Determinations of charity care may be made prior to, at the time of service, or any time thereafter. The estimated cost of charity care for the year ended June 30, 2023 was $797.01 million. The total amount of such charity care provided by the hospitals for the year ended June 30, 2023 is as follows (in thousands):

Charity care at established rates	$ 1,485,340
GPP reimbursements	160,537
Charges forgone	$ 1,324,803

14. HOSPITAL AND OTHER PROGRAM REVENUES-Continued

Realignment

As a result of the ACA, the State adopted and passed Assembly Bill 85 (AB85), as amended by Senate Bill 98, which lays out the process by which a portion of the 1991 County Health Realignment funds will be redirected to support Social Services programs based on a formula. The redirection is based on the assumption that the counties will decrease their cost for healthcare for the indigent population. These savings will be shared between the counties' health departments and the State. The sharing ratio is 80% to the State and 20% to the County. This ratio has been in place since FY 2014-2015. AB85, as amended, provides a unique formula for the County to determine the amount to be redirected.

In FY 2022-2023, the State did not withhold any of the County's Health Realignment funds. This amount is expected to be reconciled against actual revenues and expenses for FY 2022-2023 within two years. The redirection amount will be subject to the State's review and approval. The financial impact of the potential redirection of realignment funding in future years is not yet known.

In FY 2021-2022, the State did not withhold any of the County's Health Realignment funds. Based on updated revenues realized for FY 2021-2022 services in FY 2022-2023, the projected redirection amount remains at $0.00.

In FY 2020-2021, the State did not withhold any of the County's Health Realignment funds. However, based on updated revenues realized for FY 2020-2021 services in FY 2022-2023, the projected redirection amount is $71.10 million. As a result, the "Intergovernmental Revenues - State" has been reduced by $71.10 million in the County's General Fund in FY 2022-2023.

Martin Luther King, Jr. Community Hospital

The County and the University of California (UC), with the State, have created a wholly independent, non-profit 501(c)(3) entity, the Martin Luther King, Jr. - Los Angeles Healthcare Corporation (MLK-LA), to operate a hospital at the MLK-MACC site. As originally conceived, the hospital would: i) serve as a safety-net provider treating a high volume of Medi-Cal and uninsured patients and ii) be integrated with the County's existing network of specialty and primary care ambulatory clinics. The seven-member MLK Hospital Board of Directors was appointed by the County and UC in August 2010. The MLK Community Hospital opened on May 14, 2015.

To assist with the opening of the MLK Hospital, the County provided MLK-LA with $50.00 million of coordination start-up funds, $39.10 million of grant funding, and $82.00 million of long-term loan funding, which includes a 30-year loan in the amount of $50.00 million, a 10-year revolving line of credit in the amount of $20.00 million, and a 2-year loan in the amount of $12.00 million. On January 5, 2016, the Board approved an additional short-term revolving loan in the amount of $40.00 million to assist MLK-LA with post-hospital opening expenses. As of June 30, 2023, the 30-year loan has an outstanding balance of $37.50 million. In May 2023, MLK-LA drew down $20 million from the revolving line of credit. MLK-LA will make interest only payments due in May and November and plans to pay back the revolving line of credit in the early part of 2024. In addition, the DHS has committed to make ongoing annual payments of $18.00 million for indigent care support, and $50.00 million of intergovernmental transfers for the benefit of the MLK Hospital. Under the terms of the agreement, the lease is for a period of forty (40) years with three options to extend the term by an additional ten years. The County established a lease receivable to lease the MLK facility to MLK-LA which has a balance of $656.88 million as of June 30, 2023 and is reflected in governmental activities and the governmental funds.

14. HOSPITAL AND OTHER PROGRAM REVENUES-Continued

Coronavirus Disease (COVID-19)

Provider Relief Funds

The Provider Relief Funds (PRF) are administered by the Health Resources and Services Administration and supports eligible health care providers in the battle against the COVID-19 pandemic. PRF provides relief funds to eligible providers of health care services and support for health care related expenses or lost revenues attributable to COVID-19. PRF recipients are restricted for eligible services rendered related to expenditures/expenses and lost revenues during the period of availability.

As of June 30, 2023, the County PRF allocation is $322.67 million. Under the fund statements, the General Fund recognized the PRF as “Intergovernmental revenues-Federal” and the Hospital enterprise funds recognized revenue as operating revenues “Net patient service revenues”. The government-wide financial statements recorded the PRF revenue as “Operating Grants and Contributions” as reflected below (in thousands):

	PRF Allocation	FY 2022-2023 Revenues
Harbor-UCLA Medical Center	$ 79,987	$ 4,684
Olive View-UCLA Medical Center	58,963	1,679
Los Angeles General Medical Center	150,915	1,281
Rancho Los Amigos National Rehab Center	25,505	182
General Fund	7,301	
Total	$ 322,671	$ 7,826

The PRF Allocation above does not include interest collected or accrued, which is subject to the same restrictions related to expenditures/expenses and lost revenue during the period of availability. In September 2022, the Office of Inspector General initiated an audit of DHS' compliance with the PRF requirements. The outcome of the audit is not determinable at this time.

Harbor-UCLA Medical Center Accreditation

In June of 2023, the Accreditation Council for Graduate Medical Education (ACGME) Institutional Review Committee (IRC) placed Harbor-UCLA Medical Center on probationary status. Leadership is actively working to resolve the issue. Institutions on probationary status remain accredited to sponsor all currently accredited residency and fellowship programs, but they may not apply for accreditation of new programs. Harbor-UCLA did not have plans to do so. There are no direct adverse financial consequences associated with the hospital’s probationary status and indirect consequences are too speculative to estimate at this time.

15. INTERFUND TRANSACTIONS

Interfund Receivables/Payables

Interfund receivables and payables have been eliminated in the government-wide financial statements, except for “internal balances” that are reflected between the governmental and business-type activities. The majority of the interfund balances resulted from the time lag between the time that (1) goods and services were provided; (2) the recording of those transactions in the accounting system; and (3) payments between the funds were made. Interfund receivables and payables have been recorded in the fund financial statements. Such amounts arise due to the exchange of goods or services (or subsidy transfers) between funds that were pending the transfer of cash as of June 30, 2023.

15. INTERFUND TRANSACTIONS-Continued

Interfund Receivables/Payables-Continued

Cash transfers related to interfund receivables/payables are generally made within 30 days after year-end. Amounts due to/from other funds at June 30, 2023 are as follows (in thousands):

Receivable Fund	Payable Fund	Amount
General Fund	Fire Protection District	$ 36,283
	Flood Control District	4,351
	LA County Library	6,049
	Regional Park and Open Space District	1,960
	Mental Health Services Act	218,840
	Nonmajor Governmental Funds	289,133
	Harbor-UCLA Medical Center	101,338
	Olive View-UCLA Medical Center	50,571
	Los Angeles General Medical Center	12,204
	Rancho Los Amigos Nat'l Rehab Center	93,946
	Waterworks	10,472
	Nonmajor Aviation	163
	Internal Service Funds	11,623
		836,933
Fire Protection District	General Fund	1,011
	Nonmajor Governmental Funds	848
	Internal Service Funds	13
		1,872
Flood Control District	General Fund	980
	Fire Protection District	2
	Nonmajor Governmental Funds	2,275
	Waterworks	375
	Nonmajor Aviation	26
	Internal Service Funds	19,282
		22,940
LA County Library	General Fund	7,554
	Nonmajor Governmental Funds	373
		7,927

15. INTERFUND TRANSACTIONS-Continued

Interfund Receivables/Payables-Continued

Receivable Fund	Payable Fund	Amount
Nonmajor Governmental Funds	General Fund	$ 52,712
	Fire Protection District	11,119
	Flood Control District	65
	LA County Library	5
	Nonmajor Governmental Funds	37,544
	Internal Service Funds	22,548
		123,993
Harbor-UCLA Medical Center	General Fund	63,418
	Nonmajor Governmental Funds	26,838
	Olive View-UCLA Medical Center	15,173
	Los Angeles General Medical Center	210,089
	Rancho Los Amigos Nat'l Rehab Center	405
		315,923
Olive View-UCLA Medical Center	General Fund	43,374
	Fire Protection District	71
	Nonmajor Governmental Funds	12,782
	Harbor-UCLA Medical Center	108
	Los Angeles General Medical Center	127,407
	Rancho Los Amigos Nat'l Rehab Center	266
	Internal Service Funds	2
		184,010
Los Angeles General Medical Center	General Fund	134,041
	Fire Protection District	33
	Nonmajor Governmental Funds	48,571
	Harbor-UCLA Medical Center	184,421
	Olive View-UCLA Medical Center	3
	Rancho Los Amigos Nat'l Rehab Center	108,677
		475,746

15. INTERFUND TRANSACTIONS-Continued

Interfund Receivables/Payables-Continued

Receivable Fund	Payable Fund	Amount
Rancho Los Amigos Nat'l Rehab Center	General Fund	$ 4,477
	Harbor-UCLA Medical Center	24,725
	Olive View-UCLA Medical Center	127,081
	Los Angeles General Medical Center	30,101
		186,384
Waterworks	General Fund	36
	Flood Control District	5
	Nonmajor Governmental Funds	6
	Internal Service Funds	2,026
		2,073
Nonmajor Aviation	General Fund	26
	Fire Protection District	4
	Nonmajor Governmental Funds	11
	Waterworks	1
	Internal Service Funds	249
		291
Internal Service Funds	General Fund	37,526
	Fire Protection District	631
	Flood Control District	30,428
	Nonmajor Governmental Funds	44,249
	Harbor-UCLA Medical Center	583
	Olive View-UCLA Medical Center	314
	Los Angeles General Medical Center	3,262
	Rancho Los Amigos Nat'l Rehab Center	32
	Waterworks	5,728
	Nonmajor Aviation	988
		123,741
Total Interfund Receivables/Payables		$ 2,281,833

Interfund Transfers

Transfers were made during the year from the General Fund to subsidize the operations of the LA County Library and the 4 hospitals. Other transfers primarily consisted of payments from the various operating funds (principally the General Fund) to debt service funds in accordance with long-term debt covenants. In addition, special revenue funds that are statutorily restricted made transfers to other funds to augment funding for programs operated in the General Fund and hospitals.

15. INTERFUND TRANSACTIONS-Continued

Interfund Transfers-Continued

Interfund transfers to/from other funds for the year ended June 30, 2023 are as follows (in thousands):

Transfer From	Transfer To	Amount
General Fund	Fire Protection District	$ 83,319
	LA County Library	60,953
	Nonmajor Governmental Funds	228,803
	Harbor-UCLA Medical Center	311,903
	Olive View-UCLA Medical Center	91,036
	Los Angeles General Medical Center	360,371
	Rancho Los Amigos Nat’l Rehab Center	142,643
	Internal Service Funds	29
		1,279,057
Fire Protection District	Nonmajor Governmental Funds	22,284
		22,284
Flood Control District	General Fund	2,300
	Internal Service Funds	2
		2,302
LA County Library	General Fund	1,069
	Nonmajor Governmental Funds	765
		1,834
Mental Health Services Act	General Fund	657,350
Nonmajor Governmental Funds	General Fund	530,057
	Fire Protection District	4,882
	LA County Library	884
	Nonmajor Governmental Funds	32,145
	Harbor-UCLA Medical Center	52,808
	Olive View-UCLA Medical Center	29,651
	Los Angeles General Medical Center	109,998
	Rancho Los Amigos Nat'l Rehab Center	3,035
	Internal Service Funds	3,387
		766,847
Harbor-UCLA Medical Center	Nonmajor Governmental Funds	902
	Los Angeles General Medical Center	184,418
	Rancho Los Amigos Nat'l Rehab Center	14,635
		199,955

15. INTERFUND TRANSACTIONS-Continued

Interfund Transfers-Continued

Transfer From	Transfer To	Amount
Olive View-UCLA Medical Center	Rancho Los Amigos Nat'l Rehab Center	34,383
Los Angeles General Medical Center	Nonmajor Governmental Funds	1
	Olive View-UCLA Medical Center	80,004
	Rancho Los Amigos Nat'l Rehab Center	132,656
		212,661
Rancho Los Amigos Nat'l Rehab Center	Nonmajor Governmental Funds	1,555
	Harbor-UCLA Medical Center	4,012
	Olive View-UCLA Medical Center	879
	Los Angeles General Medical Center	108,128
		114,574
Nonmajor Aviation Funds	Internal Service Funds	3
Internal Service Funds	General Fund	3,611
	Flood Control District	2,392
	Nonmajor Governmental Funds	2,582
	Waterworks	142
		8,727
Total Interfund Transfers		$ 3,299,977

Interfund Advances

The General Fund, along with other funds that receive services from the Public Works Internal Service Fund, makes short-term advances to ensure sufficient cash is available to fund operations. In addition, the General Fund makes short-term advances to assist the Hospital Funds in meeting their cash flow requirements.

15. INTERFUND TRANSACTIONS-Continued

Interfund Advances-Continued

Advances from/to other funds at June 30, 2023 are as follows (in thousands):

Receivable Fund	Payable Fund	Amount
General Fund	Harbor-UCLA Medical Center	$ 4,737
	Olive View-UCLA Medical Center	2,554
	Los Angeles General Medical Center	6,400
	Rancho Los Amigos Nat'l Rehab Center	1,265
	Internal Service Funds	2,782
		17,738
Flood Control District	Internal Service Funds	6,672
Nonmajor Governmental Funds	Internal Service Funds	11,014
Waterworks	Internal Service Funds	1,260
Nonmajor Aviation	Internal Service Funds	272
Total Interfund Advances		$ 36,956

16. BUDGETARY ACCOUNTING DIFFERENCES/RECONCILIATIONS BETWEEN THE BUDGETARY BASIS AND GAAP

The County's statement of revenues, expenditures and changes in fund balances-budget and actual on budgetary basis for the major governmental funds has been prepared on the budgetary basis of accounting, which is different from GAAP.

The amounts presented for the governmental funds statements are based on the modified accrual basis of accounting and differ from the amounts presented on a budgetary basis of accounting. The major areas of difference are as follows:

- For budgetary purposes, nonspendable, restricted, committed and assigned fund balances and the portion of unassigned fund balance reserved for the "Rainy Day" fund are recorded as other financing uses at the time they are established. The County recognizes them as uses of budgetary fund balance. The nonspendable, restricted, committed and assigned fund balances that are subsequently canceled or otherwise made available are recorded as changes in fund balance in other financing sources.

- Under the budgetary basis, revenues (primarily intergovernmental) are recognized at the time encumbrances are established for certain programs and capital improvements. The intent of the budgetary policy is to match the use of budgetary resources (for amounts encumbered, but not yet expended) with funding sources that will materialize as revenues when actual expenditures are incurred. Under the modified accrual basis, revenues are not recognized until the qualifying expenditures are incurred and amounts are collected within the County's availability period.

16. BUDGETARY ACCOUNTING DIFFERENCES/RECONCILIATIONS BETWEEN THE BUDGETARY BASIS AND GAAP-Continued

- For the General Fund, obligations for accrued compensated absences and estimated liabilities for litigation and self-insurance are recorded as budgetary expenditures to the extent that they are estimated to be payable within one year after year-end. Under the modified accrual basis of accounting, such expenditures are not recognized until they become due and payable in accordance with GASB Interpretation 6.

- In conjunction with the sale of Tobacco Settlement Asset-Backed bonds in FY 2005-2006, the County sold 25.9% of its future tobacco settlement revenues. Under the budgetary basis, the proceeds were recognized as revenues. Under the modified accrual basis, the proceeds were recorded as deferred inflows of resources and are being recognized over the duration of the sale agreement, in accordance with GASB 48 and 65. This matter is also discussed in Note 11, under the caption, “Tobacco Settlement Asset-Backed Bonds.”

- Under the budgetary basis, property tax revenues are recognized to the extent that they are collectible within one year after year-end. Under the modified accrual basis, property tax revenues are recognized only to the extent that they are collectible within 60 days.

- For budgetary purposes, investment income is recognized prior to the effect of changes in the fair value of investments. Under the modified accrual basis, the effects of such fair value changes have been recognized.

- The County determined that certain assets were held by LACERA (the OPEB administrator) in an OPEB Custodial Fund. For budgetary purposes, any excess payments (beyond the pay-as-you-go amount) are recognized as expenditures. Under the modified accrual basis, the expenditures are adjusted to recognize the OPEB Custodial assets at June 30, 2023.

16. BUDGETARY ACCOUNTING DIFFERENCES/RECONCILIATIONS BETWEEN THE BUDGETARY BASIS AND GAAP-Continued

The following schedule is a reconciliation of the budgetary and GAAP fund balances for the major governmental funds (in thousands):

	General Fund	Fire Protection District	Flood Control District	LA County Library	Regional Park and Open Space District	Mental Health Services Act
Fund balance - budgetary basis	$ 3,764,489	$ 70,854	$ 69,148	$ 79,020	$ 471,490	$ 155,070
Budgetary fund balances	3,056,258	162,781	321,567	99,152	237,775	1,150,660
Subtotal	6,820,747	233,635	390,715	178,172	709,265	1,305,730
Adjustments:						
Accrual of estimated liability for litigation and self-insurance claims	328,909	1,858		564		
Accrual of compensated absences	105,873					
Unamortized balance of sale of tobacco settlement revenue	(183,207)					
Change in revenue accruals	(820,815)	(33,306)	(26,391)	(11,329)	(33,542)	(72,857)
Change in OPEB Custodial Fund	231,550	14,250		1,988		
Subtotal	(337,690)	(17,198)	(26,391)	(8,777)	(33,542)	(72,857)
Fund balance - GAAP basis	$ 6,483,057	$ 216,437	$364,324	$169,395	$ 675,723	$1,232,873

17. OTHER COMMITMENTS AND CONTINGENCIES

Construction and Other Significant Commitments

At June 30, 2023, there were contractual commitments of approximately $12.38 million for various governmental construction projects and approximately $1.102 billion for various hospital construction projects that were financed by bonds and lease revenue obligation notes.

LACERA Capital Commitments

At June 30, 2023, LACERA had outstanding capital commitments to various investment managers, approximating $9.500 billion.

17. OTHER COMMITMENTS AND CONTINGENCIES-Continued

Encumbrances

The County uses "encumbrances" to control expenditure commitments for the year. Encumbrances represent commitments related to executory contracts not yet performed and purchase orders not yet filled. Commitments for such expenditure of monies are encumbered to reserve applicable appropriations. Depending on the source(s) of funding, encumbrances are reported as part of restricted, committed or assigned fund balance on the governmental funds balance sheet. As of June 30, 2023, the encumbrance balances for the governmental funds (in thousands) are reported as follows:

	Restricted	Committed	Assigned	Total
General Fund	$		1,027,396	$ 1,027,396
Fire Protection District	63,861			63,861
Flood Control District	148,686			148,686
LA County Library			16,953	16,953
Regional Park and Open Space District	71,824			71,824
Nonmajor Governmental Funds	239,861	20,793		260,654
Total Encumbrances	$ 524,232	20,793	1,044,349	$ 1,589,374

Contingent Gain

During FY 2020-2021, the State of California and its political subdivisions participated in obtaining final settlement agreements and judgments against multiple companies to resolve legal claims related to the companies' role in the opioid crisis. Currently, California's allocation is approximately 9.92% of the national settlement funds. The State of California Department of Health Care Services (DHCS) oversees and administers the settlement funds that are received as follows: 15 percent allocated to the State of California and used for future opioid remediation activities, 70 percent allocated to the Participating Subdivisions (i.e., counties and cities) and used for opioid remediation activities, and 15 percent allocated to the Plaintiff Subdivisions that are Initial Participating Subdivisions (which includes the County). DHCS will also oversee all activities funded by the settlements including, but not limited to, designating additional high-impact abatement activities, conducting related stakeholder engagement, monitoring the California participating subdivisions for compliance, and preparing annual reports. Future opioid litigation may result in additional settlement agreements or judgments, or suspension and reduction of payments, and each agreement or judgment may have unique terms governing payment timing and duration. The County reported Opioid settlement revenues of $33.35 million in FY 2022-2023 under the nonmajor health and sanitation funds, as reflected in the government-wide governmental activities and governmental fund statements. Because of the uncertainty of future revenues to be received from the State, no receivable has been established for the opioid settlements.

18. RISK MANAGEMENT

The County purchases insurance for certain risk exposures such as property, aviation, employee fidelity, boiler and machinery, cyber, catastrophic workers' compensation, art objects, volunteers, special events, public official bonds, crime, safety reserve employee death and disability, and fiduciary liability for the deferred compensation plans. There have been settlements related to these programs that exceeded self-insured retention in the last three years. Losses did not exceed coverage in FY 2020-2021, FY 2021-2022 or FY 2022-2023.

The County retains the risk for all other loss exposures. Major areas of risk include workers' compensation, medical malpractice, law enforcement, natural disasters, inverse condemnation, non-tort and tort liability. Expenditures are accounted for in the fund whose operations resulted in the loss. Claims expenditures and liabilities are reported 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 County utilizes actuarial studies, historical data, and individual claims reviews to estimate these liabilities. The liabilities include estimable incremental claim adjustment expenses, net of salvage, and recovery/subrogation of approximately 10% of the total liability expenditures. They do not include other claim adjustment costs because the County does not believe it is practical or cost effective to estimate them.

As indicated in the following table, the County's workers' compensation balance as of June 30, 2023 was approximately $3.504 billion. This amount is undiscounted and is based on an actuarial study of the County's self-insured program as of June 30, 2023. Approximately $154.72 million of the total liabilities pertain to salary continuation payments and other related costs mandated by the State Labor Code.

As of June 30, 2023, the County's estimate of these liabilities is $7.270 billion. Changes in the reported liability since July 1, 2022 resulted from the following (in thousands):

	Beginning of Fiscal Year Liability	Current Year Claims and Changes In Estimates	Claim Payments	Balance At Fiscal Year-End
2021-2022				
Workers' Compensation	$ 3,306,645	698,471	(604,653)	$ 3,400,463
Other	249,859	444,497	(80,438)	613,918
Total	$ 3,556,504	1,142,968	(685,091)	$ 4,014,381
2022-2023				
Workers' Compensation	$ 3,400,463	760,369	(656,599)	$ 3,504,233
Other	613,918	3,410,854	(258,559)	3,766,213
Total	$ 4,014,381	4,171,223	(915,158)	$ 7,270,446

In addition to the above estimated liabilities, the County has determined that claims seeking damages of approximately $348.09 million are reasonably possible of creating adverse judgments against the County. Because of the uncertainty of their outcome, no loss has been accrued for these claims.

18. RISK MANAGEMENT-Continued

The County receives substantial federal revenues and operates many programs which are subject to federal rules and regulations. Federal assistance is especially critical to the County's ability to operate its four County hospitals and health care network. The County is carefully monitoring State and federal policy developments to determine the future impacts, if any, on its ability to administer federal programs and deliver County services that rely upon federal funding.

19. POLLUTION REMEDIATION

The County is involved in several remediation actions to clean up pollution sites within its boundaries. These matters generally coincide with the County's ownership of land, buildings and infrastructure assets. In some cases, regulatory agencies (e.g., Regional Water Quality Board, State Department of Toxic Control, California Coastal Commission) notified the County of the need for remedial action. In addition, the County conducts its own environmental monitoring and this activity identifies pollution sites and matters requiring further investigation and possible remediation. Once the County is aware of these conditions, it commences monitoring, assessment, testing and/or cleanup activities, and recognizes a pollution remediation obligation when estimates can reasonably be determined. The pollution remediation obligation is an estimate and is subject to revision because of price increases or reductions, changes in technology, or changes in applicable laws or regulations. The types of pollution that have been identified include leaking underground storage tanks, water, groundwater and soil contamination, asbestos and lead paint contamination, methane gas detection and excessive levels of other contaminants. Remediation efforts include developing remediation and feasibility studies, source identification studies, site testing, sampling and analysis, ground water cleanup, and removal of storage tanks, asbestos tiles and other hazardous materials.

As of June 30, 2023, the County's estimated pollution remediation obligation totaled $37.17 million. This obligation was associated with the County's governmental activities. Obligations of enterprise and internal service funds were immaterial. The estimated liability was determined by project managers, based on historical cost information for projects of the same type, size and complexity and measured at their current value. In subsequent periods, the County will adjust the estimated obligation when new information indicates that such changes are required. At this time, the County has determined there are no estimated recoveries reducing the obligation.

20. DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

Deferred outflows and inflows of resources balances in the government-wide and the proprietary funds statement of net position as of June 30, 2023 are described as follows:

- The deferred outflows of resources, included on the government-wide statement of net position, relate to the unamortized losses on refunding of debt, changes in the net pension liability as discussed in Note 7, and changes in the net OPEB liability as discussed in Note 8. The unamortized losses on refunding of debt are a deferred charge on refunding resulting from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter.

20. DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES-Continued

– The deferred inflows of resources, included on the government-wide statement of net position, relate to the future installment payments of public-private and public-public partnerships as discussed in Note 6, from changes in the lease receivable as discussed in Note 9, from changes in the net pension liability as discussed in Note 7, and from changes in the net OPEB liability as discussed in Note 8.

Government-wide
Statement of Net Position (in thousands)

	Governmental Activities	Business-type Activities	Total
Deferred outflows of resources:			
Unamortized losses on refunding of debt	$ 7,999		$ 7,999
Pension	5,619,576	850,616	6,470,192
OPEB	5,189,428	783,772	5,973,200
Total government-wide deferred outflows of resources	$ 10,817,003	1,634,388	$ 12,451,391
Deferred inflows of resources:			
Unamortized gain on refunding of debt	$ 10,920	10,586	$ 21,506
Public-private partnerships	84,995		84,995
Leases	1,873,408	20,565	1,893,973
Pension	436,051	111,155	547,206
OPEB	8,085,131	1,690,433	9,775,564
Total government-wide deferred inflows of resources	$ 10,490,505	1,832,739	$ 12,323,244

Proprietary Funds

Statement of Net Position (in thousands):

	H-UCLA	OV-UCLA	LA GEN	Rancho	Aviation	Total	ISF Funds
Deferred outflows of resources:							
Pension	$ 263,773	149,080	359,503	78,260		$ 850,616	$ 217,511
OPEB	234,647	129,341	348,457	71,327		783,772	215,653
Total proprietary funds deferred outflows of resources	$ 498,420	278,421	707,960	149,587		$ 1,634,388	$ 433,164
Deferred inflows of resources:							
Unamortized gain on refunding of debt	$ 10,586					$ 10,586	$
Leases					20,565	20,565	
Pension	31,065	30,824	42,047	7,219		111,155	11,614
OPEB	472,547	337,739	729,420	150,727		1,690,433	334,226
Total proprietary funds deferred inflows of resources	$ 514,198	368,563	771,467	157,946	20,565	$ 1,832,739	$ 345,840

20. DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES-Continued

Deferred outflows and inflows of resources balances in the governmental funds balance sheet as of June 30, 2023 are described as follows:

- The intra-entity sales of future tobacco settlement revenues are reported as deferred inflows of resources in the General Fund and deferred outflows of resources in the nonmajor governmental funds.
- Under the modified accrual basis of accounting, earning revenues during the current period is not sufficient for revenue recognition in the current period. Revenue must also be susceptible to accrual (i.e., measurable and available to finance expenditures of the current period). Governmental funds report revenues not susceptible to accrual as deferred inflows of resources. The County has included three such items, which are property tax revenues to be collected beyond the 60 day accrual period, lease receivables measured at the present value or expected to be received during the lease term in a future period, plus other long-term receivables, related mostly to SB90 claims, expected to be collected beyond the 12 month accrual period.

Governmental Funds
Balance Sheet (in thousands):

	General Fund	Fire Protection District	Flood Control District	LA County Library	Regional Park and Open Space District	Nonmajor Funds	Total
Deferred outflows of resources -							
Tobacco settlement revenues	$					183,207	$ 183,207
Deferred inflows of resources:							
Tobacco settlement revenues	$ 183,207						$ 183,207
Leases	1,833,620		34,781			5,007	1,873,408
Property tax revenues	186,132	38,192	9,876	5,857	1,638	15,217	256,912
Other long-term receivables	259,251	12,952					272,203
Total governmental funds deferred inflows of resources	$2,462,210	51,144	44,657	5,857	1,638	20,224	$2,585,730

21. FUND BALANCES

Fund balances are presented in the following categories: nonspendable, restricted, committed, assigned, and unassigned as described in Note 1. A detailed schedule of fund balances for all the major and nonmajor governmental funds at June 30, 2023 (in thousands) is as follows:

	General Fund	Fire Protection District	Flood Control District	LA County Library	Regional Park and Open Space District	Mental Health Services Act	Nonmajor Governmental Funds
Fund Balances:							
Nonspendable:							
Inventories	$ 137,240	$ 12,780	$ 200	$ 146	$	$	$ 1
Long-term receivables	126,127						27
Permanent fund principal							2,109
Total Nonspendable	263,367	12,780	200	146			2,137
Restricted for:							
Purpose of fund		203,657	364,025	82,037	675,723	1,232,873	2,355,475
Purpose of utility users tax	73,367						
Sheriff Pitchess landfill	2,262						
La Alameda project	2,000						
Capital projects							44,920
Debt service							270,193
Endowments and annuities							36
Total Restricted	77,629	203,657	364,025	82,037	675,723	1,232,873	2,670,624
Committed to:							
Purpose of fund							72,045
Capital projects and extraordinary maintenance	72,689						69,855
Affordable housing	5,254						
Board budget policies and priorities	3,334						
Budget uncertainties	94,052						
Capital assets	16,575						
Department of Children and Family Services	8,840						
DPSS building purchase	33,944						
Financial system (eCAPS)	26,000						
Health services future financial requirements	600						
Health services-tobacco settlement	174,372						
Alternatives to incarceration-Facilities and Programs	110,975						
Information technology enhancements	52,160						
Library services	1,496						

21. FUND BALANCES-Continued

	General Fund	Fire Protection District	Flood Control District	LA County Library	Regional Park and Open Space District	Mental Health Services Act	Nonmajor Governmental Funds
Live scan	2,000						
Office of Diversion and Re-Entry Permanent Supportive Housing	112,777						
Public works-permit tracking system	3,151						
Services to unincorporated areas	4,320						
Sheriff unincorporated patrol	90						
TTC client asset and management system	500						
TTC remittance processing and mailroom equipment	500						
TTC unsecured property tax system	51,664						
Youth justice reimagined development	29,430						
Woolsey fire recovery efforts	28,069						
Total Committed	832,792						141,900
Assigned to:							
Purpose of fund			99	87,212			152,106
Future purchases	1,028,770						
Capital projects							46,107
Total Assigned	1,028,770		99	87,212			198,213
Unassigned	4,280,499						
Total Fund Balances	$6,483,057	$ 216,437	$364,324	$169,395	$675,723	$1,232,873	$ 3,012,874

Reserve for “Rainy Day” Fund

On June 22, 2009, the Board established a Reserve for “Rainy Day” fund. The Reserve for “Rainy Day” fund was established and maintained to protect essential County programs against unforeseen emergencies and economic downturns. On May 3, 2022, the Board adopted an updated "Rainy Day" Fund amount of 17.00% of on-going locally generated revenue from the previous 10.00% amount. Transfers, at a minimum of ten percent (10.00%) of excess fund balance, less Board approved carryovers, will be set aside in the "Rainy Day" Fund each year until the 17.00% cap is met. Excess fund balance is defined as the difference between the actual year-end fund balance amount as determined by the Auditor-Controller, less the estimated fund balance amount included in the Adopted Budget. Board approved carryover is defined as unspent funding that was previously approved by the Board for critical programs and/or uncompleted projects.

Seventeen percent (17.00%) of the new ongoing discretionary revenues should be set aside annually, during the budget process as a hedge against any unforeseen fiscal issues during the year. At year-end, these funds will be transferred to the Rainy Day fund.

21. FUND BALANCES-Continued

Reserve for "Rainy Day" Fund-Continued

The County's "Rainy Day" fund does not meet the criteria for a stabilization arrangement for reporting the funds as either restricted or committed. As such, the Reserve for "Rainy Day" funds in the amount of $854.92 million is reported as unassigned fund balance in the General Fund.

22. CORONAVIRUS DISEASE 2019 (COVID-19)

On March 13, 2020, a presidential emergency was declared for all states, tribes, territories, and the District of Columbia due to the ongoing Coronavirus Disease 2019 (COVID-19) pandemic. The declaration made federal disaster assistance available; through the Coronavirus Aid, Relief, and Economic Security (CARES) Act to the County and to the State of California to supplement the County's local recovery efforts. To assist in the efforts to respond to COVID-19, the County received significant fiscal stimulus in federal funds as described below. In FY 2022-2023, the County spent all of the remaining federal and State CARES Act funds and no advances payable were recorded.

Federal Emergency Management Agency

The County also received $119.00 million from the Federal Emergency Management Agency (FEMA) and $3.70 million from the California Governor's Office of Emergency Services (Cal OES) for 5 expedited projects to respond to COVID-19. The 5 projects were for the 1) County's Emergency Operations Center and related emergency services/activities; 2) Non-congregate medical shelters; 3) COVID-19 testing; 4) Project Room Key – emergency non-congregate shelters for homeless individuals meeting certain criteria; and 5) Great Plates – emergency feeding for certain at-risk individuals. For FY 2022-2023, the County recorded $64.48 million as revenue on the fund and government-wide financial statements and $14.91 million (including the interest) is reported as advances payable.

Emergency Rental Assistance

The federal Emergency Rental Assistance (ERA) program makes funding available to assist households that are unable to pay rent or utilities due to the COVID-19 pandemic. Two separate programs have been established: ERA1 provides up to $25 billion under the Consolidated Appropriations Act, 2021, which was enacted on December 27, 2020, and ERA2 provides up to $21.55 billion under the American Rescue Plan Act of 2021, which was enacted on March 11, 2021. During FY 2020-2021, the County received $160.07 million and $84.72 million for ERA1 and ERA2, respectively. For ERA1, the County entered into an agreement to direct the State of California to administer the County's funds to eliminate confusion for tenants and landlords because of the multiple programs amongst the multitude of jurisdictions within the State and the County. For ERA1, the County recorded $0.28 million of revenue and the corresponding expenditures on the fund and government-wide financial statements. All of ERA1 funds have been expended. For ERA2, $2.16 million (including the interest) is reported as advances payable.

American Rescue Plan Act of 2021

The American Rescue Plan (ARP) Act of 2021 Coronavirus State and Local Government Fiscal Recovery Funds (Fiscal Recovery Funds) continues many of the programs started by the CARES Act (2020) and Consolidated Appropriations Act (2021) by adding new phases, new allocations, and new

22. CORONAVIRUS DISEASE 2019 (COVID-19)-Continued

American Rescue Plan Act of 2021-Continued

guidance to address issues related to the continuation of the COVID-19 pandemic. The ARP also creates a variety of new programs to address continuing pandemic-related crises, and fund recovery efforts as the United States begins to emerge from the COVID-19 pandemic. The ARP was passed by Congress on March 10, 2021 and signed into law on March 11, 2021.

The Fiscal Recovery Funds may be used for the following: 1) to respond to the public health emergency or its negative economic impacts, including assistance to households, small businesses, and nonprofits, or aid to impacted industries such as tourism, travel, and hospitality; 2) to respond to workers performing essential work during the COVID-19 public health emergency by providing premium pay to eligible workers; 3) to provide government services to the extent of the reduction in revenue due to the COVID-19 public health emergency relative to revenues collected in the most recent full fiscal year prior to the emergency; and 4) to make necessary investments in water, sewer, or broadband infrastructure. In December 2022, Congress amended the ARP program through the Consolidated Appropriations Act, 2023, providing additional flexibility for recipients to use ARP funds to respond to natural disasters, build critical infrastructure, and support community development.

On May 16, 2021, the County received the first tranche of $974.99 million of ARP funds from the U.S. Department of Treasury and on June 9, 2022, the County received the second tranche of $974.99 million. There is uncertainty on the timing of the revenue recognition since these ARP funds are subject to be returned to the U. S. Department of Treasury. The ARP funds must be obligated between March 3, 2021 and December 31, 2024, and expended to cover such obligations by December 31, 2026. For FY 2022-2023, the County recorded $515.57 million as revenue on the fund and government-wide financial statements and $1.173 billion is reported as advances payable.

Local Assistance and Tribal Consistency Funds

On November 17, 2022, the County received $1.66 million from the Local Assistance and Tribal Consistency Fund (LATCF). The LATCF was established by Section 605 of the Social Security Act, as added by Section 9901 of the American Rescue Plan Act of 2021. The purpose of the LATCF program is to serve as a general revenue enhancement program and is designed, in part, to supplement existing federal programs that augment and stabilize revenues. For FY 2022-2023, $1.66 million is reported as advances payable.

Under the fund statements, the General Fund recorded the COVID-19 revenue as "Intergovernmental Revenues-Federal". The government-wide financial statements recorded the COVID-19 revenue as "Operating Grants and Contributions". The remaining balance was reported under advance payable on the fund and government-wide financial statements as summarized below (in thousands):

	COVID-19 Federal Revenues	Advances Payable
FEMA	$ 64,480	$ 14,910
ERA		2,160
ARP	515,570	1,173,000
LATCF		1,660
Total	$ 580,050	$ 1,191,730

23. SUBSEQUENT EVENTS

Tax and Revenue Anticipation Notes (TRANS)

On July 3, 2023, the County issued $700.00 million in FY 2023-2024 TRANS, which will mature on June 28, 2024. The TRANS are collateralized by taxes and other revenues attributable to FY 2023-2024 and were issued in the form of Fixed Rate Notes at an effective interest rate of 3.14%.

Lease Revenue Obligation Notes (LRON)

On July 24, 2023, LACCAL issued an additional $24.00 million in tax exempt LRON with an interest rate of 3.4%. On September 13, 2023, LACCAL issued an additional $30.00 million in tax exempt LRON with an interest rate of 3.2%. On October 19, 2023, LACCAL issued an additional $42.00 million in tax exempt LRON which consisted of an interest rate of 3.37% for $19.50 million, 3.4% for $1.50 million, and 3.5% for $21.00 million. On September 27, 2023, LACCAL redeemed $400 thousand in taxable LRON. The proceeds are being used to fund capital requirements of various capital projects. LRON issuances are supported and secured by four separate series of letters of credit and pledged County properties.

Homelessness Response

On September 28, 2023, a federal court approved Los Angeles County’s settlement with Plaintiff LA Alliance for Human Rights and six individual plaintiffs that commits additional resources for people experiencing homelessness. The settlement commits the County to $1.24 billion worth of resources and services over the next four years and includes 3,000 mental health and substance use disorder beds, 450 new subsidies for enriched residential care for adult residential facilities and residential care facilities for the elderly beds (also known as board and care beds) serving the most vulnerable, an increase from 27.5 to 44 the number of specialized outreached teams in the City of Los Angeles, and provide a comprehensive suite of supportive services to the more than 13,000 permanent supportive housing and interim housing beds financed by the City of Los Angeles as part of the City’s settlement with the plaintiffs. A federal monitor will assist the court in overseeing the County’s settlement. On September 29, 2023, the court dismissed the plaintiffs' claims against the County. The settlement agreement is effective September 29, 2023, the date of the dismissal Order, and terminates on June 30, 2027.

COUNTY OF LOS ANGELES
REQUIRED SUPPLEMENTARY INFORMATION
(Unaudited)

Los Angeles County Employees Retirement Association
Schedule of the County's Proportionate Share of the Net Pension Liability and Related Ratios
Last 10 Fiscal Years[1,2]
(Dollar amounts in thousands)

	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	06/30/2014
Pension Plan's fiduciary net position as percentage of total pension liability	83.750 %	90.920 %	76.400 %	82.910 %	83.960 %	82.370 %	81.749 %	86.296 %	86.804 %
County's proportionate share of the collective net pension liability	$13,160,560	$ 7,030,463	$17,394,887	$11,560,668	$10,345,209	$10,849,931	$10,272,671	$ 7,448,374	$ 6,957,082
County's proportion as percentage of the collective net pension liability	96.472 %	96.415 %	96.268 %	96.223 %	96.169 %	96.119 %	96.170 %	96.081 %	95.897 %
Covered payroll	$ 8,756,990	$ 8,714,969	$ 8,377,352	$ 8,031,454	$ 7,631,381	$ 7,320,575	$ 6,986,004	$ 6,948,738	$ 6,672,228
County's proportionate share of the collective net pension liability as a percentage of its covered payroll	150.286 %	80.671 %	207.642 %	143.942 %	135.561 %	148.211 %	147.046 %	107.190 %	104.269 %

Schedule of County's Pension Contributions
Last 10 Fiscal Years[1,3]
(Dollar amounts in thousands)

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially Determined Contribution (ADC)	$ 2,216,111	$ 2,122,282	$ 1,940,715	$ 1,732,960	$ 1,605,150	$ 1,466,411	$ 1,300,711	$ 1,389,628	$ 1,437,555
Less: Contributions in relation to the ADC	2,216,111	2,122,282	1,940,715	1,732,960	1,605,150	1,466,411	1,300,711	1,389,628	1,437,555
Contribution Deficiency (excess)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Covered payroll	$ 9,050,122	$ 8,756,990	$ 8,714,969	$ 8,377,352	$ 8,031,454	$ 7,631,381	$ 7,320,575	$ 6,986,004	$ 6,948,738
Contributions as a percentage of total covered payroll	24.487 %	24.235 %	22.269 %	20.686 %	19.986 %	19.216 %	17.768 %	19.892 %	20.688 %

(1) Historical information is required only for measurement periods for which GASB 68 is applicable. Eventually, 10 years of data will be shown.
(2) Reflects data as of the measurement date.
(3) Reflects data as of the reporting date.

Los Angeles County Employees Retirement Association
Notes to Required Supplementary Information

Changes of benefit terms

There were no plan changes after June 30, 2013.

Changes of assumptions

There were no changes in investment return assumption since FY 2021.

There were no changes of assumptions in determining the ADC since FY 2014-2015.

COUNTY OF LOS ANGELES
REQUIRED SUPPLEMENTARY INFORMATION
(Unaudited)

Los Angeles County Employees Retirement Association
Schedule of Changes in Net RHC OPEB Liability and Related Ratios
Last 10 Fiscal Years [1,2,3]
(Dollar amounts in thousands)

	06/30/2022	06/30/2021	06/30/2020	06/30/2019
Total OPEB Liability				
Effect of Change from Cost Sharing to Agent Plan	$	$	$	$ (2,204,743)
Service cost	1,024,895	1,166,558	967,482	779,965
Interest on Total OPEB Liability	1,217,398	1,147,426	1,250,934	1,197,607
Effect of economic/demographic gains or losses	(168,643)	323,030	(432,634)	
Effect of assumption changes or inputs	(3,365,579)	(3,729,953)	2,346,920	2,356,270
Benefit payments	(689,511)	(664,932)	(631,917)	(601,985)
Net change in Total OPEB Liability	(1,981,440)	(1,757,871)	3,500,785	1,527,114
Total OPEB Liability, beginning	27,760,135	29,518,006	26,017,221	24,490,107
Total OPEB liability, ending (a)	25,778,695	27,760,135	29,518,006	26,017,221
Fiduciary Net Position				
Employer contributions	1,071,024	1,031,058	886,821	840,965
Net Investment income	(280,358)	437,417	5,918	59,606
Benefit payments	(689,511)	(664,932)	(631,917)	(601,985)
Administrative expenses	(9,534)	(9,127)	(8,830)	(8,601)
Net change in plan Fiduciary Net Position	91,621	794,416	251,992	289,985
Fiduciary Net Position, beginning	2,235,814	1,441,398	1,189,406	899,421
Fiduciary Net Position, ending (b)	2,327,435	2,235,814	1,441,398	1,189,406
Net OPEB Liability, ending = (a) - (b)	$ 23,451,260	$ 25,524,321	$ 28,076,608	$ 24,827,815
Fiduciary Net Position as a % of Total OPEB Liability	9.03 %	8.05 %	4.88 %	4.57 %
Covered employee payroll	$ 9,864,653	$ 9,653,678	$ 9,404,208	$ 9,071,329
Net OPEB Liability as a % of covered employee payroll	237.73 %	264.40 %	298.55 %	273.70 %

Notes to Schedule:
Changes of benefit terms: No changes to benefit terms

Changes of Assumptions:
The discount rate increased from 4.28% as of June 30, 2021 to 4.85% as of June 30, 2022.

(1) Historical information is required only for measurement periods for which GASB 75 is applicable. Eventually, 10 years of data will be shown.
(2) Reflects data as of the measurement date.
(3) As of July 1, 2018, LACERA transitioned from a cost-sharing, multiple employer plan to an agent plan structure. Therefore, this schedule only reflects three years of data.

COUNTY OF LOS ANGELES
REQUIRED SUPPLEMENTARY INFORMATION
(Unaudited)

Schedule of County's RHC OPEB Contributions

Last 10 Fiscal Years[1,2]

(Dollar amounts in thousands)

	2023	2022	2021	2020	2019	2018
Actuarially Determined Contribution (ADC)	$ 1,559,600	$ 1,437,900	$ 1,508,400	$ 1,482,200	$ 1,549,500	$ 1,901,000
Less: Contributions in relation to the ADC	1,154,487	1,064,859	1,025,851	880,949	787,366	679,872
Contribution Deficiency (excess)	$ 405,113	$ 373,041	$ 482,549	$ 601,251	$ 762,134	$ 1,221,128
Covered-employee payroll	$ 10,332,418	$ 9,864,653	$ 9,653,678	$ 9,404,208	$ 9,071,329	$ 8,571,345
Contributions as a percentage of total covered-employee payroll	11.173%	10.795%	10.627%	9.368%	8.680%	6.523%

(1) Historical information is required only for measurement periods for which GASB 75 is applicable. Eventually, 10 years of data will be shown.
(2) Reflects data as of the reporting date.

Actuarial Methods and Assumptions

Valuation Timing	July 1, 2021, rolled forward to June 30, 2022
Actuarial Cost Method	Individual Entry Age Normal, Level Percent of Pay
Asset Valuation Method	Fair Value
Inflation	2.75%
Salary Increases	3.25% general wage increase and merit according to Table A-5 of the June 30, 2020 actuarial valuation of retirement benefits. It can be found at www.LACERA.com.
Mortality	Various rates based on the RP-2014 Healthy and Disabled Annuitant mortality tables and including projection for expected future mortality improvement using the MO Healthcare Cost Trend Rates MP-2014 Ultimate Projection Scale.
Experience Study	Covers the three year period ended June 30, 2020.
Discount Rate	4.85%
Long-term expected rate of return, net of investment expenses	6.00%
20 Year Tax-Exempt Municipal Bond Yield	3.54%

COUNTY OF LOS ANGELES
REQUIRED SUPPLEMENTARY INFORMATION
(Unaudited)

Schedule of Changes in the Total LTD OPEB Liability and Related Ratios
Last 10 Fiscal Years[1]
(Dollar amounts in thousands)

	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017
Total OPEB Liability						
Service cost	$ 68,827	$ 62,563	$ 47,316	$ 41,832	$ 43,162	$ 49,068
Interest	32,594	29,275	38,779	41,028	38,818	33,546
Differences between expected and actual experience	(512)	111,863	8,067	(55,159)	1,111	589
Changes of assumptions or other inputs	(218,398)	37,166	170,346	78,190	(43,574)	(106,200)
Benefit payments	(66,425)	(59,149)	(66,671)	(60,451)	(64,313)	(63,430)
Net Change in Total OPEB Liability	(183,914)	181,718	197,837	45,440	(24,796)	(86,427)
Total LTD OPEB Liability - beginning	1,473,239	1,291,521	1,093,684	1,048,244	1,073,040	1,159,467
Total LTD OPEB Liability - ending	$ 1,289,325	$ 1,473,239	$ 1,291,521	$ 1,093,684	$ 1,048,244	$ 1,073,040
Covered-employee payroll	$ 9,864,653	$ 9,653,678	$ 9,404,208	$ 9,071,329	$ 8,571,345	$ 8,176,831
Total LTD OPEB Liability as a percentage of covered-employee payroll	13.070 %	15.261 %	13.733 %	12.056 %	12.230 %	13.123 %

Notes to schedule:

Changes of benefit terms: No changes to benefit terms

Changes of assumptions:

Changes of Assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

As of June 30, 2017	3.58 %
As of June 30, 2018	3.87 %
As of June 30, 2019	3.50 %
As of June 30, 2020	2.21 %
As of June 30, 2021	2.16 %
As of June 30, 2022	3.54 %

(1) Historical information is required only for measurement periods for which GASB 75 is applicable. Eventually, 10 years of data will be shown.

Total LTD OPEB Liability
Notes to Required Supplementary Information

Changes of benefit terms

None

Changes of assumptions

The discount rate increased from 2.16% as of June 30, 2022 to 3.54% as of June 30, 2023.

No assets are accumulated in a trust that meets the criteria in GASB 75, paragraph 4 to pay related benefits.

COUNTY OF LOS ANGELES
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

Federal Grantor/Pass Through Grantor/Program Title	Assistance Listing Number (ALN)		Identifying Number Assigned by Pass-Through Grantor (Note A)	Federal Expenditures	Passed Through to Subrecipients
SCHEDULE OF EXPENDITURES OF NON-COVID-19 FEDERAL AWARDS					
U.S. AmeriCorps					
Direct Program					
AmeriCorps State and National					
Public Health Americorps	94.006			$ 268,714	$ -
Total U.S. AmeriCorps				268,714	-
U.S. Agency for International Development					
Direct Program					
USAID Foreign Assistance for Programs Overseas					
International Search and Rescue Operations 720FDA20CA00080	98.001			3,772,329	-
Total U.S. Agency for International Development				3,772,329	-
U.S. Consumer Product Safety Commission					
Direct Program					
Virginia Graeme Baker Pool and Spa Safety					
LAC-EH Pool Safely Grant Program	87.002			102,147	-
Total U.S. Consumer Product Safety Commission				102,147	-
U.S. Department of Agriculture					
Direct Program					
Gus Schumacher Nutrition Incentive Program					
Increasing Fruit and Vegetable Intake Among Prediabetic and Diabetic Medicaid Recipients (GUSNIP)	10.331	(13)		157,455	135,373
Produce Prescription Program for Medicaid Patients with Diabetes and Prediabetes	10.331	(13)		14,932	-
Subtotal 10.331				172,387	135,373
Passed Through the California Department of Aging					
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program					
Supplemental Nutrition Assistance Program - Education (SNAP - ED)	10.561	(1) (14)	SP2122-19	53,587	44,509
SNAP - ED	10.561	(1) (14)	SP2223-19	253,849	221,799
Subtotal 10.561				307,436	266,308
Passed Through the California Department of Education					
Child and Adult Care Food Program					
Child and Adult Care Food Program	10.558			213,027	-
Summer Food Service Program for Children					
Summer Food Service Program for Children	10.559	(2)	CN220285	37,074	-
Summer Food Service Program for Children	10.559	(2)		176,549	-
Subtotal 10.559				213,623	-
Passed Through the California Department of Food and Agriculture					
Plant and Animal Disease, Pest Control, and Animal Care					
Pest Detection Emergency Program	10.025	(12)	19-0996, 20-1034	908,534	-
Pest Exclusion/Dog Teams Program	10.025	(12)	21-0203, 22-0923	580,663	-
Glassy Winged Sharpshooter (GWSS)	10.025	(12)	20-0622, 21-0517, 22-1466	614,706	-
Asian Citrus Psyllid/Huanglongbing	10.025	(12)	20-0709, 21-0516, 22-0294	102,138	-
Subtotal 10.025				2,206,041	-
Passed Through the California Department of Public Health					
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program					
SNAP - ED	10.561	(1) (14)	19-10328	12,217,130	6,542,214
Passed Through the California Department of Social Services					
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program					
SNAP - Administration (CalFresh)	10.561	(1) (14)	CFL 21/22-115	341,961,156	1,147,399
Subtotal 10.561				354,178,286	7,689,613

Federal Grantor/Pass Through Grantor/Program Title	Assistance Listing Number (ALN)		Identifying Number Assigned by Pass-Through Grantor (Note A)	Federal Expenditures	Passed Through to Subrecipients
Passed Through the California State Controller's Office					
Schools and Roads - Grants to States					
U.S. Forest Service	10.665	(3)		670,612	-
Total U.S. Department of Agriculture				357,961,412	8,091,294
U.S. Department of Defense					
Passed Through the Defense Logistics Agency					
Procurement Technical Assistance for Business Firms					
Procurement Technical Assistance	12.002		21 - SP4800-22-2-2204	381,934	-
Total U.S. Department of Defense				381,934	-
U.S. Department of Education					
Direct Program					
Federal Supplemental Educational Opportunity Grants					
Supplemental Educational Opportunity Grants	84.007	(11)		10,336	-
Federal Pell Grant Program					
Pell Grants	84.063	(11)		281,922	-
Subtotal Student Financial Assistance Cluster (84.007, 84.063)				292,258	-
Total U.S. Department of Education				292,258	-
U.S. Department of Health and Human Services					
Direct Program					
Public Health Emergency Preparedness					
Public Health Emergency Preparedness	93.069			20,856,506	1,177,631
Project Grants and Cooperative Agreements for Tuberculosis Control Programs					
Tuberculosis/Centers for Disease Control Cooperative Agreement	93.116			3,500,323	-
Tuberculosis United for Ukraine	93.116			349,070	-
Subtotal 93.116				3,849,393	-
Family Planning Services					
Title X - Family Planning Services	93.217	(22)		9,717	-
Substance Abuse and Mental Health Services Projects of Regional and National Significance					
First Responders - Comprehensive Addiction and Recovery Act (FR-CARA) Year 4	93.243	(23)	5H79SP080293-04	260,789	-
Viral Hepatitis Prevention and Control					
Adult Viral Hepatitis Prevention and Control	93.270			557,234	-
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)					
ELC - Building and Strengthening Epidemiology	93.323	(25)		4,994,383	-
ELC - Monkeypox Vaccine Effectiveness Evaluation (MPX VE)	93.323	(25)		86,450	-
Subtotal 93.323				5,080,833	-
The Healthy Brain Initiative: Technical Assistance to Implement Public Health Actions Related to Cognitive Health, Cognitive Impairment, and Caregiving at the State and Local Levels					
Los Angeles County BOLD Initiative	93.334			486,729	130,100
Healthy Brain Initiative - Road Map Strategist	93.334			2,461	-
Subtotal 93.334				489,190	130,100
Activities to Support State, Tribal, Local and Territorial (STLT) Health Department Response to Public Health or Healthcare Crises					
Partners Across Regions Tackling Needs for an Equitable Response	93.391			10,811,670	8,225,360

Federal Grantor/Pass Through Grantor/Program Title	Assistance Listing Number (ALN)		Identifying Number Assigned by Pass-Through Grantor (Note A)	Federal Expenditures	Passed Through to Subrecipients
The Innovative Cardiovascular Health Program					
Chronic Disease Prevention and Management Strategy: Innovation Solutions for Healthier Communities (SHC)	93.435			2,812,601	915,175
Ending the HIV Epidemic: A Plan for America - Ryan White HIV/AIDS Program Parts A and B					
Ending the HIV Epidemic: A Plan for America - Ryan White HIV/AIDS Program Parts A and B	93.686			2,837,607	-
National Bioterrorism Hospital Preparedness Program					
Bioterrorism Hospital Preparedness Program	93.889			9,213,973	5,971,160
HIV Emergency Relief Project Grants					
HIV Emergency Relief Project Grant	93.914			43,696,761	31,528,183
Minority Aids Initiative (MAI)	93.914			4,962,097	1,173,659
Subtotal 93.914				48,658,858	32,701,842
Healthy Start Initiative					
Healthy Start Initiative	93.926			1,325,735	241,380
HIV Prevention Activities Health Department Based					
Integrated HIV Surveillance and Prevention for Los Angeles County	93.940			18,525,344	7,264,658
Solutions for Equitable Diabetes Prevention and Management (SEDPM)	93.940			122	-
Integrated HIV Programs for Health Departments to Support Ending the HIV Epidemic in the United States	93.940			4,310,921	1,093,478
Subtotal 93.940				22,836,387	8,358,136
Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance					
Medical Monitoring Project (MMP)	93.944			739,728	-
Behavioral Surveillance Study of HIV Risk and Prevention Behaviors Among At-Risk Populations in Los Angeles	93.944			854,668	-
Subtotal 93.944				1,594,396	-
Centers for Disease Control and Prevention Collaboration with Academia to Strengthen Public Health					
Transforming Public Health Through a Community Collaborative Model	93.967			581,201	155,841
Sexually Transmitted Diseases (STD) Prevention and Control Grants					
CDC Strengthening STD Prevention and Control for Health Departments (STD PCHD)	93.977			3,555,351	236,000
CDC Strengthening STD Prevention and Control for Health Departments (STD DIS)	93.977			7,465,017	342,556
Subtotal 93.977				11,020,368	578,556
Passed Through the California Department of Aging					
Special Programs for the Aging, Title VII, Chapter 3, Programs for Prevention of Elder Abuse, Neglect, and Exploitation					
Title VII - Elder Abuse Prevention	93.041	(8)	AP2223-19	85,284	85,284
Special Programs for the Aging, Title VII, Chapter 2, Long Term Care Ombudsman Services for Older Individuals					
Title VII - Ombudsman	93.042	(8)	AP2223-19	139,905	139,905
Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services					
Area Agency on Aging III D	93.043	(8)	AP2223-19	497,295	497,295
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers					
Area Agency on Aging III B	93.044	(8) (20)	AP2223-19	6,833,814	3,764,624
Special Programs for the Aging, Title III, Part C, Nutrition Services					
Area Agency on Aging III C-I	93.045	(8) (21)	AP2223-19	7,839,084	7,279,671
Area Agency on Aging III C-II	93.045	(8) (21)	AP2223-19	5,566,205	4,849,891
Subtotal 93.045				13,405,289	12,129,562

See accompanying Notes to Schedule of Expenditures of Federal Awards.

Federal Grantor/Pass Through Grantor/Program Title	Assistance Listing Number (ALN)		Identifying Number Assigned by Pass-Through Grantor (Note A)	Federal Expenditures	Passed Through to Subrecipients
National Family Caregiver Support, Title III, Part E					
Area Agency on Aging Title III E	93.052	(8)	AP2223-19	2,472,052	1,690,000
Nutrition Services Incentive Program					
Area Agency on Aging III USDA C-I	93.053	(8)	AP2223-19	982,877	982,877
Area Agency on Aging III USDA C-II	93.053	(8)	AP2223-19	710,122	710,122
Subtotal 93.053				1,692,999	1,692,999
Medicare Enrollment Assistance Program					
Medicare Improvements for Patients and Providers Act (MIPPA)	93.071		MI2122-19	102,993	102,878
MIPPA	93.071		MI2223-19	158,761	150,054
Subtotal 93.071				261,754	252,932
State Health Insurance Assistance Program					
Area Agency on Aging - Health Insurance Counseling and Advocacy Program (HICAP) H9	93.324		HI2122-19	225,295	209,498
Area Agency on Aging - HICAP H3	93.324		HI2122-19	63,214	57,486
Subtotal 93.324				288,509	266,984
Support for Ombudsman and Beneficiary Counseling Programs for States Participating in Financial Alignment Model Demonstrations for Dually Eligible Individuals					
Financial Alignment	93.634		FA2122-19	66,785	64,318
Elder Abuse Prevention Interventions Program	93.747	(8)	AP2122-19	31,042	31,042
Passed Through the California Department of Child Support Services					
Child Support Services					
Child Support Enforcement Title IV-D	93.563			117,360,000	-
Passed Through the California Department of Community Services and Development					
Community Services Block Grant					
Community Services Block Grant	93.569	(28)	21F-4021	673,133	673,133
Community Services Block Grant	93.569	(28)	22F-5021	5,431,184	3,554,111
Community Services Block Grant	93.569	(28)	22F-5105	204,849	182,330
Community Services Block Discretionary Grant	93.569	(28)	22F-5105	31,000	31,000
Community Services Block Grant	93.569	(28)	23F-4105	90,471	90,471
Community Services Block Grant	93.569	(28)	23F-4021	353,046	-
Subtotal 93.569				6,783,683	4,531,045
Passed Through the California Department of Community Services and Development/Maravilla Foundation					
Low Income Household Water Assistance Program					
Low Income Household Water Assistance Program	93.499			673,059	-
Passed Through the California Department of Education					
Child Care and Development Block Grant					
Child Care and Development Block Grant	93.575	(9) (29)	CAPP1025, CAPP2024	4,850,395	-
Child Care Mandatory and Matching Funds of the Child Care and Development Fund					
Child Day Care Program	93.596	(9)	CAPP1025, CAPP2024	7,513,176	-
Passed Through the California Department of Health Care Services					
Projects for Assistance in Transition from Homelessness (PATH)					
McKinney Homeless Act Program	93.150		68-0317191	796,594	-

See accompanying Notes to Schedule of Expenditures of Federal Awards.

See legend on page 197 for AL No. Cluster Summary and Notes A, B, and C.

(Continued)

Federal Grantor/Pass Through Grantor/Program Title	Assistance Listing Number (ALN)		Identifying Number Assigned by Pass-Through Grantor (Note A)	Federal Expenditures	Passed Through to Subrecipients
Medical Assistance Program					
Medi-Cal Administrative Activities (MAA)	93.778	(10) (30)	17-94017	22,354,388	-
Medi-Cal Eligibility Determination	93.778	(10) (30)	CFL 21/22-115	326,428,826	-
Child Health and Disability Program	93.778	(10) (30)		3,773,677	-
Federal Drug Medi-Cal (Prenatal and Drug) FMAP	93.778	(10) (30)	20-10182	47,865,313	-
Health Care Program Children in Foster Care	93.778	(10) (30)		11,772,424	-
Medi-Cal Health Enrollment Navigators Project (SB154)	93.778	(10) (30)		1,713,191	1,359,441
Medi-Cal Health Enrollment Navigators Project (AB74)	93.778	(10) (30)		587,858	490,458
Subtotal 93.778				414,495,677	1,849,899
Block Grants for Community Mental Health Services					
Mental Health Services: Block Grant	93.958	(31)	1680317191A1	15,149,357	1,937,573
Block Grants for Prevention and Treatment of Substance Abuse					
Drug-Free Schools and Communities (DFSC) - Friday Night Live	93.959	(32)	21-10089	117,500	112,500
Alcohol Block Grant	93.959	(32)	21-10089	35,116,817	22,988,201
Drug Free Schools and Communities - Club Live	93.959	(32)	21-10089	117,500	112,500
New Prenatal Set - Aside	93.959	(32)	21-10089	2,783,338	1,521,775
Substance Abuse Prevention and Treatment Block Grant Adolescent	93.959	(32)	21-10089	364,510	364,510
Substance Abuse Prevention and Treatment Set - Aside	93.959	(32)	21-10089	15,079,359	15,079,359
Subtotal 93.959				53,579,024	40,178,845
Passed Through the California Department of Health Care Services/Public Health Institute					
Substance Abuse and Mental Health Services Projects of Regional and National Significance					
SAMSHA STR to the Opioid Crisis Grant - Bridge Program	93.243	(23)	18-95423	658	-
Passed Through the California Department of Public Health					
Injury Prevention and Control Research and State and Community Based Programs					
National Violent Death Reporting System (NVDRS)	93.136		22-10804	23,545	-
Overdose Data to Action	93.136		CDC-RFA-CE19-1904	296,744	-
Subtotal 93.136				320,289	-
Immunization Cooperative Agreements					
Vaccine Preventable Disease Control	93.268	(24)	22-11039	5,334,726	-
Refugee and Entrant Assistance State/Replacement Designee Administered Programs					
Refugee Health Promotion Afghan and Refugee Health Promotion Supplemental	93.566	(27)		162,664	-
Refugee Health Assessment Program	93.566	(27)	22-09-90899-00	1,037,639	-
Subtotal 93.566				1,200,303	-
Refugee and Entrant Assistance Discretionary Grants					
Refugee Health Promotion Project (RHPP)	93.576		22-19-90893-00	43,512	-
State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare					
Health Facilities Inspection	93.777	(10)	19-10042	23,324,988	-
Medical Assistance Program					
Maternal and Child Health Services Block Grant to the State	93.778	(10) (30)	202219	2,163,020	35,289
Maternal, Infant and Early Childhood Home Visiting Grant					
Title V Maternal, Infant, and Early Childhood Home Visiting Program	93.870		22-19, 22-19A	1,395,882	-
HIV Care Formula Grants					
HIV Care Program	93.917			5,508,543	4,987,691
Maternal and Child Health Services Block Grant to the States					
Maternal and Child Health	93.994		202219	1,198,244	53,351

Federal Grantor/Pass Through Grantor/Program Title	Assistance Listing Number (ALN)		Identifying Number Assigned by Pass-Through Grantor (Note A)	Federal Expenditures	Passed Through to Subrecipients
Passed Through the California Department of Social Services					
Guardianship Assistance					
Kinship Guardianship Assistance Payment Program (Kin - GAP) Title IV-E	93.090		CFL 16/17-69, 14/15-40 & 11/12-18	45,937,994	-
MaryLee Allen Promoting Safe and Stable Families Program					
Promoting Safe and Stable Families Program (PSSF)	93.556		CFL 22/23-15, 22/23-33	8,208,541	7,417,961
Temporary Assistance for Needy Families					
CalWORKs - Family Group/Unemployed Parent (FG/U) Assistance	93.558	(26)	CFL 21/22-115	228,324,142	-
CalWORKs Legal Immigrants (MC)	93.558	(26)	CFL 21/22-115	3,374,889	-
CalWORKs Diversion	93.558	(26)	CFL 21/22-115	2,517	-
CalWORKs Single	93.558	(26)	CFL 21/22-115	502,101,877	202,996,359
Temporary Assistance for Needy Families (TANF)	93.558	(26)	CFL 22/23-70	81,313,227	8,562,384
Subtotal 93.558				815,116,652	211,558,743
Refugee and Entrant Assistance State/Replacement Designee Administered Programs					
Refugee Resettlement	93.566	(27)	CFL 21/22-115	16,279,397	-
Refugee Employment Social Services	93.566	(27)	2002	2,694,927	1,386,328
Services to Older Refugees	93.566	(27)	ORSA 1802,1902, 2002, 2102, 2202	26,416	2,256
Subtotal 93.566				19,000,740	1,388,584
Child Care and Development Block Grant					
Child Care Salary Retention Incentive Program	93.575	(9) (29)	FGRT-22-GAN-CCD-WFP-017	2,450,696	-
Local Child Care Planning and Development Council (LCCPDC)	93.575	(9) (29)	19-2419-00-2	432,509	-
Subtotal 93.575				2,883,205	-
U.S. Repatriation					
U.S. Repatriation Program	93.579		CFL 21/22-115	11,719	-
Community - Based Child Abuse Prevention Grants					
Community - Based Child Abuse Prevention	93.590		ACIN 1-13-23	584,025	-
Adoption and Legal Guardianship Incentive Payments					
Adoptions and Legal Guardianship Incentive Payments	93.603		CFL 22/23-86	3,113,706	-
Stephanie Tubbs Jones Child Welfare Services Program					
Children's Welfare Services IV-B (Direct Cost)	93.645		CFL 22/23-70	6,178,582	-
Foster Care Title IV-E					
Aid to Families with Dependent Children - FC - Administration and Assistance	93.658		CFL 22/23-70	119,124,737	41,245,798
Foster Care Title IV-E	93.658		CFL 22/23-07, 11, 23, 30, 35, 41, 50, 56, 58, 68	276,525,853	-
Foster Parent Training	93.658		CFL 22/23-70	27,846	-
Foster Family Licensing	93.658		CFL 22/23-69	1,534,607	-
Group Home Month Visits / CWD	93.658		CFL 22/23-70	832,103	-
Child Welfare Services Outcome Improvement Project (Cohort 1)	93.658		CFL 22/23-70	473,015	-
Foster Care Title IV-E	93.658		CFL 22/23-07, 23, 35, 36, 39, 42, 49, 66, 68, 74, 97	14,568,123	-
Subtotal 93.658				413,086,284	41,245,798
Adoption Assistance					
Adoptions - Administration and Assistance	93.659		CFL 16/17-69, 14/15-40 & 11/12-18	232,132,486	-
Social Services Block Grant					
Children's Welfare Services Title XX	93.667		CFL 22/23-70	37,926,155	-
John H. Chafee Foster Care Program for Successful Transition to Adulthood					
Independent Living Skills - Children's Services	93.674		CFL 22/23-59	6,628,921	2,821,883

Federal Grantor/Pass Through Grantor/Program Title	Assistance Listing Number (ALN)		Identifying Number Assigned by Pass-Through Grantor (Note A)	Federal Expenditures	Passed Through to Subrecipients
Medical Assistance Program					
In-Home Supportive Services - Personal Care Services Program (Health-Related)	93.778	(10) (30)	CFL 21/22-115	105,482,658	-
Adult Protective Services/County Services Block Grant	93.778	(10) (30)	CFL 21/22-115	30,911,051	-
Children's Welfare Services XIX (Health-Related)	93.778	(10) (30)	CFL 16/17-69, 14/15-40 & 11/12-18	61,519,022	-
Subtotal 93.778				197,912,731	-
Passed Through the Essential Access Health					
Family Planning Services					
Family Planning - Title X	93.217	(22)	1316-5320-71219-22	300,000	-
Title X - Family Planning Services	93.217	(22)		120,000	425
Subtotal 93.217				420,000	425
Passed Through the Substance Abuse and Mental Health Services Administration					
Substance Abuse and Mental Health Services Projects of Regional and National Significance					
Substance Abuse and Mental Health Services: Projects of Regional and National Significance (SAMSHA)	93.243	(23)		312,677	255,408
Total U.S. Department of Health and Human Services				2,619,716,734	397,332,621
U.S. Department of Homeland Security					
Direct Program					
National Urban Search and Rescue (US&R) Response System					
US&R 2018	97.025		EMW-2018-CA-K00027-S01	38,783	-
US&R 2018	97.025		EMW-2018-CA-USR-0003	110,598	-
US&R 2019	97.025		EMW-2019-CA-00077-S01	208,741	-
US&R 2020	97.025		EMW-2020-CA-00069-S01	293,156	-
US&R 2021	97.025		EMW-2021-CA-00047-S01	486,670	-
US&R 2022	97.025		EMW-2022-CA-00071-S01	503,528	-
Subtotal 97.025				1,641,476	-
Hazard Mitigation Grant					
Hazard Mitigation Grant Program	97.039	(34)		14,265	-
Assistance to Firefighters Grant					
2021 Assistance to Firefighter Grant	97.044		EMW-2021-FG-11846	1,579,934	-
Port Security Grant Program					
Port Security Grant Program 19	97.056		EMW-2019-PU-00149	53,254	-
Port Security Grant Program 20	97.056		EMW-2020-PU-00161	160,619	-
Port Security Grant Program 21	97.056		EMW-2021-PU-00217	168,805	-
Subtotal 97.056				382,678	-
Passed Through the City of Los Angeles					
Homeland Security Grant Program					
2019 Urban Area Security Initiative (UASI)	97.067	(36)	C-136501	131,604	-
Securing the Cities Program					
Securing the Cities Program	97.106		C-140131	9,553	-
Securing the City Program (STC)	97.106			121,853	-
Subtotal 97.106				131,406	-
Passed Through the County of San Diego					
Homeland Security Grant Program					
Operation Stonegarden Grant Program (OPSG)	97.067	(36)	2021-0081	153,073	-
OPSG	97.067	(36)	2020-0095	208,134	-
Subtotal 97.067				361,207	-

See accompanying Notes to Schedule of Expenditures of Federal Awards.

See legend on page 197 for AL No. Cluster Summary and Notes A, B, and C.

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Federal Grantor/Pass Through Grantor/Program Title	Assistance Listing Number (ALN)		Identifying Number Assigned by Pass-Through Grantor (Note A)	Federal Expenditures	Passed Through to Subrecipients
Passed Through the California Department of Parks and Recreation					
Boating Safety Financial Assistance					
Recreational Boating Safety Program	97.012		C1770602	64,000	-
Passed Through the California Governor's Office of Emergency Services					
Disaster Grants - Public Assistance (Presidentially Declared Disasters)					
2008 Wildfires	97.036	(33)	DR1810-CA	492,321	-
Hazard Mitigation Grant					
Hazard Mitigation Grant Program	97.039	(34)	4407-221-082R	517,765	-
Emergency Management Performance Grants					
2020 Emergency Management Performance Grant	97.042	(35)	2020-0006	1,117,177	1,117,177
2021 Emergency Management Performance Grant	97.042	(35)	2021-0015	588,921	331,887
Subtotal 97.042				1,706,098	1,449,064
Homeland Security Grant Program					
2019 Homeland Security Program	97.067	(36)	2019-0035	1,521,504	824,770
2020 Homeland Security Grant Program (RTAC)	97.067	(36)		2,264,397	-
2020 Homeland Security Program	97.067	(36)	2020-0095	3,789,141	1,737,858
2021 Homeland Security Program	97.067	(36)	2021-0081	649,182	-
Subtotal 97.067				8,224,224	2,562,628
Passed Through the California Governor's Office of Emergency Services/City of Los Angeles					
Homeland Security Grant Program					
UASI 20	97.067	(36)	C-138950	850,248	-
UASI 20	97.067	(36)	C-138950	834,904	-
UASI 20	97.067	(36)	037-95050	4,311,260	-
UASI 21	97.067	(36)	C-141324	394,592	-
UASI 21	97.067	(36)	037-95050	104,340	-
Urban Area Security Grant Program 20	97.067	(36)	C-138950	7,684,447	-
Urban Area Security Grant Program 21	97.067	(36)	C-141324	3,788,733	-
Subtotal 97.067				17,968,524	-
Passed Through the California Governor's Office of Emergency Services/Los Angeles Regional Interoperable Communication Systems Authority					
Homeland Security Grant Program					
Urban Area Security Initiative	97.067	(36)	C-141072	635,324	-
Total U.S. Department of Homeland Security				33,850,826	4,011,692

Federal Grantor/Pass Through Grantor/Program Title	Assistance Listing Number (ALN)		Identifying Number Assigned by Pass-Through Grantor (Note A)	Federal Expenditures	Passed Through to Subrecipients
U.S. Department of Housing and Urban Development					
Passed Through the Los Angeles County Development Authority					
Community Development Block Grants/Entitlement Grants					
95th Street/ Normandie Park	14.218	(4) (15)		257,874	-
Century Station Code Enforcement	14.218	(4) (15)	F96232-22	199,052	-
Community Code Enforcement 4th District	14.218	(4) (15)	600727-22	149,000	-
Community Code Enforcement East Los Angeles - 1st District	14.218	(4) (15)	601956-22	188,000	-
East Los Angeles Parking Lot Lease Payment	14.218	(4) (15)	602026-22	35,119	-
Elderly Nutrition Program	14.218	(4) (15)	CV1102-20	353,268	353,268
Enhanced Patrol Walnut Park - Century Station	14.218	(4) (15)	601938-22	60,000	-
Equestrian Patrol Pilot Program - Industry Station	14.218	(4) (15)	601936-22	110,481	-
Maravilla Disposition	14.218	(4) (15)	601469-22	30,941	-
New Florence Library Project	14.218	(4) (15)	602206-20	1,205,392	-
Loma Alta Park Recreation Program	14.218	(4) (15)		37,838	-
Pamela Park Recreation Program	14.218	(4) (15)		24,871	-
Pearblossom Park Recreation Program	14.218	(4) (15)		11,877	-
Rowland Heights Youth Athletic League Program - Carolyn Rosas Park	14.218	(4) (15)	F96415-22	49,927	-
Walnut Park Parking Lot Maintenance - 4th District	14.218	(4) (15)	4JJ02X-22	44,915	-
Wide Commercial Business Revitalization Program - 1st District	14.218	(4) (15)	601774-22	97,801	-
Wide Commercial Business Revitalization Program - 2nd District	14.218	(4) (15)	601834-22	366,726	332,319
Willowbrook Community Project Area/Disposition	14.218	(4) (15)	2BF02X-22	31,350	-
Subtotal 14.218				3,254,432	685,587
Total U.S. Department of Housing and Urban Development				3,254,432	685,587
U.S. Department of Justice					
Direct Program					
Strengthening the Medical Examiner - Coroner System					
2021 Bureau of Justice Assistance (BJA) - Strengthening the Medical Examiner - Coroner System	16.037			154,412	-
Services for Trafficking Victims					
Enhanced Collaborative Model to Combat Human Trafficking 21	16.320		15POVC-21-GK-04072-HT	245,169	-
PREA Program: Strategic Support for PREA Implementation					
Prison Rape Elimination Act	16.735			11,838	-
DNA Backlog Reduction Program					
DNA Capacity Enhancement and Backlog Reduction Program	16.741		2020-DN-BX-0141	406,007	-
DNA Capacity Enhancement and Backlog Reduction Program	16.741		15PBJA-21-GG-03100-DNAX	767,753	-
DNA Capacity Enhancement and Backlog Reduction Program	16.741		15PBJA-22-GG-01601-DNAX	8,328	-
Subtotal 16.741				1,182,088	-
Economic, High-Tech, and Cyber Crime Prevention					
Intellectual Property Enforcement Program - Counterfeit and Piracy Enforcement (CAPE) 2020	16.752		2020-IP-BX-0006	31,259	-
Intellectual Property Enforcement Program - CAPE 2022	16.752		15PBJA-22-GG-01584-INTE	68,241	-
Subtotal 16.752				99,500	-
Second Chance Act Reentry Initiative					
Second Chance Act Reentry Initiative - Innovative Reentry Initiatives (IRI)	16.812			74,968	-
Children of Incarcerated Parents					
Second Chance Act Addressing the Needs of Incarcerated Parents 18	16.831		2018-IG-BX-0006	258,409	-
Comprehensive Opioid, Stimulant, and other Substances Use Program					
Comprehensive Opioid Abuse Site Based Program - Lead East LA	16.838			406,861	-
Comprehensive Opioid Abuse Site Based Program - Lead Hollywood Expansion	16.838			135,070	-
Subtotal 16.838				541,931	-

Federal Grantor/Pass Through Grantor/Program Title	Assistance Listing Number (ALN)		Identifying Number Assigned by Pass-Through Grantor (Note A)	Federal Expenditures	Passed Through to Subrecipients
Equitable Sharing Program					
Asset Seizure and Forfeiture	16.922		CA019153A	1,344,385	-
Asset Seizure and Forfeiture	16.922			2,192,057	-
Domestic Cannabis Eradication Suppression Program (DCESP) 2022-24	16.922			286,922	-
DCESP 2023-24	16.922			196,405	-
Subtotal 16.922				4,019,769	-
Passed Through the City of Los Angeles					
Edward Byrne Memorial Justice Assistance Grant Program					
Public Health - Trauma Prevention Initiative (JAG) 18	16.738		JAG 2018-DJ-BX-0296	103,310	-
Sheriff Unincorporated Area Patrol Services Overtime (JAG) 18	16.738		JAG 2018-DJ-BX-0296	29,961	-
Sheriff Supervisorial District 5 Patrol Services Overtime (JAG) 18	16.738		JAG 2018-DJ-BX-0296	5,748	-
Sheriff Supervisorial District 5 Patrol Services Overtime (JAG) 19	16.738		JAG 2019-DJ-BX-0862	10,472	-
Alternate Sentencing Program (PD) (JAG) 18	16.738		JAG 2018-DJ-BX-0296	89,947	-
Alternate Sentencing Program (PD) (JAG) 19	16.738		JAG 2019-DJ-BX-0862	441,811	-
Soledad Enrichment Action - Life Program (JAG) 19	16.738		JAG 2019-DJ-BX-0862	49,575	-
Toberman Grace (JAG) 18	16.738		JAG 2018-DJ-BX-0296	35,125	-
Toberman Grace (JAG) 19	16.738		JAG 2019-DJ-BX-0862	39,631	-
Boys and Girls Club - College and Career Bound (JAG) 19	16.738		JAG 2019-DJ-BX-0862	55,322	-
Sheriff School Resource Deputy (JAG) 19	16.738		JAG 2019-DJ-BX-0862	22,527	-
Sheriff Youth Activities League (JAG) 19	16.738		JAG 2019-DJ-BX-0862	47,031	-
JAG City Clear Foothill	16.738			52,135	-
JAG City Clear Various Sites	16.738			417,112	-
JAG City Clear	16.738		15PBJA-22-GG-02107-JAGX	256,626	-
Subtotal 16.738				1,656,333	-
Passed Through the California Governor's Office of Emergency Services					
Paul Coverdell Forensic Sciences Improvement Grant Program					
2021 California Coverdell Grant Program	16.742		CQ21 11 0190	22,183	-
2021 Paul Coverdell Forensic Science Improvement Grants	16.742			23,147	-
Paul Coverdell Forensic Science Improvement Program	16.742		CQ21 18 0190	136,523	-
Subtotal 16.742				181,853	-
Crime Victim Assistance					
Victim Witness Assistance Program (VWAP)	16.575		037-00000-19	8,046,815	1,986,839
Underserved Victim Advocacy and Outreach Program (UV)	16.575		037-00000-19	90,348	-
Human Trafficking Advocacy (HA) Program	16.575		037-00000-19	160,221	-
County Victim Services (XC) Program	16.575		037-00000-19	2,489,890	2,183,332
Elder Abuse (XE) Program	16.575		037-00000-19	202,181	-
Subtotal 16.575				10,989,455	4,170,171
Total U.S. Department of Justice				19,415,725	4,170,171
U.S. Department of Labor					
Passed Through the California Department of Aging					
Senior Community Service Employment Program					
Older American Title V Project	17.235		TV2122-19	1,462,228	1,437,280
Passed Through the California Employment Development Department					
Workforce Innovation and Opportunity Act (WIOA) Adult Program					
1226 English Language Learner	17.258	(5)	AA111012	79,557	69,095
WIOA Transfer DW to Adult	17.258	(5)	AA211012	2,600,000	2,600,000
WIOA Adult	17.258	(5)	AA311012	9,824,069	6,025,751
WIOA Adult	17.258	(5)	AA211012	4,135,536	4,135,536
Subtotal 17.258				16,639,162	12,830,382
WIOA Youth Activities					
WIOA Youth	17.259	(5)	AA311012	9,955,484	7,376,359
WIOA Youth	17.259	(5)	AA211012	292,440	292,440
Subtotal 17.259				10,247,924	7,668,799

See accompanying Notes to Schedule of Expenditures of Federal Awards.

Federal Grantor/Pass Through Grantor/Program Title	Assistance Listing Number (ALN)		Identifying Number Assigned by Pass-Through Grantor (Note A)	Federal Expenditures	Passed Through to Subrecipients
WIOA National Dislocated Worker Grants/WIA National Emergency Grants					
2018 CA Megafires NDWG - Workforce Development	17.277	(16)	AA111012	205,565	193,530
2020 September Wildfires Disaster Recovery - Temporary Jobs	17.277	(16)	AA111012	494,855	415,320
2020 September Wildfires Disaster Recovery - Workforce Development	17.277	(16)	AA111012	98,054	82,712
Subtotal 17.277				798,474	691,562
WIOA Dislocated Worker Formula Grants					
WIOA Dislocated Worker	17.278	(5) (17)	AA211012	2,891,278	2,536,350
WIOA Dislocated Worker	17.278	(5) (17)	AA311012	718,989	-
WIOA Layoff Version RR (GC 292)	17.278	(5) (17)	AA311012	129,688	-
WIOA Layoff Version RR (GC 293)	17.278	(5) (17)	AA311012	254,593	-
WIOA Rapid Response	17.278	(5) (17)	AA311012	1,462,826	841,280
Subtotal 17.278				5,457,374	3,377,630
Hurricanes and Wildfires of 2017 Supplemental - National Dislocated Worker Grants					
2018 CA Megafires NDWG - Temporary Jobs	17.286		AA011012	177,574	144,080
Total U.S. Department of Labor				34,782,736	26,149,733
U.S. Department of the Interior					
Direct Program					
WaterSMART (Sustain and Manage America's Resources for Tomorrow)					
USBR WaterSMART Water and Energy Efficiency Grant	15.507			54	-
Passed Through the California State Controller's Office					
Flood Control Act Lands					
Flood Control Act Lands	15.433			6,754	-
Total U.S. Department of the Interior				6,808	-
U.S. Department of Transportation					
Direct Program					
Airport Improvement Program, COVID-19 Airports Programs, and Infrastructure Investment and Jobs Act Programs					
Airport Improvement Program	20.106	(18)		559,618	-
Passed Through the California Department of Transportation					
Highway Planning and Construction					
Surface Transportation Program (STP)	20.205		STPL-5953 (762)	220,425	-
Highway Bridge Rehabilitation	20.205		BRLS-5953 (621), BRLS-5953 (601), BRLS-5953 (615), BPMPL-5953 (707) , BPMPL-5953 (680), BPMPL-5953 (688), BPMPL-5953 (708), BPMPL-5953 (726), BRNBISL-5953 (788), BRLO-5953 (636)	3,093,427	-
Congestion Mitigation and Air Quality Program	20.205		CMLNI-5953 (717), CML-5953 (765)	9,874	-
Emergency Relief Program	20.205		ER-24A0 (002), ER-30X0 (003), ER-30X0 (005), ER-30X0 (008), ER-32L0 (519), ER-38Y0 (017), ER-38Y0 (018), ER-40A0 (083), ER-40A0 (084), ER-40A0 (093), ER-40A0 (101), ER-15A6 (008)	2,106,983	-
Highway Safety Improvement Program (HSIP)	20.205		HSIPL-5953 (752), HSIPL-5953 (755), HSIPL-5953 (776)	119,290	-
Transportation Alternative Program	20.205		ATPL-5953 (739), ATPL-5953 (741), ATPL-5953 (763), ATPL-5953 (773)	1,224,692	-
Subtotal 20.205				6,774,691	-

Federal Grantor/Pass Through Grantor/Program Title	Assistance Listing Number (ALN)		Identifying Number Assigned by Pass-Through Grantor (Note A)	Federal Expenditures	Passed Through to Subrecipients
Formula Grants for Rural Areas and Tribal Transit Program					
Public Transportation for Non-Urbanized Areas	20.509			471,137	-
Formula Grants for Rural Areas and Tribal Transit Program	20.509			475,588	-
Subtotal 20.509				946,725	-
Passed Through the California Office of Traffic Safety					
State and Community Highway Safety					
Office of Traffic Safety - Distracted Driving Program	20.600	(7)	DD22005	59,522	20,185
Office of Traffic Safety - Pedestrian and Bicycle Safety Program	20.600	(7)	PS23017	85,550	77,914
Selective Traffic Enforcement Program (402PT-23 Flex)	20.600	(7)	PT 23124	341,874	-
Selective Traffic Enforcement Program	20.600	(7)	PT 22023	203,280	-
Subtotal 20.600				690,226	98,099
Minimum Penalties for Repeat Offenders for Driving While Intoxicated					
Intensive Probation Supervision for High Risk Felony and Repeat DUI Offenders	20.608		AL22010, AL23014	338,308	-
Selective Traffic Enforcement Program (164AI-23)	20.608		PT 23124	847,239	-
Selective Traffic Enforcement Program (164AI-22)	20.608		PT 22023	297,068	-
Subtotal 20.608				1,482,615	-
National Priority Safety Programs					
Office of Traffic Safety Program (OTS)	20.616	(7)	OP23013	161,055	102,921
Alcohol and Drug Impaired Driver Vertical Prosecution Program	20.616	(7)	DI22004 & DI23013	1,500,038	-
Subtotal 20.616				1,661,093	102,921
Passed Through the Los Angeles Metropolitan Transportation Authority					
Enhanced Mobility of Seniors and Individuals with Disabilities					
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	(6)	CA-2022-141, CA-2022-142, CA-2022-143, CA-2020-167	82,410	82,410
New Freedom Program					
New Freedom Program	20.521	(6)	CA-57-X084	29,273	29,273
Total U.S. Department of Transportation				12,226,651	312,703
U.S. Election Assistance Commission					
Passed Through the California Secretary of State					
Help America Vote Act (HAVA) Requirements Payments					
HAVA: Voter's Choice Act	90.401		21S10101	700,000	-
Total U.S. Election Assistance Commission				700,000	-
U.S. Environmental Protection Agency					
Direct Program					
Congressionally Mandated Projects					
Water Infrastructure - Avenue J-12 and 50th Street	66.202			45,097	-
Passed Through the California Environmental Protection Agency					
Beach Monitoring and Notification Program Implementation Grants					
Public Beach Safety Program	66.472		D2214104	189,114	-
Total U.S. Environmental Protection Agency				234,211	-
U.S. Executive Office of the President					
Direct Program					
High Intensity Drug Trafficking Areas Program					
High Intensity Drug Trafficking Areas (HIDTA)	95.001		G22LA0005A	108,389	-
Total U.S. Executive Office of the President				108,389	-

See accompanying Notes to Schedule of Expenditures of Federal Awards.

See legend on page 197 for AL No. Cluster Summary and Notes A, B, and C.

(Continued)

Federal Grantor/Pass Through Grantor/Program Title	Assistance Listing Number (ALN)		Identifying Number Assigned by Pass-Through Grantor (Note A)	Federal Expenditures	Passed Through to Subrecipients
U.S. Food and Drug Administration					
Passed Through the National Environmental Health Association					
Food and Drug Administration Research					
National Environmental Health Association (NEHA) Base - Self-Assessment of All Nine Standards	93.103		G-BDEV-202111-01468	4,230	-
NEHA Add-On Grant Project for Track 1	93.103		G-OATR-202111-01796	5,948	-
Subtotal 93.103				10,178	-
Total U.S. Food and Drug Administration				10,178	-
U.S. Institute of Museum and Library Services					
Passed Through the California State Library					
Grants to States					
Lending Library Program	45.310		40-9231	7,773	-
Empowering Older Adults Through Multilingual Digital Literacy	45.310			74,646	-
Transitioned Aged Youth (TAY) and Non-Minor Dependents (NMD) Programs	45.310			75,000	-
Subtotal 45.310				157,419	-
Total U.S. Institute of Museum and Library Services				157,419	-
U.S. National Endowment for the Arts					
Direct Program					
Promotion of the Arts Grants to Organizations and Individuals					
Grants for Arts Project Funding	45.024		1894704-51	100,000	100,000
Total U.S. National Endowment for the Arts				100,000	100,000
Total Expenditures of Non-COVID-19 Federal Awards				3,087,342,903	440,853,801
SCHEDULE OF EXPENDITURES OF COVID-19 FEDERAL AWARDS					
U.S. Department of Treasury					
Direct Program					
Coronavirus Relief Fund					
COVID-19 - Coronavirus Aid, Relief, and Economic Security Act (CARES Act)	21.019	(19)		172,539	-
Coronavirus State and Local Fiscal Recovery Funds					
COVID-19 - Coronavirus State and Local Fiscal Recovery Fund (SLFRF)	21.027			515,568,088	90,592,053
Passed Through the California Department of Housing and Community Development					
Emergency Rental Assistance Program					
COVID-19 - Emergency Rental Assistance	21.023		21-ERAP-10005	378,730	-
Passed Through the California Department of Social Services					
Coronavirus Relief Fund					
COVID-19 - Coronavirus Aid, Relief, and Economic Security Act (CARES Act)	21.019	(19)		22,724,374	-
Total U.S. Department of Treasury				538,843,731	90,592,053
U.S. Department of Agriculture					
Direct Program					
Plant and Animal Disease, Pest Control, and Animal Care					
COVID-19 - American Rescue Plan SARS CoV-2 Surveillance in Animals in Los Angeles County	10.025	(12)		20,570	-
COVID-19 - American Rescue Plan SARS CoV-2 Surveillance in Imported Animals Entering into Los Angeles International Airport	10.025	(12)		15,075	-
Subtotal 10.025				35,645	-
Gus Schumacher Nutrition Incentive Program					
COVID-19 - Increasing Fruit and Vegetable Intake Among Prediabetic and Diabetic Medicaid Recipients	10.331	(13)		206,634	190,480
Total U.S. Department of Agriculture				242,279	190,480

See accompanying Notes to Schedule of Expenditures of Federal Awards.

See legend on page 197 for AL No. Cluster Summary and Notes A, B, and C.

(Continued)

Federal Grantor/Pass Through Grantor/Program Title	Assistance Listing Number (ALN)		Identifying Number Assigned by Pass-Through Grantor (Note A)	Federal Expenditures	Passed Through to Subrecipients
U.S. Department of Education					
Direct Program					
Education Stabilization Fund					
COVID-19 - Education Stabilization Fund - CARES Act - Conah - Students	84.425			79,054	-
COVID-19 - Education Stabilization Fund - CARES Act - Conah - Institution	84.425			245,713	-
Subtotal 84.425				324,767	-
Total U.S. Department of Education				324,767	-
U.S. Department of Health and Human Services					
Direct Program					
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)					
COVID-19 - Los Angeles County Epidemiology and Laboratory Capacity - Enhancing Detection Expansion	93.323	(25)		120,915,475	52,006,825
COVID-19 - ELC - CARES Act	93.323	(25)		9,708,813	-
COVID-19 - ELC	93.323	(25)		605,518	-
COVID-19 - ELC - PPPHEA	93.323	(25)		36,612,814	2,568,918
COVID-19 - ELC - Nursing Home and Long-Term Care Facility Strike Teams - NH and LTC	93.323	(25)		2,480,825	448,000
COVID-19 - ELC - Project E – Emerging Infections ELC Reopening Schools	93.323	(25)		83,060,689	82,225,913
COVID-19 - ELC - Data Modernization	93.323	(25)		999,771	-
COVID-19 - ELC - Detection and Mitigation of COVID in Confinement Facilities	93.323	(25)		1,279,388	-
COVID-19 - ELC - AMD Sequencing and Analytics Construction Grant	93.323	(25)		148,585	-
COVID-19 - ELC - Project E - AMD Sequencing and Analytics and Strengthening PHL Preparedness	93.323	(25)		2,829,549	-
COVID-19 - ELC Detection and Mitigation of COVID in Homeless Services Sites and other Congregate Settings	93.323	(25)		1,951,671	-
COVID-19 - ELC Strengthening HAI and AR Program Capacity (SHARP)	93.323	(25)		2,236,591	-
COVID-19 - ELC Nursing Home and Long-Term Care Facilities Strike Teams - SNF	93.323	(25)		336,674	-
COVID-19 - ELC - Travelers Health	93.323	(25)		218,972	-
Subtotal 93.323				263,385,335	137,249,656
Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response					
COVID-19 - Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis	93.354			275,674	-
COVID-19 - Cooperative Agreement For Emergency Response: Public Health Crisis Response - Workforce Development	93.354			39,989,193	2,114,340
Subtotal 93.354				40,264,867	2,114,340
Provider Relief Fund and American Rescue Plan (ARP) Rural Distribution					
COVID-19 - Increased Health Care-Related Expenses Attributable to Coronavirus	93.498			7,825,701	-
Passed Through the California Department of Aging					
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers					
COVID-19 - ADRC COVID Vaccine Access	93.044	(8) (20)	2101CAVAC5-19	616,334	616,334
COVID-19 - ARP - Title III-B - Older American Act (OAA) - Supportive Services	93.044	(8) (20)	AP2122-19	586,601	477,150
Subtotal 93.044				1,202,935	1,093,484
Special Programs for the Aging, Title III, Part C, Nutrition Services					
COVID-19 - ARP - Title III-C1 Congregate Meals	93.045	(8) (21)	AP2122-19	2,496,045	2,242,267
COVID-19 - Families First Coronavirus Response Act (FFCRA) - OAA - Home Delivered Meals: Title III-C2	93.045	(8) (21)	AP2122-19	1,033,388	962,677
COVID-19 - Consolidated Appropriation Act (CAA), Nutrition OAA Title III-C2	93.045	(8) (21)	AP2122-19	611	611
Subtotal 93.045				3,530,044	3,205,555

See accompanying Notes to Schedule of Expenditures of Federal Awards.

See legend on page 197 for AL No. Cluster Summary and Notes A, B, and C.

(Continued)

Federal Grantor/Pass Through Grantor/Program Title	Assistance Listing Number (ALN)		Identifying Number Assigned by Pass-Through Grantor (Note A)	Federal Expenditures	Passed Through to Subrecipients
Passed Through the California Department of Community Services and Development					
Community Services Block Grant					
COVID-19 - Community Services Block Grant CARES Act	93.569	(28)	20F-3660	2,716,132	1,782,992
Passed Through the California Department of Health Care Services					
Block Grants for Community Mental Health Services					
COVID-19 - Mental Health Services Block Grant - ARP	93.958	(31)		5,613,871	-
Block Grants for Prevention and Treatment of Substance Abuse					
COVID-19 - ARP - Discretionary	93.959	(32)	21-10089	1,817,249	892,578
COVID-19 - ARP - Primary Prevention Set-Aside	93.959	(32)	21-10089	2,949,726	1,636,704
COVID-19 - ARP - Friday Night Live Set-Aside	93.959	(32)	21-10089	17,511	17,511
COVID-19 - Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) - Primary Prevention Set-Aside	93.959	(32)	21-10089	3,418,992	2,643,228
COVID-19 - CRRSAA - Friday Night Live Set-Aside	93.959	(32)	21-10089	17,511	17,511
COVID-19 - CRRSAA - Perinatal Set-Aside	93.959	(32)	21-10089	909,086	357,021
COVID-19 - CRRSAA - Adolescent/Youth Set-Aside	93.959	(32)	21-10089	267,339	267,339
COVID-19 - CRRSAA - Recovery Housing Support	93.959	(32)	21-10089	3,426,847	3,426,847
Subtotal 93.959				12,824,261	9,258,739
Passed Through the California Department of Health Care Services/Advocate For Human Potential					
Block Grants for Community Mental Health Services					
COVID-19 - Mental Health Services Block Grant - Crisis Care Mobile Unit (CCMU) - CRRSAA	93.958	(31)		9,686,000	-
Passed Through the California Department of Health Care Services/Sierra Health Foundation					
Block Grants for Community Mental Health Services					
COVID-19 - Mental Health Services Block Grant - CRRSAA	93.958	(31)		1,682,344	-
Passed Through the California Department of Public Health					
Immunization Cooperative Agreements					
COVID-19 - Vaccine Preventable Disease Control	93.268	(24)	22-11039	28,283,898	474,271
Passed Through the California Department of Social Services					
Temporary Assistance for Needy Families					
COVID-19 - ARP - Pandemic Emergency Assistance Fund (PEAF)	93.558	(26)	CFL 21/22-04	4,975,720	-
Refugee and Entrant Assistance State/Replacement Designee Administered Programs					
COVID-19 - Refugee Support Services (RSS) COVID-19 Supplemental	93.566	(27)	RSS2002	9,148	-
Passed Through the Council of State and Territorial Epidemiologists					
Strengthening Public Health Systems and Services Through National Partnerships to Improve and Protect the Nation's Health					
COVID-19 - SARS CoV-2 One Health Surveillance and Capacity Building	93.421		5 NU38OT000297	52,310	-
Total U.S. Department of Health and Human Services				382,052,566	155,179,037
U.S. Department of Homeland Security					
Passed Through the United Way					
Emergency Food and Shelter National Board Program					
COVID-19 - Emergency Food and Shelter Program - Phase ARP-R	97.024		ARPAR-0695	69,915	-
Passed Through the California Governor's Office of Emergency Services					
Disaster Grants - Public Assistance (Presidentially Declared Disasters)					
COVID-19 - 2020 Project Roomkey	97.036	(33)	DR4482-CA	16,651,968	-
COVID-19 - 2020 COVID-19	97.036	(33)	DR4482-CA	64,476,453	-
Subtotal 97.036				81,128,421	-

Federal Grantor/Pass Through Grantor/Program Title	Assistance Listing Number (ALN)		Identifying Number Assigned by Pass-Through Grantor (Note A)	Federal Expenditures	Passed Through to Subrecipients
Emergency Management Performance Grants					
COVID-19 - 2021 Emergency Management Performance Grant - ARP	97.042	(35)	2021-0014	38,599	38,599
Total U.S. Department of Homeland Security				81,236,935	38,599
U.S. Department of Housing and Urban Development					
Passed Through the Los Angeles County Development Authority					
Community Development Block Grants/Entitlement Grants					
COVID-19 - Senior Program	14.218	(4) (15)		169,742	-
Emergency Solutions Grant Program					
COVID-19 - Emergency Solutions Grant Program Via CARES Act - Purposeful Aging L.A.	14.231		CVES12-21	274,996	-
COVID-19 - Emergency Solutions Grant Program Via the CARES Act (ESG-CV) - Street Outreach	14.231		C111437-CVES09-20	392,984	-
COVID-19 - Emergency Solutions Grant Program Via the CARES Act (ESG-CV) - Temporary Emergency Shelter	14.231		C111870-CVES08-20	5,114,144	-
Subtotal 14.231				5,782,124	-
Total U.S. Department of Housing and Urban Development				5,951,866	-
U.S. Department of Justice					
Passed Through the Board of State and Community Corrections					
Coronavirus Emergency Supplemental Funding Program					
COVID-19 - Coronavirus Emergency Supplemental Funding Program	16.034		BSCC 108-20	150,491	-
Total U.S. Department of Justice				150,491	-
U.S. Department of Labor					
Passed Through the California Employment Development Department					
WIOA National Dislocated Worker Grants/WIA National Emergency Grants					
COVID-19 - Disaster Recovery NDWG 1196 - Workforce Development	17.277	(16)	AA011012	36,836	36,052
COVID-19 - Disaster Recovery NDWG 1195 - Temporary Jobs	17.277	(16)	AA011012	71,777	16,040
Subtotal 17.277				108,613	52,092
WIOA Dislocated Worker Formula Grants					
COVID-19 - 1228 Response - Keep LA Working Phase II	17.278	(5) (17)	AA111012	53,942	24,819
Total U.S. Department of Labor				162,555	76,911
U.S. Department of Transportation					
Direct Program					
Airport Improvement Program, COVID-19 Airports Programs, and Infrastructure Investment and Jobs Act Programs					
COVID-19 - CARES Act Airport	20.106	(18)		163,324	-
Total U.S. Department of Transportation				163,324	-
U.S. Federal Communications Commission					
Direct Program					
Emergency Connectivity Fund Program					
COVID-19 - ARP Emergency Connectivity Fund Program	32.009		ECF202111209	329,673	-
Total U.S. Federal Communications Commission				329,673	-
Total Expenditures of COVID-19 Federal Awards				1,009,458,187	246,077,080
Total Expenditures of Federal Awards				$ 4,096,801,090	$ 686,930,881

COUNTY OF LOS ANGELES
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

Legend	Amounts
(1) SNAP Cluster	*$ 354,485,722*
(2) Child Nutrition Cluster	*213,623*
(3) Forest Service Schools and Roads Cluster	*670,612*
(4) CDBG - Entitlement Grants Cluster (Note C)	*3,424,174*
(5) WIOA Cluster (Note C)	*32,398,402*
(6) Transit Services Programs Cluster	*111,683*
(7) Highway Safety Cluster	*2,351,319*
(8) Aging Cluster (Notes B and C)	*29,890,659*
(9) CCDF Cluster	*15,246,776*
(10) Medicaid Cluster	*637,896,416*
(11) Student Financial Assistance Cluster	*292,258*
(12) Total for ALN #10.025 - Plant and Animal Disease, Pest Control, and Animal Care (Note C)	*2,241,686*
(13) Total for ALN #10.331 - Gus Schumacher Nutrition Incentive Program (Note C)	*379,021*
(14) Total for ALN #10.561 - State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	*354,485,722*
(15) Total for ALN #14.218 - Community Development Block Grants/Entitlement Grants (Note C)	*3,424,174*
(16) Total for ALN #17.277 - WIOA National Dislocated Worker Grants/WIA National Emergency Grants (Note C)	*907,087*
(17) Total for ALN #17.278 - WIOA Dislocated Worker Formula Grants (Note C)	*5,511,316*
(18) Total for ALN #20.106 - Airport Improvement Program, COVID-19 Airports Programs, and Infrastructure Investment and Job Acts Programs (Note C)	*722,942*
(19) Total for ALN #21.019 - Coronavirus Relief Fund (Note C)	*22,896,913*
(20) Total for ALN #93.044 - Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers (Note C)	*8,036,749*
(21) Total for ALN #93.045 - Special Programs for the Aging, Title III, Part C, Nutrition Services (Note C)	*16,935,333*
(22) Total for ALN #93.217 - Family Planning Services	*429,717*
(23) Total for ALN #93.243 - Substance Abuse and Mental Health Services Projects of Regional and National Significance	*574,124*
(24) Total for ALN #93.268 - Immunization Cooperative Agreements (Note C)	*33,618,624*
(25) Total for ALN #93.323 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) (Note C)	*268,466,168*
(26) Total for ALN #93.558 - Temporary Assistance for Needy Families (Note C)	*820,092,372*
(27) Total for ALN #93.566 - Refugee and Entrant Assistance State/Replacement Designee Administered Programs (Note C)	*20,210,191*
(28) Total for ALN #93.569 - Community Services Block Grant (Note C)	*9,499,815*
(29) Total for ALN #93.575 - Child Care and Development Block Grant	*7,733,600*
(30) Total for ALN #93.778 - Medical Assistance Program	*614,571,428*
(31) Total for ALN #93.958 - Block Grants for Community Mental Health Services (Note C)	*32,131,572*
(32) Total for ALN #93.959 - Block Grants for Prevention and Treatment of Substance Abuse (Note C)	*66,403,285*
(33) Total for ALN #97.036 - Disaster Grants - Public Assistance (Presidentially Declared Disasters) (Note C)	*81,620,742*
(34) Total for ALN #97.039 - Hazard Mitigation Grant	*532,030*
(35) Total for ALN #97.042 - Emergency Management Performance Grants (Note C)	*1,744,697*
(36) Total for ALN #97.067 - Homeland Security Grant Program	*27,320,883*

Note A - Certain awards do not have a pass-through entity ID number

Note B - Aging Cluster (as determined by the California Health and Human Services Agency, Department of Aging)

Note C - Includes COVID-19 awards

See accompanying Notes to Schedule of Expenditures of Federal Awards.

COUNTY OF LOS ANGELES
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

NOTE 1 – GENERAL

The accompanying Schedule of Expenditures of Federal Awards (SEFA) represents all federal programs of the County of Los Angeles, California (the County). The County's basic financial statements include the operations of the Los Angeles County Development Authority (LACDA) and the Los Angeles County Children and Families First – Proposition 10 Commission (First 5 LA), which expended $614,359,546 and $132,945, respectively, in federal awards, and are not included in the accompanying SEFA. The LACDA engaged auditors to perform an audit in accordance with Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). First 5 LA did not meet the minimum threshold of $750,000 and, therefore, was exempt from having an audit in accordance with Uniform Guidance. All federal financial assistance received directly from federal/State agencies, as well as federal financial assistance passed through other government agencies, is included in the SEFA.

NOTE 2 – BASIS OF ACCOUNTING

The SEFA is prepared on the modified accrual basis of accounting for program expenditures accounted for in the governmental funds and the accrual basis of accounting for program expenditures accounted for in the proprietary funds, as described in Note 1 of the Notes to the County's basic financial statements. The information in this schedule is presented in accordance with the requirements of Uniform Guidance. However, some amounts presented in this schedule are reported on a cash basis, as described in the succeeding paragraph.

Additionally, certain federal program expenditures in the SEFA are converted to and reported on a cash basis due to the claiming requirements of pass-through and federal agencies. These expenditures are presented on a cash basis to be consistent with the amounts previously claimed and reported for reimbursement purposes. The affected programs are listed below.

ALN	Program Name
10.561	Supplemental Nutrition Assistance Program – Education (SNAP-ED)
10.561	Supplemental Nutrition Assistance Program (SNAP) – Administration (CalFresh)
14.218	Community Code Enforcement 4th District
14.218	Community Code Enforcement East Los Angeles – 1st District
14.218	Loma Alta Park Recreation Program
14.218	New Florence Library Project
14.218	Pamela Park Recreation Program
14.218	Pearblossom Park Recreation Program
16.738	Alternate Sentencing Program (PD) (JAG) 18
16.738	Public Health – Trauma Prevention Initiative (JAG) 18
16.738	Sheriff Supervisorial District 5 Patrol Services Overtime (JAG) 18
16.738	Sheriff Unincorporated Area Patrol Services Overtime (JAG) 18
16.738	Toberman Grace (JAG) 18
16.738	Sheriff Supervisorial District 5 Patrol Services Overtime (JAG) 19
16.738	Alternate Sentencing Program (PD) (JAG) 19
16.738	Soledad Enrichment Action – Life Program (JAG) 19
16.738	Toberman Grace (JAG) 19
16.738	Boys and Girls Club – College and Career Bound (JAG) 19

NOTE 2 – BASIS OF ACCOUNTING-Continued

ALN	Program Name
16.738	Sheriff School Resource Deputy (JAG) 19
16.738	Sheriff Youth Activities League (JAG) 19
20.616	Alcohol and Drug Impaired Driver Vertical Prosecution Program
20.616	Office of Traffic Safety Program (OTS)
32.009	COVID-19 – ARP Emergency Connectivity Fund Program
45.024	Grants for Arts Project Funding
45.310	Lending Library Program
84.007	Supplemental Educational Opportunity Grants
84.063	Pell Grants
93.041	Title VII – Elder Abuse Prevention
93.090	Kinship Guardianship Assistance Payment Program (Kin-GAP) Title IV-E
93.136	National Violent Death Reporting System (NVDRS)
93.268	Vaccine Preventable Disease Control
93.556	Promoting Safe and Stable Families Program (PSSF)
93.558	CalWORKs Diversion
93.558	CalWORKs – Family Group/Unemployed Parent (FG/U) Assistance
93.558	CalWORKs Legal Immigrants (MC)
93.558	CalWORKs Single
93.558	Temporary Assistance for Needy Families (TANF)
93.558	COVID-19 – ARP – Pandemic Emergency Assistance Fund (PEAF)
93.563	Child Support Enforcement Title IV-D
93.566	COVID-19 – Refugee Support Services (RSS) COVID-19 Supplemental
93.566	Refugee Employment Social Services
93.566	Refugee Health Assessment Program
93.566	Refugee Resettlement
93.566	Services to Older Refugees
93.569	Community Services Block Grant 22F-5021
93.569	COVID-19 – Community Services Block Grant CARES Act 20F-3660
93.569	Community Services Block Grant 22F-5105
93.569	Community Services Block Discretionary Grant 22F-5105
93.569	Community Services Block Grant 23F-4105
93.569	Community Services Block Grant 23F-4021
93.569	Community Services Block Grant 21F-4021
93.576	Refugee Health Promotion Project (RHPP)
93.579	U.S. Repatriation Program
93.590	Community – Based Child Abuse Prevention
93.596	Child Day Care Program
93.603	Adoptions and Legal Guardianship Incentive Payments

NOTE 2 – BASIS OF ACCOUNTING-Continued

ALN	Program Name
93.645	Children's Welfare Services IV-B (Direct Cost)
93.658	Aid to Families with Dependent Children – FC- Administration and Assistance
93.658	Child Welfare Services Outcome Improvement Project (Cohort 1)
93.658	Foster Care Title IV-E
93.658	Foster Family Licensing
93.658	Foster Parent Training
93.658	Group Home Month Visits / CWD
93.659	Adoptions – Administration and Assistance
93.667	Children's Welfare Services Title XX
93.674	Independent Living Skills – Children's Services
93.778	Adult Protective Services/County Services Block Grant
93.778	Child Health and Disability Program
93.778	Children's Welfare Services XIX (Health-Related)
93.778	Federal Drug Medi-Cal (Prenatal and Drug) FMAP
93.778	Health Care Program Children in Foster Care
93.778	In-Home Supportive Services – Personal Care Services Program (Health-Related)
93.778	Medi-Cal Eligibility Determination
93.778	Medi-Cal Health Enrollment Navigators Project
93.870	Title V Maternal, Infant, and Early Childhood Home Visiting Program
93.940	Integrated HIV Surveillance and Prevention for Los Angeles County
97.036	COVID-19 – Disaster Grants – Public Assistance (Presidentially Declared Disasters)

NOTE 3 – GRANT PROGRAMS REIMBURSED IN ARREARS

The County participates in several federal programs where payments are received in arrears because eligibility, as determined by the federal agency, is determined in arrears. The County reports actual revenues for these programs in the year that the funds are received, since the County's eligible expenditures are not determinable until reimbursement is received.

Pest Detection Emergency Program, ALN 10.025

FY Exp. Incurred	FY Exp. Reimbursed	Amount
2021-2022	2022-2023	$908,534

Pest Exclusion/Dog Teams Program, ALN 10.025

FY Exp. Incurred	FY Exp. Reimbursed	Amount
2021-2022	2022-2023	$580,663

Glassy Winged Sharpshooter, ALN 10.025

FY Exp. Incurred	FY Exp. Reimbursed	Amount
2021-2022	2022-2023	$614,706

NOTE 3 – GRANT PROGRAMS REIMBURSED IN ARREARS-Continued

Asian Citrus Psyllid/Huanglongbing, ALN 10.025

FY Exp. Incurred	FY Exp. Reimbursed	Amount
2021-2022	2022-2023	$102,138

NOTE 4 – COMMUNITY SERVICES BLOCK GRANTS, ALN 93.569

At the request of the California Health and Human Services Agency, Department of Community Services and Development, supplementary schedules of expenditures for Community Services Block Grant programs are included on pages 251 through 258.

NOTE 5 – MEDICAID CLUSTER

Direct Medi-Cal and Medicare expenditures are excluded from the SEFA. These expenditures represent fees for services and are not included in the SEFA or in determining major programs. The County assists the State of California in determining eligibility and provides Medi-Cal and Medicare services through County-owned facilities. Administrative costs related to Medi-Cal and Medicare are, however, included in the SEFA under the Medicaid Cluster.

NOTE 6 – INDIRECT COST RATE

The County of Los Angeles has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 7 – CORONAVIRUS DISEASE 2019 (COVID-19)

On March 13, 2020, a presidential emergency was declared for all states, tribes, territories, and the District of Columbia due to the ongoing COVID-19 pandemic. The declaration made federal disaster grant public assistance available through the CARES Act to the County and to the State of California to supplement the County's local recovery efforts. To assist in the efforts to respond to COVID-19, the County received significant fiscal stimulus in federal funds as described below. In FY 2022-2023, the County spent all of the remaining federal and State CARES Act funds.

<u>Federal Emergency Management Agency</u>

The County received a $119.00 million Public Assistance Grant from the Federal Emergency Management Agency (FEMA) and a $3.70 million Public Assistance Grant from the California Governor's Office of Emergency Services (Cal OES) for five expedited projects to respond to COVID-19. The five projects were for the 1) County's Emergency Operations Center and related emergency services/activities; 2) Non-congregate medical shelters; 3) COVID-19 testing; 4) Project Room Key – emergency non-congregate shelters for homeless individuals meeting certain criteria; and 5) Great Plates – emergency feeding for certain at-risk individuals. The accompanying SEFA includes FEMA COVID-19 public assistance expenditures of $81.13 million (ALN 97.036).

<u>Emergency Rental Assistance</u>

The federal Emergency Rental Assistance (ERA) program makes funding available to assist households that are unable to pay rent or utilities due to the COVID-19 pandemic. Two separate programs have been established: ERA1 provides up to $25 billion under the Consolidated Appropriations Act, 2021, which was enacted on December 27, 2020, and ERA2 provides up to $21.55 billion under the American Rescue Plan Act (ARP) of 2021, which was enacted on March 11, 2021. During FY 2020-2021, the County received $160.07 million and $84.72 million for ERA1 and ERA2, respectively.

NOTE 7 – CORONAVIRUS DISEASE 2019 (COVID-19)-Continued

For ERA1 and ERA2, the County entered into an agreement to direct the State of California to administer the County's funds to eliminate confusion for tenants and landlords because of the multiple programs amongst the multitude of jurisdictions within the State and the County. As part of the funding transfer agreement, the County was relieved of all ERA1 and ERA2 compliance responsibilities, which were transferred to the State. However, the accompanying SEFA includes $378,730 of ERA2 expenditures (ALN 21.023) for the administrative services reimbursed to LACDA as a contractor.

Coronavirus State and Local Fiscal Recovery Funds

The ARP Act of 2021 authorized the Coronavirus State and Local Fiscal Recovery Funds (SLFRF), which continues many of the programs started by the CARES Act (2020) and Consolidated Appropriations Act, 2021, by adding new phases, new allocations, and new guidance to address issues related to the continuation of the COVID-19 pandemic. The Coronavirus SLFRF also creates a variety of new programs to address continuing pandemic-related crises and fund recovery efforts as the United States begins to emerge from the COVID-19 pandemic. The ARP Act was passed by Congress on March 10, 2021, and signed into law on March 11, 2021.

On May 16, 2021, the County received the first tranche of $974.99 million of Coronavirus SLFRF funds from the U.S. Department of Treasury and on June 9, 2022, the County received the second tranche of $974.99 million. The County is a prime recipient. The accompanying SEFA includes expenditures of Coronavirus SLFRF funds (ALN 21.027) in the amount of $515.57 million to: 1) respond to the public health emergency or its negative economic impacts; 2) respond to workers performing essential work during the COVID-19 public health emergency by providing premium pay to eligible workers; 3) provide government services to the extent of the reduction in revenue due to the COVID-19 public health emergency relative to revenues collected in the most recent full fiscal year prior to the emergency; and 4) make necessary investments in water, sewer, or broadband infrastructure. In December 2022, Congress amended the Coronavirus SLFRF program through the Consolidated Appropriations Act, 2023, providing additional flexibility for recipients to use Coronavirus SLFRF funds to respond to natural disasters, build critical infrastructure, and support community development. The Coronavirus SLFRF funds must be obligated between March 3, 2021, and December 31, 2024, and expended to cover such obligations by December 31, 2026.

NOTE 8 – GRANT NOT PREVIOUSLY REPORTED

The County identified a grant received but not reported in the prior year's SEFA. Below is the grant and fiscal year not previously reported.

U.S. Department of Treasury

Coronavirus SLFRF, ALN 21.027

FY	Amount	Grant Number
2021-2022	$1,249,778	U00015

NOTE 9 – PRIOR YEAR EXPENDITURES NOT PREVIOUSLY REPORTED

In FY 2021-2022, due to an error, the Department of Public Health did not report all expenditures for one grant, COVID-19 – Los Angeles County Epidemiology and Laboratory Capacity – Enhancing Detection Expansion, of fifteen (15) grants for Epidemiology and Laboratory Capacity for Infectious Diseases (ELC), ALN 93.323, totaling $604,700,959. The following table summarizes the reported amount, revised amount, and corresponding variance for the grant.

NOTE 9 – PRIOR YEAR EXPENDITURES NOT PREVIOUSLY REPORTED-Continued

FY	Reported Amount	Revised Amount	Variance
2021-2022	$289,470,670	$316,986,209	$27,515,539

NOTE 10 – PRIOR YEARS ADJUSTMENTS

On December 21, 2022, the California Department of Social Services (CDSS) issued County Fiscal Letter No. 22/23-31 informing the County that federal Coronavirus Aid, Relief, and Economic Security Act (CARES Act) (ALN 21.019) funds replaced State General Funds for specific FY 2019-2020 and FY 2020-2021 COVID-19 related activities totaling $9,346,681 and $13,377,693, respectively, based on eligible CARES Act expenditures reported to CDSS. The following table summarizes the affected County programs and related amounts, which have been reported as federal expenditures under ALN 21.019 in the current year.

Programs	FY 2019-2020	FY 2020-2021
CalFresh Administration	$7,009,049	
Adult Protective Services	315,473	
Child Welfare Services	1,839,230	
Rate Increase Aid Code 5K	412	$1,157
Rate Increase Aid Codes 40/42	920	6,228
Rate Increase Aid Codes 43/49	181,597	8,448,208
Project Roomkey		2,000,000
Rate Increase Aid Code 5L		119,300
Non-Minor Dependents County Welfare Departments		2,655,705
Non-Minor Dependents County Probation Departments		147,095
Total	$9,346,681	$13,377,693

NOTE 11 – FEMA EMERGENCY NON-CONGREGATE SHELTERING

On October 16, 2023, FEMA issued Emergency Non-Congregate Sheltering (NCS) – FEMA-4482-DR-CA (COVID-19) providing clarification to the County of the eligibility of emergency NCS during the COVID-19 pandemic, specifically the eligibility of “high risk” individuals requiring social distancing. The County’s expenditures for Project Roomkey are $16,651,968 under Disaster Grants – Public Assistance (Presidentially Declared Disasters) (ALN 97.036) and FEMA funds were used for Project Roomkey NCS. The County acknowledges the impact of the FEMA emergency NCS letter has not been determined and is being evaluated. The County will disclose the impact of the FEMA emergency NCS letter in the FY 2023-24 Single Audit Report.

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

The Honorable Board of Supervisors
County of Los Angeles, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Los Angeles, California (County), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated December 8, 2023, except for the report on the schedule of expenditures of federal awards, the community services block grant supplementary schedules of revenue and expenditures, and the supplementary schedule of expenditures of federal and State awards granted by the California Department of Aging, as to which the date is March 28, 2024. Our report includes emphasis of matter paragraphs for the County's adoption of Governmental Accounting Standards Board Statement No. 96, *Subscription-Based Information Technology Arrangements,* and the advanced federal and State disaster assistance funding received by the County to supplement the County's recovery efforts related to the Coronavirus Disease 2019 pandemic. Our report includes a reference to other auditors who audited the financial statements of the Los Angeles County Development Authority, the Los Angeles County Children and Families First – Proposition 10 Commission, and the Los Angeles County Employees Retirement Association, as described in our report on the County's financial statements. This report does not include the results of the other auditors testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control described in the accompanying schedule of findings and questioned costs as items 2023-001 and 2023-002 that we consider to be significant deficiencies.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

County's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the County's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Macias Gini & O'Connell LLP

Los Angeles, California
December 8, 2023

Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance

The Honorable Board of Supervisors
County of Los Angeles, California

Report on Compliance for Each Major Federal Program

Qualified and Unmodified Opinions

We have audited the County of Los Angeles, California's (County) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2023. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Qualified Opinion on Public Health Emergency Preparedness Program (ALN 93.069)

In our opinion, except for the noncompliance described in the Basis for Qualified and Unmodified Opinions section of our report, the County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the Public Health Emergency Preparedness Program (ALN 93.069) for the year ended June 30, 2023.

Unmodified Opinion on Each of the Other Major Federal Programs

In our opinion, the County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2023.

Basis for Qualified and Unmodified Opinions

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with 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 qualified and unmodified opinions on compliance for each major federal program. Our audit does not provide a legal determination of the County's compliance with the compliance requirements referred to above.

Macias Gini & O'Connell LLP
700 South Flower Street, Suite 800
Los Angeles, CA 90017

www.mgocpa.com

Matters Giving Rise to Qualified Opinion on Public Health Emergency Preparedness (ALN 93.069)

As described in Finding 2023-008 in the accompanying schedule of findings and questioned costs, the County did not comply with the requirements regarding the following:

Finding Number	***Assistance Listing Number***	***Program/Cluster Name***	***Compliance Requirement***
2023-008	93.069	Public Health Emergency Preparedness	Procurement and Suspension and Debarment

Compliance with such requirements is necessary, in our opinion, for the County to comply with the requirements applicable to that program.

Other Matter – Federal Expenditures Not Included in the Compliance Audit

The County's basic financial statements include the operations of the Los Angeles County Development Authority (LACDA) and the Los Angeles County Children and Families First – Proposition 10 Commission (First 5 LA), which expended $614,359,546 and $132,945, respectively, in federal awards, which are not included in the County's schedule of expenditures of federal awards for the year ended June 30, 2023. Our compliance audit, described in the Qualified and Unmodified Opinions, does not include the operations of LACDA and First 5 LA because LACDA engaged other auditors to perform an audit of compliance and First 5 LA did not issue a compliance report because it did not meet the audit requirements of the Uniform Guidance.

Responsibilities of Management for Compliance

The County's management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the County's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the County's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2023-003, 2023-004, 2023-005, 2023-006, 2023-007, 2023-009, and 2023-010. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the County's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2023-003 through 2023-010 to be material weaknesses.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the County's response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Macias Gini & O'Connell LLP

Los Angeles, California
March 28, 2024

Section I - Summary of Auditor's Results

(a) Financial Statements

Type of report issued on whether the financial statements audited were prepared in accordance with GAAP: **Unmodified Opinion**

Internal control over financial reporting:

- Material weakness(es) identified? **No**
- Significant deficiency(ies) identified? **Yes**

Noncompliance material to the financial statements noted? **No**

(b) Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? **Yes**
- Significant deficiency(ies) identified? **None reported**

Type of auditor's report issued on compliance for major federal programs:

Unmodified for all major programs except for the following, which is qualified:

ALN 93.069 - Public Health Emergency Preparedness

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a): **Yes**

COUNTY OF LOS ANGELES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2023

Identification of major federal programs:

Assistance Listing Numbers	Name of Federal Program or Cluster
16.575	Crime Victim Assistance
21.019	Coronavirus Relief Fund
21.027	Coronavirus State and Local Fiscal Recovery Funds
93.069	Public Health Emergency Preparedness
93.090	Guardianship Assistance
93.116	Project Grants and Cooperative Agreements for Tuberculosis
93.323	Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)
93.354	Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response
93.391	Activities to Support State, Tribal, Local and Territorial (STLT) Health Department Response to Public Health or Healthcare Crises
93.558	Temporary Assistance for Needy Families
93.566	Refugee and Entrant Assistance State/Replacement Designee Administered Programs
93.658	Foster Care Title IV-E
93.914	HIV Emergency Relief Project Grants
93.940	HIV Prevention Activities Health Department Based
93.994	Maternal and Child Health Services Block Grant to the States
98.001	USAID Foreign Assistance for Programs Overseas

Dollar threshold used to distinguish between Type A and Type B programs: **$12,290,403**

Auditee qualified as a low-risk auditee? **No**

Section II – Financial Statement Findings

Reference Number:	**2023-001**
Federal Program Title:	**Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)**
Federal Assistance Listing Number:	**93.323**
Federal Agency:	**U.S. Department of Health and Human Services**
Pass-Through Entity:	**N/A**
Federal Award Number and Year:	**6 NU50CK000498-02-04; Fiscal Year 2021-22**
Name of Department:	**Department of Public Health**
Category of Finding:	**Schedule of Expenditure of Federal Awards**
Type of Finding:	**Significant Deficiency in Internal Control Over Financial Reporting**

Criteria

In accordance with Title 2 U.S. Code of Federal Regulations (CFR) § 200.510 the non-Federal entity must prepare the schedule of expenditures of Federal awards (SEFA) for the period covered by the auditee non-Federal entity's financial statements which must include the total Federal awards expended as determined in accordance with § 200.502.

2 CFR § 200.502 states:

The determination of when a Federal award is expended must be based on when the activity related to the Federal award occurs. Generally, the activity pertains to events that require the non-Federal entity to comply with Federal statutes, regulations, and the terms and conditions of Federal awards, such as: expenditure/expense transactions associated with awards including grants, cost-reimbursement contracts under the FAR, compacts with Indian Tribes, cooperative agreements, and direct appropriations; the disbursement of funds to subrecipients; the use of loan proceeds under loan and loan guarantee programs; the receipt of property; the receipt of surplus property; the receipt or use of program income; the distribution or use of food commodities; the disbursement of amounts entitling the non-Federal entity to an interest subsidy; and the period when insurance is in force.

Condition

During our audit of the Department of Public Health's (DPH) Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) program, we noted that DPH under reported expenditures in the SEFA for fiscal year ended June 30, 2022 by $27.5 million. The County disclosed the prior year expenditures not previously reported in note 9 to the SEFA.

Cause

The program misinterpreted guidance provided by the Office of the Auditor-Controller on identifying expenditures to include in the SEFA, and did not include accruals recorded in the accounting system for services incurred but not paid as of June 30, 2022.

Effect

Failure to accurately identify and report Federal expenditures in the SEFA could affect the major program determination and the programs selected for audit.

Questioned Costs

Questioned costs were not identified.

Context

The FY 2021-22 SEFA underreported $27.5 million of expenditures, constituting 4.5 percent of the ELC program's reported total expenditures of $607.4 million, or 4.3 percent of the ELC program's actual total expenditures of $634.9 million. The County disclosed the prior year expenditures not previously reported in note 9 of the notes to the SEFA. The under reporting of expenditures in the SEFA did not affect the prior year's major program determination and programs selected for audit.

Recommendation

We recommend that the DPH strengthen its processes for identifying and reporting Federal expenditures in the SEFA to ensure all services incurred but not paid during the applicable fiscal year are appropriately included in the SEFA.

Views of Responsible Officials and Planned Corrective Action

1. Person responsible: Director, Department of Public Health

2. Corrective action plan:

   DPH Finance agrees with finding and recommendation. Finance will take the following corrective action:
   - Initiate direct, written communication with the Auditor-Controller to seek precise instructions and guidance on the inclusion of accruals in our reporting.
   - Proactively review and document accrual procedures, ensuring alignment with regulatory requirements.
   - Prospectively include and implement accrual reporting in the Single Audit.
   - Establish a communication protocol with the Auditor-Controller to address any future uncertainties promptly.

   Through these measures, DPH aims to address the audit finding, establish clear guidelines for accrual reporting, and ensure compliance with reporting requirements while maintaining transparency and accuracy in our financial reporting practices.

3. Anticipated implementation date: April 1, 2024

Reference Number:	**2023-002**
Federal Program Title:	**Maternal and Child Health Services Block Grant to the States**
Federal Assistance Listing Number:	**93.994**
Federal Agency:	**U.S. Department of Health and Human Services**
Pass-Through Entity:	**California Department of Health Care Services/Public Health Institute**
Federal Award Number and Year:	**202219; Fiscal Year 2022-23**
Name of Department:	**Department of Public Health**
Category of Finding:	**Schedule of Expenditure of Federal Awards**
Type of Finding:	**Significant Deficiency in Internal Control Over Financial Reporting**

Criteria

In accordance with Title 2 U.S. Code of Federal Regulations (CFR) § 200.510 the non-Federal entity must prepare the schedule of expenditures of Federal awards (SEFA) for the period covered by the auditee non-Federal entity's financial statements which must include the total Federal awards expended as determined in accordance with § 200.502. At a minimum, the schedule must provide total Federal awards expended for each individual Federal program and the Assistance Listings Number (ALN).

Condition

During our audit of the DPH's Maternal and Child Health Services Block Grant to the States (MCH) program, we noted that DPH incorrectly reported expenditures for the MCH Program in the SEFA. $2,163,020 in expenditures for ALN 93.778 Medicaid Assistance Program, were reported as MCH Program expenditures under ALN 93.994. The SEFA was corrected to properly report the expenditures under both ALNs.

Cause

DPH used funds from ALN 93.778 Medicaid Assistance Program, as matching funds for the MCH Program, as allowed by the MCH Program. While DPH tracked the expenditures for the two ALNs separately, it reported all of the expenditures in the SEFA under the MCH Program.

Effect

Failure to accurately identify and report Federal expenditures in the SEFA could affect the major program determination and the programs selected for audit and the timely completion of the Single Audit. The MCH program was selected as a Type B program and audited for FY 2022-23. Upon correcting the error identified, an additional Type B program was required to be selected for audit, as MCH fell below the Type B program threshold for FY 2022-23 and did not need to be considered in the County's risk assessment.

Questioned Costs

Questioned costs were not identified.

Context

The MCH Program originally reported total expenditures of $3,361,264 in FY 2022-23 for two different federal programs: ALN 93.994 for $1,198,244 and ALN 93.778 for $2,163,020. DPH reported the expenditures as $3,361,264 for ALN 93.994 and $0 for ALN 93.778. The SEFA was corrected to appropriately report the expenditures in ALN 93.994 and ALN 93.778.

Recommendation

We recommend that the DPH strengthen its processes for identifying and reporting Federal expenditures in the SEFA to ensure expenditures are reported under the correct federal program ALN.

Views of Responsible Officials and Planned Corrective Action

1. Person responsible: Director, Department of Public Health

2. Corrective action plan:

   DPH Finance agrees with this finding and recommendation. DPH will ensure to report Federal expenditures in the SEFA under the correct ALN based on Time Studies received.

3. Anticipated implementation date: March 7, 2024

Section III – Federal Award Findings and Questioned Costs

Reference Number:	**2023-003**
Federal Program Title:	**Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)**
Federal Assistance Listing Number:	**93.323**
Federal Agency:	**U.S. Department of Health and Human Services**
Pass-Through Entity:	**N/A**
Federal Award Number and Year:	**6 NU50CK000498-02-06; Fiscal Year 2022-23**
Name of Department:	**Department of Public Health**
Category of Finding:	**Reporting**
Type of Finding:	**Material Weakness in Internal Control Over Compliance; Instance of Noncompliance**

Criteria

In accordance with Title 2 U.S. Code of Federal Regulations (CFR) Part 170 – Reporting Subaward and Executive Compensation Information, Appendix A to Part 170 – Award Term, prime awardees awarded a Federal grant are required to file a Federal Funding Accountability and Transparency Act (FFATA) report by the end of the month following the month in which the prime awardee awards any sub-grant equal to or greater than $30,000. A subaward may be provided through any legal agreement.

2 CFR § 200.303 states that the non-Federal entity must:

(a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in “Standards for Internal Control in the Federal Government” issued by the Comptroller General of the United States or the “Internal Control Integrated Framework”, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Condition

During our audit of the Department of Public Health’s (DPH) compliance with the reporting requirement to file FFATA Reports for the Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) program, we noted that DPH submitted the FFATA report for one (1) subaward after the due date.

Report Name	Number of Subawards	Subaward Obligation Date	Reporting Period	Due Date	Date Submitted
FFATA	1	10/5/2022	December 2022	11/30/2022	December 2022

This is a repeat finding of 2022-009.

Cause

DPH used the date of a notice to the subrecipient, December 16, 2022, for FFATA reporting; and not the date of the subaward agreement’s amendment, October 5, 2022. The notice is not a legal agreement.

Effect

Failure to submit the FFATA reports on a timely basis results in noncompliance with the reporting requirements with 2 CFR Part 170.

Questioned Costs

Questioned costs were not identified.

Context

Five (5) subawards requiring the submission of a FFATA report were selected from a total population of seven (7) subawards, and a FFATA report was not submitted timely for one (1) subaward.

The sample was not a statistically valid sample.

Recommendation

We recommend that the DPH develop and document a process to identify, track and report all subaward agreements and modifications executed throughout the fiscal year and subject to FFATA reporting requirements.

Views of Responsible Officials and Planned Corrective Action

1. Person responsible: Director, Department of Public Health

2. Corrective action plan:

   DPH Acute Communicable Disease Controls (ACDC) agrees with the finding and recommendation. ACDC staff will monitor subawards and submit the required FFATA reports in the FFATA system upon execution date of the amendment, but no later than the following month it was executed. This includes keeping monitoring logs of all contract amendments and modifications that are subject to FFATA reporting requirements.

3. Anticipated implementation date: March 1, 2024

Reference Number:	**2023-004**
Federal Program Title:	**Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response**
Federal Assistance Listing Number:	**93.354**
Federal Agency:	**U.S. Department of Health and Human Services**
Pass-Through Entity:	**N/A**
Federal Award Number and Year:	**6 NU90TP922183-01-03; Fiscal Year 2022-23**
Name of Department:	**Department of Public Health**
Category of Finding:	**Reporting**
Type of Finding:	**Material Weakness in Internal Control Over Compliance; Instance of Noncompliance**

Criteria

In accordance with Title 2 U.S. Code of Federal Regulations (CFR) Part 170 – Reporting Subaward and Executive Compensation Information, Appendix A to Part 170 – Award Term, prime awardees awarded a Federal grant are required to file a Federal Funding Accountability and Transparency Act (FFATA) report by the end of the month following the month in which the prime awardee awards any sub-grant equal to or greater than $30,000.

2 CFR § 200.303 states that the non-Federal entity must:

(a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in “Standards for Internal Control in the Federal Government” issued by the Comptroller General of the United States or the “Internal Control Integrated Framework”, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Condition

During our audit of the DPH’s compliance with the reporting requirement for the Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response (PHER) program, we noted that DPH submitted the FFATA reports for two (2) subawards after the due date.

Report Name	Number of Subawards	Subaward Obligation Date	Reporting Period	Due Date	Date Submitted
FFATA	1	12/07/2021	August 2022	01/31/2022	August 2022
FFATA	1	04/19/2022	August 2022	05/31/2022	August 2022

Cause

Due to working on deadlines for the annual closing of multiple grants and claims submissions, it was an oversight that the FFATA report was not submitted on time.

Effect

Failure to submit the FFATA reports results in noncompliance with the reporting requirements with 2 CFR Part 170.

Questioned Costs

Questioned costs were not identified.

Context

Two (2) subawards requiring the submission of a FFATA report were selected for testing from a total population of three (3) subrecipient awards, and FFATA reports were not submitted timely for two (2) subawards.

The sample was not a statistically valid sample.

Recommendation

We recommend that the DPH develop and document a process to identify, track and report all subaward agreements and modifications executed throughout the fiscal year and subject to FFATA reporting requirements.

Views of Responsible Officials and Planned Corrective Action

1. Person responsible: Director, Department of Public Health

2. Corrective action plan:

   DPH, Emergency Preparedness Response Program (EPRD) agrees with the finding and recommendation. EPRD staff will send the subrecipient/contractor the FFATA reporting notice, which includes a request for the five most highly compensated officers at the same time the contract is sent to the subrecipient/contractor for signature. This will assist EPRD with tracking the reporting notice because once the subrecipient/contractor returns the signed contract, they will also return the FFATA reporting notice. Once staff receives the executed contract from DPH's Contracts and Grants, the FFATA reporting system will be updated accordingly and a screenshot showing the date/time the report was submitted will be kept on file.

3. Anticipated implementation date: July 1, 2024

COUNTY OF LOS ANGELES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2023

Reference Number:	**2023-005**
Federal Program Title:	**HIV Prevention Activities Health Department Based**
Federal Assistance Listing Number:	**93.940**
Federal Agency:	**U.S. Department of Health and Human Services**
Pass-Through Entity:	**N/A**
Federal Award Number and Year:	**5 NU62PS924619-02-00, 5 NU62SP924619-03-00, 6 NU62PS924569-05-03; 6 NU62PS924569-05-04; 6 NU62PS924569-05-05; Fiscal Year 2022-23**
Name of Department:	**Department of Public Health**
Category of Finding:	**Reporting**
Type of Finding:	**Material Weakness in Internal Control Over Compliance; Instance of Noncompliance**

Criteria

In accordance with Title 2 U.S. Code of Federal Regulations (CFR) Part 170 – Reporting Subaward and Executive Compensation Information, Appendix A to Part 170 – Award Term, prime awardees awarded a Federal grant are required to file a Federal Funding Accountability and Transparency Act (FFATA) report by the end of the month following the month in which the prime awardee awards any sub-grant equal to or greater than $30,000.

2 CFR § 200.303 states that the non-Federal entity must:

(a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in “Standards for Internal Control in the Federal Government” issued by the Comptroller General of the United States or the “Internal Control Integrated Framework”, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Condition

During our audit of the DPH’s compliance with the reporting requirement for the HIV Prevention Activities Health Department Based program, we noted that DPH submitted the FFATA reports for seven (7) subawards after the due date.

Report Name	Number of Subawards	Subaward Obligation Date	Reporting Period	Due Date	Date Submitted
FFATA	1	02/07/2023	June 2023	03/31/2023	June 2023
FFATA	1	09/16/2022	December 2022	10/31/2022	December 2022
FFATA	1	02/16/2023	June 2023	03/31/2023	June 2023
FFATA	1	09/06/2022	December 2022	10/31/2022	December 2022
FFATA	1	03/03/2023	June 2023	04/30/2023	June 2023
FFATA	1	12/20/2022	June 2023	01/31/2023	June 2023
FFATA	1	10/12/2022	December 2022	11/30/2022	December 2022

This is a repeat finding of 2022-010.

Cause

The program reported subaward agreements and modifications in December 2022 and at fiscal year-end in June 2023, rather than 30 days after when the subaward agreements or modifications occurred.

Effect

Failure to submit the FFATA reports results in noncompliance with the reporting requirements with 2 CFR Part 170.

Questioned Costs

Questioned costs were not identified.

Context

Ten (10) subawards requiring the submission of a FFATA report were selected for testing from a total population of 38 subrecipient awards, and FFATA reports were not submitted timely for seven (7) subawards.

The sample was not a statistically valid sample.

Recommendation

We recommend that the DPH develop and document a process to identify, track and report all subaward agreements and modifications executed throughout the fiscal year and subject to FFATA reporting requirements.

Views of Responsible Officials and Planned Corrective Action

1. Person responsible: Director, Department of Public Health

2. Corrective action plan:

   DPH, Division of HIV and STD Programs (DHSP) agrees with the finding and recommendation. DHSP will institute a new procedure that 1) notifies subaward recipients within 30 days of the effective date of the subaward execution or modification of relevant federal award information and 2) uploads federal subaward information to FFATA within 30 days of the effective date of the subaward execution or modification of relevant federal award information. These notifications will happen for all subawards that meet the threshold for FFATA reporting. DHSP understands that these notifications may precede the full execution of a new contract or subaward.

3. Anticipated implementation date: July 1, 2024

Reference Number:	**2023-006**
Federal Program Title:	**Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response**
Federal Assistance Listing Number:	**93.354**
Federal Agency:	**U.S. Department of Health and Human Services**
Pass-Through Entity:	**N/A**
Federal Award Number and Year:	**6 NU90TP922183-01-03; Fiscal Year 2022-23**
Name of Department:	**Department of Public Health**
Category of Finding:	**Procurement and Suspension and Debarment**
Type of Finding:	**Material Weakness in Internal Control Over Compliance; Instance of Noncompliance**

Criteria

Procurement

In accordance with Title 2 U.S. Code of Federal Regulations (CFR) § 200.318:

(i) The non-Federal entity must maintain records sufficient to detail the history of procurement. These records will include, but are not necessarily limited to, the following: Rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price.

2 CFR § 200.319 states:

(a) All procurement transactions for the acquisition of property or services required under a Federal award must be conducted in a manner providing full and open competition consistent with the standards of this section and § 200.320.

2 CFR § 200.320 states:

The non-Federal entity must have and use documented procurement procedures, consistent with the standards of this section and §§ 200.317, 200.318, and 200.319 for any of the following methods of procurement used for the acquisition of property or services required under a Federal award or sub-award.

Suspension and Debarment

In addition, in accordance with 2 CFR § 180.200 a covered transaction is a nonprocurement or procurement transaction that is subject to the prohibitions of this part.

Per 2 CFR § 180.970(a), nonprocurement transaction means any transaction, regardless of type (except procurement contracts), including, but not limited to grants.

According to 2 CFR § 180.300, when the County enters into a covered transaction with another person at the next lower tier, the County must verify that the person is not excluded or disqualified. The County can do this by:

1. Checking System for Award Management (SAM) exclusions
2. Collecting a certification from that person; or
3. Adding a clause or condition to the covered transaction with that person.

Per 2 CFR § 180.985, person means any individual, corporation, partnership, association, unit of government, or legal entity, however organized.

Condition

During our audit of the Department of Public Health (DPH) compliance with the procurement and suspension and debarment requirements for the Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response Program, we noted that for one (1) contract, DPH did not provide documentation related to the history of the procurement. Therefore, we were unable to determine whether DPH complied with the procurement requirements related to the method of procurement, competition, and the basis for the contract price.

In addition, for the same one (1) contract, DPH did not provide documentation to demonstrate DPH verified that the vendor was not suspended or debarred from participating in federally funded contracts prior to entering into a covered transaction. Based on a subsequent review of the SAM exclusions, the vendor is not suspended or debarred.

Cause

The Office of the County Counsel stated the contract was privileged from disclosure under attorney-client privilege and did not provide the contract or procurement related documentation. In addition, County Counsel stated the contract did not contain an explicit debarment provision and did not provide documentation that Sam.gov was reviewed or a certification from the vendor.

Effect

Not providing sufficient documentation to auditors to demonstrate compliance with federal compliance results in an audit scope limitation. Failure to document verification of suspension and debarment results in noncompliance with 2 CFR § 180.300, and there is a risk that federal funds may be used to pay subrecipients and vendors that are suspended or debarred.

Questioned Costs

Questioned costs were not identified.

Context

For the six (6) contracts selected for testing, which totaled $37,256,347 from a population of eight (8) contracts with expenditures totaling $37,874,851, DPH did not provide procurement and suspension and debarment documentation for one (1) contract with expenditures totaling $1,499,482.

The sample was not a statistically valid sample.

Recommendation

We recommend County departments discuss and document sensitive legal matters funded by federal funds with respective grantors to obtain guidance and direction on addressing audit requests. In addition, we recommend that DPH ensure sufficient documentation is maintained and available to demonstrate compliance with suspension or debarment. Acceptable items to confirm that vendors and subrecipients are not suspended or debarred are: 1) include a contract clause or condition to the covered transaction with that contractor, 2) search SAM exclusions prior to entering into a contract and maintain documentation of that verification, or 3) collect a certification from the contractor.

Views of Responsible Officials and Planned Corrective Action

1. Person responsible: Director, Department of Public Health

2. Corrective action plan:

   DPH agrees with this finding and recommendation and will discuss, and document sensitive legal matters funded by federal funds with respective grantors to obtain guidance and direction on addressing audit requests. DPH will implement a protocol wherein the program executing any contract using federal funds will collect and maintain sufficient records which detail the history of the procurement. The program will also verify that compliance with procurement requirements is maintained for all federally funded contracts, including sufficient documentation to demonstrate compliance with suspension or debarment. To confirm this, the program will check the SAM exclusions prior to entering into a contract and will maintain documentation of that verification. These will ensure DPH's ability to provide documentation when requested by auditors.

3. Anticipated implementation date: July 1, 2024

Reference Number:	**2023-007**
Federal Program Title:	**Activities to Support State, Tribal, Local and Territorial (STLT) Health Department Response to Public Health or Healthcare Crises**
Federal Assistance Listing Number:	**93.391**
Federal Agency:	**U.S. Department of Health and Human Services**
Pass-Through Entity:	**N/A**
Federal Award Number and Year:	**6 NH75OT000002-01-03; Fiscal Year 2022-23**
Name of Department:	**Department of Public Health**
Category of Finding:	**Procurement and Suspension and Debarment**
Type of Finding:	**Material Weakness in Internal Control Over Compliance; Instance of Noncompliance**

Criteria

In accordance with Title 2 U.S. Code of Federal Regulations (CFR) § 180.200, a covered transaction is a nonprocurement or procurement transaction that is subject to the prohibitions of this part.

Per 2 CFR § 180.970(a), nonprocurement transaction means any transaction, regardless of type (except procurement contracts), including, but not limited to grants.

According to 2 CFR § 180.300, when the County enters into a covered transaction with another person at the next lower tier, the County must verify that the person is not excluded or disqualified. The County can do this by:

1. Checking System for Award Management (SAM) exclusions
2. Collecting a certification from that person; or
3. Adding a clause or condition to the covered transaction with that person.

Per 2 CFR § 180.985, person means any individual, corporation, partnership, association, unit of government, or legal entity, however organized.

Condition

During our audit of the Department of Public Health (DPH) compliance with suspension and debarment requirements for the Activities to Support State, Tribal, Local and Territorial (STLT) Health Department Response to Public Health or Healthcare Crises Program, we noted that for one (1) contract, DPH did not provide documentation to demonstrate DPH verified that a vendor was not suspended or debarred from participating in federally funded contracts prior to entering into a covered transaction. Based on a subsequent review of the SAM exclusions, the vendor is not suspended or debarred.

Cause

DPH was unable to locate documentation that verification of suspension or debarment occurred prior to contract execution.

Effect

Failure to document verification of suspension and debarment results in noncompliance with 2 CFR § 180.300, and there is a risk that federal funds may be used to pay subrecipients and vendors that are suspended or debarred.

Questioned Costs

Questioned costs were not identified.

Context

Of the three (3) contracts selected for testing, which totaled $1,810,023 from a population of twelve (12) contracts with expenditures totaling $2,278,647, there was one (1) contract with expenditures totaling $7,100 without evidence that the verification of suspension and debarment was performed before entering into a covered transaction.

This was not a statistically valid sample.

Recommendation

We recommend that DPH either: 1) include a contract clause or condition to the covered transaction with that person, 2) check the SAM exclusions prior to entering into a contract and maintain documentation of that verification, or 3) collect a certification from that person.

Views of Responsible Officials and Planned Corrective Action

1. Person responsible: Director, Department of Public Health

2. Corrective action plan:

   DPH Center for Health Equity agrees with the finding and recommendation. Moving forward staff will check the SAM exclusions before entering into any contracts and maintain documentation of that verification to provide upon request.

3. Anticipated implementation date: July 1, 2024

Reference Number:	**2023-008**
Federal Program Title:	**Public Health Emergency Preparedness**
Federal Assistance Listing Number:	**93.069**
Federal Agency:	**U.S. Department of Health and Human Services**
Pass-Through Entity:	**N/A**
Federal Award Number and Year:	**6 NU90TP922022-04-01; Fiscal Year 2022-23**
Name of Department:	**Department of Public Health**
Category of Finding:	**Procurement and Suspension and Debarment**
Type of Finding:	**Material Weakness in Internal Control Over Compliance; Material Noncompliance**

Criteria

Procurement

In accordance with Title 2 U.S. Code of Federal Regulations (CFR) § 200.318:

(j) The non-Federal entity must maintain records sufficient to detail the history of procurement. These records will include, but are not necessarily limited to, the following: Rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price.

2 CFR § 200.319 states:

(b) All procurement transactions for the acquisition of property or services required under a Federal award must be conducted in a manner providing full and open competition consistent with the standards of this section and § 200.320.

2 CFR § 200.320 states:

The non-Federal entity must have and use documented procurement procedures, consistent with the standards of this section and §§ 200.317, 200.318, and 200.319 for any of the following methods of procurement used for the acquisition of property or services required under a Federal award or sub-award.

Suspension and Debarment

In addition, in accordance with 2 CFR § 180.200 a covered transaction is a nonprocurement or procurement transaction that is subject to the prohibitions of this part.

Per 2 CFR § 180.970(a), nonprocurement transaction means any transaction, regardless of type (except procurement contracts), including, but not limited to grants.

According to 2 CFR § 180.300, when the County enters into a covered transaction with another person at the next lower tier, the County must verify that the person is not excluded or disqualified. The County can do this by:

1. Checking System for Award Management (SAM) exclusions
2. Collecting a certification from that person; or
3. Adding a clause or condition to the covered transaction with that person.

Per 2 CFR § 180.985, person means any individual, corporation, partnership, association, unit of government, or legal entity, however organized.

Condition

During our audit of the Department of Public Health (DPH) compliance with the procurement and suspension and debarment requirements for the Public Health Emergency Preparedness Program, we noted the following:

- For twenty-one (21) contracts, DPH did not provide documentation related to the history of the procurement. Therefore, we were unable to determine whether DPH complied with the procurement requirements related to the method of procurement, competition, and the basis for the contract price.
- For two (2) contracts, DPH did not provide documentation of the justification and approval of sole source. Therefore, we were unable to determine whether the procurement method used was appropriate and whether limiting competition was justified.
- For three (3) contracts, DPH did not provide documentation to demonstrate DPH verified that the vendor was not suspended or debarred from participating in federally funded contracts prior to entering into a covered transaction. Based on a subsequent review of the SAM exclusions, the vendors are not suspended or debarred.

Cause

DPH did not provide procurement and suspension and debarment documentation due to staff shortages and increased workload.

For suspension and debarment, for two of the three contracts, DPH provided copies of the verification from Sam.gov, however, the documents did not have dates indicating the verification occurred prior to contract execution.

Effect

Failure to document the history of procurements results in noncompliance with the procurement requirements with 2 CFR §§ 200.317, 200.318, 200.319 and 200.320. Failure to document verification of suspension and debarment results in noncompliance with 2 CFR § 180.300, and there is a risk that federal funds may be used to pay subrecipients and vendors that are suspended or debarred.

Questioned Costs

Questioned costs were not identified.

Context

For the twenty-seven (27) contracts selected for testing, which totaled $1,942,586 from a population of 178 contracts with expenditures totaling $2,132,936, DPH did not provide the necessary documentation for twenty-three (23) contracts with expenditures totaling $1,273,569 and suspension and debarment documentation for three (3) contracts with expenditures totaling $124,809.

The sample was not a statistically valid sample.

Recommendation

We recommend that DPH maintain sufficient records to support vendor selection in accordance with procurement requirements. In additional, we recommend that DPH either: 1) include a contract clause or condition to the covered transaction with that person, 2) check the SAM exclusions prior to entering into a contract and maintain documentation of that verification, or 3) collect a certification from that person.

Views of Responsible Officials and Planned Corrective Action

1. Person responsible: Director, Department of Public Health

2. Corrective action plan:

   DPH, Acute Communicable Disease Control (ACDC) agrees with the finding and recommendation. Before entering into contract, DPH will check for SAM exclusions with date indicating verification before contract execution and keep this documentation on file.

   DPH, Administrative Services Division (ASD) - Procurement agrees with the finding and recommendation. DPH's Administrative Services Division Manager will email Procurement staff to remind staff/manager to ensure SAM.GOV verification documents are included in all federally funded purchases before finalizing/approving those transactions.

3. Anticipated implementation date: March 11, 2024 and April 30, 2024

Reference Number:	**2023-009**
Federal Program Title:	**Coronavirus State and Local Fiscal Recovery Funds**
Federal Assistance Listing Number:	**21.027**
Federal Agency:	**U.S. Department of Treasury**
Pass-Through Entity:	**N/A**
Federal Award Number and Year:	**Fiscal Year 2022-23**
Name of Department:	**County Executive Office** **Internal Services Department** **Department of Consumer Business Affairs** **Department of Aging**
Category of Finding:	**Subrecipient Monitoring**
Type of Finding:	**Material Weakness in Internal Control Over Compliance; Instance of Noncompliance**

Criteria

In accordance with Title 2 U.S. Code of Federal Regulations (CFR) § 200.332, all pass-through entities (PTE) must:

(a) Ensure that every subaward is clearly identified to the subrecipient as a subaward and includes the following information at the time of the subaward and if any of these data elements change, include the changes in subsequent subaward modification. When some of this information is not available, the pass-through entity must provide the best information available to describe the Federal award and subaward. Required information includes:

(1) Federal award identification:

(i.) Subrecipient name (which must match the name associated with its unique entity identifier);
(ii.) Subrecipient's unique entity identifier;
(iii.) Federal Award Identification Number (FAIN);
(iv.) Federal Award Date (see the definition of Federal award date in § 200.1 of this part) of award to the recipient by the Federal agency;
(v.) Subaward Period of Performance Start and End Date;
(vi.) Subaward Budget Period Start and End Date;
(vii.) Amount of Federal Funds Obligated by this action by the pass-through entity to the subrecipient;
(viii.) Total Amount of Federal Funds Obligated to the subrecipient by the pass-through entity including the current financial obligation;
(ix.) Total Amount of the Federal Award committed to the subrecipient by the pass-through entity;
(x.) Federal award project description, as required to be responsive to the Federal Funding Accountability and Transparency Act (FFATA);
(xi.) Name of Federal awarding agency, pass-through entity, and contact information for awarding official of the Pass-through entity;
(xii.) Assistance Listings number and Title; the pass-through entity must identify the dollar amount made available under each Federal award and the Assistance Listings Number at time of disbursement;
(xiii.) Identification of whether the award is R&D; and
(xiv.) Indirect cost rate for the Federal award (including if the de minimis rate is charged) per § 200.414.

(b) Evaluate each subrecipient's risk of noncompliance with Federal statutes, regulations, and the terms and conditions of the subaward for purposes of determining the appropriate subrecipient monitoring described in paragraphs (d) and (e) of this section.

(c) Monitor the activities of the subrecipient as necessary to ensure that the subaward is used for authorized purposes, in compliance with Federal statutes, regulations, and the terms and conditions of the subaward; and that subaward performance goals are achieved.

(d) Verify that every subrecipient is audited as required by Subpart F of this part when it is expected that the subrecipient's Federal awards expended during the respective fiscal year equaled or exceeded the threshold set forth in § 200.501.

Condition

During our audit of the Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) program, we selected twenty-three (23) subrecipients with active contracts with the County during FY 2022-23.

- One (1) contract administered by the Internal Services Department (ISD) did not include one or more of the required elements defined in 2 CFR § 200.332 (a)(1) in the subrecipients' agreements.
- One (1) contract administered by the Department of Consumer Affairs (DCBA) did not include one or more of the required elements defined in 2 CFR § 200.332(a)(1) in the subrecipients' agreements.
- For four (4) contracts administered by the Aging Department (AD), the AD did not perform subrecipient monitoring related to the CSLFRF program during FY 2022-23.

Cause

Due to the urgency to implement the CSLFRF program, the Notice of Federal Subaward Information was not completed and provided to the subrecipient for two (2) contracts. The AD was not aware of the requirement to conduct subrecipient monitoring related to the CSLFR program and did not perform subrecipient monitoring of four (4) contracts.

Effect

Failure to provide all the required subaward information may result in subrecipients incorrectly reporting on federal pass-through awards in their Single Audit reports. Failure to document monitoring results in noncompliance with the subrecipient monitoring requirements 2 CFR § 200.332.

Questioned Costs

Questioned costs were not determinable.

Context

Of the twenty-three (23) subrecipients selected for testing, which totaled $71,323,434, from a population of 124 subrecipients with expenditures totaling $90,592,053:

- The departments did not communicate all of the required subaward data elements for two (2) subrecipients with expenditures totaling $7,305,087.
- The AD did not perform subrecipient monitoring for four (4) subrecipients with expenditures totaling $8,542,012.

The sample was not a statistically valid sample.

Recommendation

We recommend the County perform the following:

1. Remind departments that the Notice of Federal Subaward Information is a required attachment for all subrecipient agreements. In addition, subaward contract templates should be reviewed and revised to include placeholders for required information 2 CFR § 200.332(a)(1).

2. For existing subrecipients that were not provided the required elements, provide a letter or amended agreement to include all the required elements of 2 CFR § 200.332(a)(1).

3. Maintain sufficient records of monitoring subrecipients in accordance with subrecipient monitoring requirements.

Views of Responsible Officials and Planned Corrective Action

1. Person responsible: Division Chief, Auditor-Controller Accounting Division

2. Corrective action plan:

   The County agrees with the finding and recommendation. In September 2022, the County issued the Notice of Federal Subaward Information template, which contains the 14 reporting elements required by 2 CFR § 200.332(a) that must be provided to subrecipients at the time of the subaward. The County will issue written correspondence reminding departments to complete the Notice of Federal Subaward Information template and provide a completed copy to the subrecipient at the time of the subaward. The County will also remind departments to provide all the required elements from 2 CFR § 200.332(a) via letter or amended agreement to existing subrecipients that were not initially provided all the requirements.

   In the same correspondence, the County will remind departments to monitor their Coronavirus State and Local Fiscal Recovery Fund (CSLFRF) subrecipients, maintain sufficient records of the monitoring, and utilize the Subrecipient Monitoring Guide issued in June 2023.

3. Anticipated implementation date: June 28, 2024

Reference Number:	**2023-010**
Federal Program Title:	**Coronavirus State and Local Fiscal Recovery Funds**
Federal Assistance Listing Number:	**21.027**
Federal Agency:	**U.S. Department of Treasury**
Pass-Through Entity:	**N/A**
Federal Award Number and Year:	**Fiscal Year 2022-23**
Name of Department:	**County Executive Office** **Department of Public Health**
Category of Finding:	**Period of Performance**
Type of Finding:	**Material Weakness in Internal Control Over Compliance; Instance of Noncompliance**

Criteria

In accordance with Title 2 U.S. Code of Federal Regulations (CFR) § 200.1, period of performance is the total estimated time interval between the start of an initial Federal award and the planned end date, which may include one or more funded portions, or budget periods. Identification of the period of performance in the Federal award per § 200.211(b)(5) does not commit the awarding agency to fund the award beyond the currently approved budget period.

Per 2 CFR § 200.403 in order for costs to be allowable under Federal awards (h) cost must be incurred during the approved budget period. Per 2 CFR § 200.1, the budget period is the time interval from the start date of a funded portion of an award to the end date of that funded portion during which recipients are authorized to expend the funds awarded.

Per 31 CFR § 35.5, a recipient may only use Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) for the purposes enumerated in § 35.6 (b) through (f) to cover costs incurred during the period beginning March 3, 2021, and ending December 31, 2024.

Condition

During our audit of the CSLFRF program, we selected twenty-five (25) employees with payroll expenditures included in the County's CSLFRF claims during FY 2022-23, and the expenditures for two employees were incurred before March 3, 2021.

Cause

DPH made adjustments to employee expenditure codes to improve the capture and claiming of eligible costs in October 2022; however, certain transactions were erroneously captured from May 2020 and February 2021, which is outside the period of performance.

Effect

Submitting claims with costs incurred or obligated prior to the period of performance start date of March 3, 2021, results in unallowable costs and noncompliance with the period of performance requirements 31 CFR 35.5.

Questioned Costs

Known questioned costs were $4,703.

Context

Of the twenty-five (25) employees selected for testing, which totaled $59,861, from a population of more than 250 employees in five departments with expenditures totaling $43,302,346, expenditures were included for two employees totaling $4,703 that were incurred before the period of performance began March 3, 2021.

The sample was not a statistically valid sample.

Recommendation

We recommend the County verify the date worked for all employees included in the CSLFRF claims was incurred or obligated on or after March 3, 2021.

Views of Responsible Officials and Planned Corrective Action

1. Person responsible: Division Chief, Auditor-Controller Accounting Division

2. Corrective action plan:

   The County agrees with the finding and recommendation. The County will review CSLFRF claims and verify that all claimed payroll expenditures were incurred or obligated on or after March 3, 2021. Payroll expenditures that were incurred or obligated before March 3, 2021, will be removed from the CSLFRF claims.

3. Anticipated implementation date: June 28, 2024

FINANCIAL STATEMENT FINDINGS:

Finding 09-04 – Protection of Information Assets (DHS)

Condition

At another hospital facility, IT assets are not currently safeguarded by an active dry fire suppression system. The server room has a Halon system, but it had been disconnected.

Recommendation

We recommend that the County evaluate options and budget for the replacement of the Halon fire suppression system because the system should be reactivated as soon as possible.

Current Year Management Response

Project is now in early implementation phase with some component installation. Project is expected to be fully implemented by August 30, 2024.

Current Status as of June 30, 2023

Partially implemented.

FEDERAL AWARD FINDINGS:

Finding 2022-001 – DHS – Procurement and Suspension and Debarment

ALN 93.889 National Bioterrorism Hospital Preparedness Program

Condition

During our audit of the Department of Health Services' (DHS) compliance with the procurement requirement for the National Bioterrorism Hospital Preparedness Program, we noted that for one (1) contract, DHS did not provide documentation related to the history of the procurement. Therefore, we were unable to determine whether DHS complied with the procurement requirements related to the method of procurement, competition, and the basis for the contract price.

For the four (4) contracts selected for testing, which totaled $478,418 from a population of eleven (11) contracts with expenditures totaling $594,798, DHS did not provide documentation of the history of procurement for one (1) contract.

Recommendation

We recommend that DHS maintain records sufficient to detail the history of procurement and to ensure compliance with procurement requirements.

Current Year Management Response

On March 30, 2023, EMS management shared the "SAM.gov Registration" and "Federal Grant Management Programmatic Process" desk procedures with EMS staff. The procedures explain the process of entering into an agreement and how to verify debarment prior to entering into an award. EMS management also notified the staff to maintain records for five years after the project period end date.

Current Status as of June 30, 2023

Implemented.

Finding 2022-002 – DHS – Reporting

ALN 93.889 National Bioterrorism Hospital Preparedness Program

Condition

During our audit of the Department of Health Services' (DHS) compliance with the reporting requirement for the National Bioterrorism Hospital Preparedness Program, we noted that DHS was not able to demonstrate it submitted the required FFAFTA reports timely for seventeen (17) of its subawards. Furthermore, DHS did not submit a FFAFTA report for one (1) of its subaward.

Report Name	Number of Subawards	Subaward Obligation Date	Due Date	Reporting Period	Date Submitted
FFATA	1	September 2021	10/31/2021	September 2021	Not provided
FFATA	16	March 2022	4/30/2022	May 2022	Not provided
FFATA	1	June 2022	7/31/2022	N/A	Not submitted

Recommendation

We recommend that the DHS strengthen its report submission process to ensure all reports are submitted by the defined due date and retain documentation evidencing submission of the report.

Current Year Management Response

On April 27, 2023, the National Bioterrorism Hospital Preparedness Program (NBHPP) Grant Program Manager began identifying each sub-awardee that meets the $30,000 FFATA threshold and providing the information to EMS Finance for review and to process payment. Before any payment is completed, the EMS Agency Disaster Services Assistant Nursing Directors of Administration obtain and confirm all Unique Entity Identifier (UEI) numbers from the sub-awardees are active prior to issuing any checks. The EMS Health Care Financial Analyst logs all sub-awardees that have reached the threshold into a report and submits the FFATA report via SAM.gov before the defined due date. To avoid access issues in retrieving submitted documents via the System for Award Management (SAM.gov) website, the EMS Agency Disaster Services Assistant Nursing Director retains copies of all reports that include the submission dates.

Current Status as of June 30, 2023

Implemented.

***Finding 2022-003 – DPH* – Reporting**

ALN 93.011 National Organizations of State and Local Officials

Condition

During our audit of the Department of Public Health's (DPH) compliance with the reporting requirement for the National Organizations of State and Local Officials program, we noted that DPH was not able to demonstrate it submitted the required FFAFTA report timely for one (1) of its subrecipients.

Report Name	Subaward Obligation Date	Due Date	Reporting Period	Date Submitted
FFATA	12/09/2021	1/31/2022	January 2022	Not Provided

Recommendation

We recommend that the DPH strengthen its report submission process to ensure all reports are submitted by the defined due date and retain documentation evidencing submission of the report.

Current Year Management Response

Program submitted a second FFATA report on April 10, 2023 to document FFATA submission as previously January 2022 submission was not accepted due to missing time stamp. For future reporting, DPH has instituted a process to screenshot and download the FFATA submission and keep record of the submission time stamp. This project ended on May 31, 2022 and as such, no further FFATA submissions are required.

Current Status as of June 30, 2023

Implemented.

***Finding 2022-004 – DPH* – Subrecipient Monitoring**

ALN 93.940 HIV Prevention Activities Health Department Based

Condition

During our audit of the HIV Prevention Activities Health Department Based program, we selected nine (9) subrecipients with active contracts with the Department of Public Health (DPH) during FY 2021-22 and noted that one or more of the required elements defined in 2 CFR §200.332 (a)(1) were not included for one (1) subrecipient.

Recommendation

We recommend that for the subrecipient that was not provided the required elements, DPH provide a letter or amended agreement to include all the required elements of 2 CFR §200.332(a).

Current Year Management Response

DPH implemented the corrective action and included a Notice of Federal Subaward Information tracking tool as part of its internal Master Contract tracking file that captures agencies' funding source, contract term/number, and contract amount whenever a contract is executed/augmented. The Master Contract tracking file has been modified to ensure that subrecipients' contract package includes the sub-award funding information.

Current Status as of June 30, 2023

Implemented.

***Finding 2022-005 – CEO* – Subrecipient Monitoring**

ALN 21.019 Coronavirus Relief Fund

Condition

During our audit of the Coronavirus Relief Fund (CRF) program, we selected three (3) subrecipients with active contracts with the County during FY 2021-22. Two (2) of the contracts administered by the Chief Executive Office (CEO) did not include one or more of the required elements defined in 2 CFR §200.332 (a)(1)(2)(3)(5) and (6) in the subrecipients' agreements.

The subrecipient agreements indicated that reporting was required, but were both vague and not consistent as to the level of detail or timing of when reports were due. The subrecipients selected did submit reports to the respective contracting departments for review; however, the information provided was not in a uniform and consistent format making it difficult to determine compliance with program expectations without requesting additional documentation.

Furthermore, the County's internal policy for entities doing business with the County, including subrecipients, requires that contracts and agreements include data encryption terms. None of the agreements included these requirements and per inquiry of the departments, staff were not aware of the requirement.

This is a repeat finding of 2021-009.

Recommendation

We recommend the County perform the following:

1. Design a subrecipient agreement template to include all the elements required by 2 CFR §200.332(a) and any other County required elements (e.g., data encryption requirements) and incorporate the use of the template in the contracting requirements for all departments.

2. For existing subrecipients that were not provided the required elements, provide a letter or amended agreement to include all the required elements of 2 CFR §200.332(a).

3. Include clear expectations for periodic reporting by subrecipients in the subrecipient agreement, including level of detail and timing of submission.

Current Year Management Response

Corrective action for CRF subrecipient monitoring has been implemented as of June 30, 2023 (see Current Year Management Response for Finding 2021-009). To address the recommendations, the County:

• Issued the "Notice of Federal Subaward Information Template and Subrecipient Monitoring" memo on September 12, 2022, which provided departments with a template to communicate to subrecipients the 2 CFR 200.332(a) subrecipient reporting requirements at the time of the subaward. The memo also reminded departments to provide all the required elements from 2 CFR 200.332(a) to existing CRF subrecipients that were not initially provided all the reporting requirements and that subrecipient agreements must include detailed expectations for periodic reporting and timing of reporting submission.

• The County issued the "CARES and ARP Act Funds Subrecipient Monitoring" memo on January 12, 2023, which reminded departments that subrecipient agreements must include data encryption requirements. The memo also reminded departments that existing subrecipient agreements without data encryption requirements need to be amended.

• During the department-wide Single Audit Kick-off annual meeting on May 3, 2023, reminded departments that the "Notice of Federal Subaward Information Template" should be used to communicate to subrecipients all the 2 CFR 200.332(a) subrecipient reporting requirements at the time of the subaward. Departments were also reminded to maintain documentation that the template was provided to subrecipients and that CRF subrecipient monitoring requirements apply to Coronavirus State and Local Fiscal Recovery Fund subrecipients.

• The County issued the Subrecipient Monitoring Guide (Guide) on June 30, 2023. The Guide is intended to assist departments with developing appropriate monitoring plans for their subrecipients to help ensure compliance with 2 CFR 200.332.

Current Status as of June 30, 2023

Implemented.

Finding 2022-006 – DPW – Procurement and Suspension and Debarment

ALN 20.205 Highway Planning and Construction

Condition

During our audit of the Highway Planning and Construction program, we noted that the Department of Public Works (DPW) was not able to provide documentation to demonstrate DPW verified that a vendor was not suspended or debarred from participating in federally funded contracts prior to entering into a covered transaction for three (3) of the twelve (12) vendors selected for testing. Based on a subsequent review of the SAM exclusions, the vendor is not suspended or debarred.

This is a repeat finding of 2021-001.

Recommendation

We recommend that DPW either: 1) include a contract clause or condition to the covered transaction with that person, 2) check the SAM exclusions prior to entering into a contract and maintain documentation of that verification, or 3) collect a certification from that person.

Current Year Management Response

Updates to the Countywide debarment language is under Internal Services Department's (ISD) authority. ISD indicated that they currently have debarment language in their solicitations and are working with County Counsel to strengthen the language. ISD plans on implementing the revised debarment language by the end of September 2023.

Current Status as of June 30, 2023

Partially implemented.

Finding 2022-007 – DCFS – Eligibility

ALN 93.090 Guardianship Assistance

Condition

Of the sixty (60) samples selected for testing, we noted that for two (2) samples the form (KG 3) Kin-GAP Mutual Agreement for Nonminor Former Dependents was not provided. Therefore, we were not able to verify that the agreement for the participant was signed and was in effect when benefits were paid.

This is a repeat finding of 2021-003.

Recommendation

We recommend that DCFS maintain required form Kin-GAP Mutual Agreement for Nonminor Former Dependents (KG 3) in the Guardianship Assistance case files.

Current Year Management Response

On March 20, 2023, a memo was sent to all Kin-GAP eligibility staff reminding them to ensure all required documents were obtained and filed in the Kin-GAP case. If the required documents were not received within the specified timeframe, the Kin-GAP staff were instructed to suspend the Kin-GAP payment pending receipt of the forms. The QA/ES staff continue to randomly sample and review Kin-GAP cases weekly to ensure all forms were obtained to continue funding.

Current Status as of June 30, 2023

Implemented.

***Finding 2022-008 – DPH –* Reporting**

ALN 93.977 Sexually Transmitted Diseases (STD) Prevention and Control Grants

Condition

During our audit of the Department of Public Health's (DPH) compliance with the reporting requirement for the Sexually Transmitted Diseases (STD) Prevention and Control Grants program, we noted that DPH did not submit a FFATA report for one (1) of its subawards.

Report Name	Subaward Obligation Date	Due Date	Reporting Period	Date Submitted
FFATA	December 2021	01/31/2022	N/A	Not submitted

Recommendation

We recommend that the DPH strengthen its report submission process to ensure all reports are identified and submitted by the defined due date and retain documentation evidencing submission of the report.

Current Year Management Response

DPH implemented the corrective action and identified subrecipients that surpassed the threshold, triggering FFATA reporting. DPH submitted its sub-award data to Federal Funding Accountability & Transparency Act Subaward Reporting System (FSRS) using the batch upload method. DPH retained screenshots of FFATA reports documenting the submission date.

Current Status as of June 30, 2023

Implemented.

***Finding 2022-009 – DPH –* Reporting**

ALN 93.323 Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)

Condition

During our audit of the Department of Public Health's (DPH) compliance with the reporting requirement to file FFATA Reports for the Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) program, we noted that DPH submitted the FFATA reports for three (3) subawards after the due date.

Report Name	Number of Subawards	Subaward Obligation Date	Reporting Period	Due Date	Date Submitted
FFATA	2	6/07/2021	July 2021	8/31/2021	8/05/2022
FFATA	1	8/25/2020	August 2020	9/30/2020	8/05/2022

This is a repeat finding of 2021-006.

Recommendation

We recommend that the Department of Public Health strengthen its report submission process to ensure all reports are submitted and approved on a timely basis.

Current Year Management Response

FFATA reporting is consistently entered into fsrs.gov at the end of every month for the month being reported.

Current Status as of June 30, 2023

Not Implemented. See current year finding 2023-001.

***Finding 2022-010 – DPH* – Reporting**

ALN 93.940 HIV Prevention Activities Health Department Based

Condition

During our audit of the Department of Public Health's (DPH) compliance with the reporting requirement for the HIV Prevention Activities Health Department Based program, we noted that DPH did not submit a FFATA report for nine (9) of its subawards.

Recommendation

We recommend that the DPH strengthen its report submission process to ensure all reports are identified and submitted by the defined due date, and retain documentation evidencing submission of the report.

Current Year Management Response

DPH implemented the corrective action and identified subrecipients that surpassed the threshold, triggering FFATA reporting. DPH submitted its sub-award data to Federal Funding Accountability & Transparency Act Subaward Reporting System (FSRS) using the batch upload method. DPH retained screenshots of FFATA reports documenting the submission date.

Current Status as of June 30, 2023

Not Implemented. See current year finding 2023-005.

***Finding 2021-001 – DPW* – Procurement and Suspension and Debarment**

ALN 20.205 Highway Planning and Construction

Condition

During our review of the Highway Planning and Construction Program, we noted that the Department of Public Works (DPW) did not include documentation of their verification of suspension and debarment or include a contract clause or certification for one (1) vendor prior to entering into a covered transaction. Based on a subsequent review of the SAM exclusions, the vendor is not suspended or debarred.

Recommendation

We recommend that DPW either: 1) include a contract clause or condition to the covered transaction with that person, 2) check the SAM exclusions prior to entering into a contract and maintain documentation of that verification, or 3) collect a certification from that person.

Current Year Management Response

Updates to the Countywide debarment language is under ISD's authority. ISD indicated that they currently have debarment language in their solicitations and are working with County Counsel to strengthen the language. ISD plans on implementing the revised debarment language by the end of September 2023.

Current Status as of June 30, 2023

Partially implemented.

***Finding 2021-003 – DCFS* – Eligibility**

ALN 93.090 Guardianship Assistance

Condition

Of the sixty (60) samples selected for testing, we noted the following exceptions:

1. One (1) sample where the form (SOC 369) Agency-Relative Guardianship Disclosure was not signed by the case social worker.

2. Two (2) samples where there was no form (KG 3) Kin-GAP Mutual Agreement for Nonminor Former Dependents. Therefore, we were not able to verify that the agreement for the participant was signed and was in effect when benefits were paid.

3. One (1) sample where there was no form (KG 1) Kin-GAP Mutual Agreement for 18 Year Olds. Therefore, we were not able to verify that the agreement for the participant was signed and was in effect when benefits were paid.

Recommendation

We recommend that DCFS maintain required documentation and forms for Agency-Relative Guardianship Disclosure (SOC 369), Kin-GAP Mutual Agreement for Nonminor Former Dependents (KG 3) and Kin-GAP Mutual Agreement for 18 Year Olds (KG 1) for the Guardianship Assistance case files.

Current Year Management Response

On August 4, 2022, a memo was sent to all Kin-GAP eligibility staff reminding them to ensure that all Kin-GAP forms were completed and signed appropriately before initiating payment, and filed in the case. Payments are to be suspended if the required documents are not received. Kin-GAP managers monitor a report, which identify youth nearing the age of 18 and notify the assigned staff to ensure the required documents are sent for signature timely.

Current Status as of June 30, 2023

Implemented.

***Finding 2021-004 – DHS* – Procurement and Suspension and Debarment**

ALN 93.889 National Bioterrorism Hospital Preparedness Program

Condition

During our review of the National Bioterrorism Hospital Preparedness Program, we noted that five (5) vendor contracts reviewed did not include a suspension and debarment certification clause requiring the vendor to certify that it was not suspended or debarred from participation in federally funded contracts. There was no other documentation available to demonstrate that the verification of suspension and debarment was performed prior to entering into the covered transactions. Based on a subsequent review of the SAM exclusions, those five (5) vendors are not suspended or debarred.

Recommendation

We recommend that DHS check the SAM exclusions prior to entering into a contract, maintain documentation of that verification, and add a clause to the contract that requires vendors to certify that they are not suspended or debarred.

Current Year Management Response

As of July 1, 2022, EMS Contracts and Grants, Staff Analyst and EMS Procurement, Administrative Assistant II verify contractors/vendors are not debarred or suspended prior to entering into a contract or when establishing a purchase order. In addition, EMS Procurement Administrative Assistant II files copies of the verification document in the EMS' shared file under the Purchase Order folder and in the contractor/subrecipient's file folders. Additionally, the contract includes a clause that requires contractors/vendors to certify that they are not suspended or debarred. EMS Program Managers obtain approval from the HPP Grant Manager to use HPP funds before submitting the contract/purchase order, to ensure the services/purchases follow federal grant requirements. The EMS Finance Manager reviews the service/purchase order expenditure data to ensure the expense is posted under the correct HPP unit code.

Current Status as of June 30, 2023

Implemented.

***Finding 2021-005 – DPH* – Subrecipient Monitoring**

ALN 93.323 Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)

Condition

During our review of the Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) program, we selected two (2) subrecipient samples with active contracts with the Department of Public Health (DPH) during FY 2020-21 and noted that DPH did not identify the subrecipients' DUNS number, FAIN, identification whether the award is R&D, and the indirect cost rate at the time of subaward to the subrecipients.

Recommendation

We recommend that DPH perform the following procedures:

1. Provide the subaward information as required by 2 CFR §200.332(a) to subrecipients at the time of the subaward and communicate any changes in subsequent subaward modifications.

2. For existing subrecipients that were not previously provided the required elements, ensure they are communicated prior to the end of FY 2021-22.

3. Consider including placeholders for required subaward information in the contract template, which could be removed if not applicable.

Current Year Management Response

DPH informed all Divisions/Program staff during the October 13, 2022 DPH Quarterly Contract Liaison meeting. DPH added to the DPH Contract Template and sent the template out to the all Division/Program on October 25, 2022 and instructed the Programs moving forward to use this template. As any new contracts or amendments are sent to Contracts and Grants for processing, Contracts and Grants are assuring that for Federal funded contracts the Notice of Federal Subaward Information exhibit is included.

Current Status as of June 30, 2023

Implemented.

***Finding 2021-006 – DPH –* Reporting**

ALN 93.323 Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)

Condition

During our review of the FFATA Reports required to be filed for Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) program, we noted that four (4) FFATA reports were not filed as required and two (2) expenditure reports were submitted after due date. Additionally, the program was unable to provide proof of timely submission and approval for four (4) Performance Measure reports.

Report Name	Reporting Period	Due Date	Date Submitted
FFATA Report	February 2021	3/31/2021	N/A
FFATA Report	April 2021	5/31/2021	N/A
FFATA Report	May 2021	6/30/2021	N/A
FFATA Report	June 2021	7/30/2021	N/A
Expenditure Report	February 2021	3/5/2021	3/10/2021
Expenditure Report	March 2021	4/5/2021	4/6/2021
Performance Measure	7/1/2020 - 9/30/2020	10/31/2020	N/A
Performance Measure	10/1/2020 – 12/31/2020	1/31/2021	N/A
Performance Measure	1/1/2021 – 3/31/2021	4/30/2021	N/A
Performance Measure	4/1/2021 – 6/30/2021	7/31/2021	N/A

Recommendation

We recommend that the Department of Public Health strengthen its report submission process to ensure all reports are submitted and approved on a timely basis.

Current Year Management Response

FFATA reporting is consistently entered into fsrs.gov at the end of every month for the month being reported. Monthly expenditure reporting has now been changed by CDC to quarterly expenditure reporting (for the 20th of each quarter starting August 20th 2023). As indicated in prior year response, the timely submission of Performance Measure reports can still be obtained from CDC's back-end process from their system.

Current Status as of June 30, 2023

Implemented for expenditure and performance measure reporting.

Not Implemented for FFATA reporting. See current year finding 2023-003.

***Finding 2021-008 – Registrar-Recorder/County Clerk* – Procurement and Suspension and Debarment**

ALN 90.404 2018 HAVA Election Security Grants

Condition

During our review of the 2018 HAVA Election Security Grants program, we noted that fourteen (14) vendor contracts reviewed did not include a suspension and debarment certification clause indicating the vendor was not suspended or debarred from participation in federally funded contracts. There was no other documentation available to demonstrate that the verification of suspension and debarment was performed prior to entering into the covered transactions. Based on a subsequent review of the SAM exclusions, those fourteen (14) vendors are not suspended or debarred.

Recommendation

We recommend that Registrar-Recorder/County Clerk check the SAM exclusions prior to entering into a contract, maintain documentation of that verification, and add a clause to the contract that requires vendors to certify that they are not suspended or debarred.

Current Year Management Response

The email dated November 22, 2022, provided direction to all appropriate teams to ensure we verify vendor status on sam.gov. Since this notification RR/CC has only had one single-audit grant claim. The contractual purchase related to the one claim had a sam.gov screenshot taken and signed as per directives initiated via email dated November 22, 2022.

Per ISD Purchasing Manager, ISD is continuing to work on changing their language on the standardized purchasing template to include the debarments clause for use by every department. ISD Purchasing Manager confirmed that this process continues and is anticipated to be completed within 30 days (target date 9/30/2023).

Current Status as of June 30, 2023

Partially implemented.

Finding 2021-009 – CEO/DPH/DHS/WDACS – Subrecipient Monitoring

ALN 21.019 Coronavirus Relief Fund

Condition

During our review of the Coronavirus Relief Fund (CRF) program, we selected nine (9) subrecipients with active contracts with the County administered by the County Executive Office (CEO), Department of Public Health (DPH), Department of Health Services (DHS) and Department of Workforce Development, Aging and Community Services during FY 2020-21 and noted that these departments did not include one or more of the required elements defined in 2 CFR §200.332 (a)(1)(2)(3)(5) and (6) in the subrecipients' agreements. One (1) subrecipient agreement did not identify the funding as federal.

The subrecipient agreements indicated that reporting was required, but were both vague and not consistent as to the level of detail or timing of when reports were due. The subrecipients selected did submit reports to the respective contracting departments for review; however, the information provided was not in a uniform and consistent format making it difficult to determine compliance with program expectations without requesting additional documentation.

Furthermore, the County's internal policy for entities doing business with the County, including subrecipients, requires that contracts and agreements include data encryption terms. None of the agreements included these requirements and per inquiry of the departments, staff were not aware of the requirement.

Recommendation

We recommend the County consider the following:

1. Design a subrecipient agreement template to include all the elements required by 2 CFR §200.332(a) and any other County required elements (e.g., data encryption requirements). Incorporate the use of the template in the contracting requirements for all departments.

2. For existing subrecipients that were not provided the required elements, provide a letter or amended agreement to include all the required elements of 2 CFR §200.332(a).

3. Include clear expectations for periodic reporting by subrecipients in the subrecipient agreement, including level of detail and timing of submission.

Current Year Management Response

Corrective action for CRF subrecipient monitoring has been implemented as of June 30, 2023. To address the recommendations, the County:

• Issued the "Notice of Federal Subaward Information Template and Subrecipient Monitoring" memo on September 12, 2022, which provided departments with a template to communicate the 2 CFR 200.332(a) subrecipient reporting requirements at the time of the subaward. The memo also reminded departments to provide all the required elements from 2 CFR 200.332(a) to existing CRF subrecipients that were not initially provided all the reporting requirements. In addition, the memo reminded departments that subrecipient agreements must include detailed expectations for periodic reporting and timing of reporting submission.

• Issued the "CARES and ARP Act Funds Subrecipient Monitoring" memo on January 12, 2023, which reminded departments that subrecipient agreements must include data encryption requirements. The memo also reminded departments that existing subrecipient agreements without data encryption requirements need to be amended.

• Reminded departments at the annual Single Audit Kick-off meeting on May 3, 2023, to use the "Notice of Federal Subaward Information Template" to communicate to subrecipients all the 2 CFR 200.332(a) subrecipient reporting requirements. Departments were also reminded to maintain documentation that the template was provided to subrecipients and that CRF subrecipient monitoring requirements apply to Coronavirus State and Local Fiscal Recover Fund subrecipients.

• The County issued the Subrecipient Monitoring Guide (Guide) on June 30, 2023. The Guide is intended to assist departments with developing appropriate monitoring plans for their subrecipients to help ensure compliance with 2 CFR 200.332.

Current Status as of June 30, 2023

Implemented.

<u>Finding 2020-003 – DCFS – Allowable Costs/Cost Principles</u>

ALN 93.558 Temporary Assistance for Needy Families; 93.658 Foster Care Title IV-E; 93.659 Adoption Assistance; 93.674 John H. Chafee Foster Care Program for Successful Transition to Adulthood

Condition

During our review of the payroll transactions, one (1) timesheet for indirect payroll and one (1) timesheet for direct payroll from the TANF program were not approved timely.

Recommendation

We recommend that DCFS strengthen its review process to ensure all timesheets and manual corrections are approved in a timely manner.

Current Year Management Response

The Payroll Section continues to work with the DCFS BIS and external partner Hyland to finalize the Timesheet Corrections system. On July 11, 2022, DCFS BIS and Payroll teams began meeting with the external contractor Hyland to discuss the frame work, and scope of work necessary to better track timesheet submission process. We provide the framework of the Department's current email submission process, and samples of timesheets. In February 2023, the system design, the configuration of the API, eForm and iScript development was completed. On April 24, 2023, DCFS BIS conducted an initial train- the- trainer sessions. The Timesheet Correction System has been completed and is now in the system testing phases. Due to technical conflicts in the Hyland system, as well as time for the user testing, the final implementation has been pushed to September 30, 2023. This will allow the vendor time to ensure all functionality of the system is operating as intended.

Current Status as of June 30, 2023

Partially implemented.

COUNTY OF LOS ANGELES
STATUS OF PRIOR YEARS' FINDINGS
FOR THE YEAR ENDED JUNE 30, 2023

Finding 2019-004 – Allowable Costs/Cost Principles

CFDA #93.558 Temporary Assistance for Needy Families

Condition

The Department of Children and Family Services (DCFS) has common internal controls over the payroll process for its federal programs. We selected seventy-five (75) employees, two timesheets for each employee for a total of 150 timesheets, to test allowable costs and the internal controls over this category of compliance requirements. Twenty-five (25) employees were selected from each of the three major programs below:

1. CFDA No. 93.558 Temporary Assistance for Needy Families (TANF)
2. CFDA No. 93.778 Medical Assistance Program
3. CFDA No. 93.659 Adoption Assistance

During our review of the payroll transactions, two timesheets for one (1) employee were not approved timely for the TANF program.

Timesheet Month	Timesheet Period	Approval Date	Delay in Timesheet Approval
November 2018	11/1/2018 – 11/15/2018	9/5/2019	10 Months
November 2018	11/16/2018 – 11/30/2018	9/10/2019	10 Months

Recommendation

We recommend that DCFS strengthens its review process to ensure all timesheets and manual corrections are approved in a timely manner.

Current Year Management Response

The Payroll Section continues to work with the DCFS BIS and external partner Hyland to finalize the Timesheet Corrections system. On July 11, 2022, DCFS BIS and Payroll teams began meeting with the external contractor Hyland to discuss the frame work, and scope of work necessary to better track timesheet submission process. We provide the framework of the Department's current email submission process, and samples of timesheets. In February 2023, the system design, the configuration of the API, eForm and iScript development was completed. On April 24, 2023, DCFS BIS conducted an initial train- the- trainer sessions. The Timesheet Correction System has been completed and is now in the system testing phases. Due to technical conflicts in the Hyland system, as well as time for the user testing, the final implementation has been pushed to August 30, 2023. This will allow the vendor time to ensure all functionality of the system is operating as intended.

Current Status as of June 30, 2023

Partially Implemented.

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COUNTY OF LOS ANGELES
DEPARTMENT OF PUBLIC SOCIAL SERVICES
SUPPLEMENTARY SCHEDULE OF REVENUE AND EXPENDITURES
CSBG CONTRACT NO. 20F-3660
FOR THE YEAR ENDED JUNE 30, 2023

AL #93.569

	March 27, 2020 through June 30, 2021	July 1, 2021 through June 30, 2022	July 1, 2022 through June 30, 2023	Total Audited Costs	Total Reported Expenses	Total Budget[1]
REVENUE						
Grant Revenue	$ 1,239,973	$ 4,261,834	$ 2,716,132	$ 8,217,939	$ 8,217,939	$ 8,489,288
CSBG Discretionary	40,370	-	-	40,370	40,370	40,370
Total Revenue	1,280,343	4,261,834	2,716,132	8,258,309	8,258,309	8,529,658
EXPENDITURES[2]						
Administrative Costs						
Salaries and Wages	22,802	58,045	54,846	135,693	135,693	165,670
Fringe Benefits	13,297	38,540	35,776	87,613	87,613	97,533
Operating Expenses	-	-	-	-	-	-
Equipment	-	-	-	-	-	-
Out-of-State Travel	-	-	-	-	-	-
Contract/Consultant Services	-	-	-	-	-	-
Other Costs	7,220	18,351	17,218	42,789	42,789	50,344
Total Administrative Costs	43,319	114,936	107,840	266,095	266,095	313,547
Program Costs						
Salaries and Wages	21,292	150,651	233,497	405,440	405,440	394,016
Fringe Benefits	12,350	86,922	132,922	232,194	232,194	232,469
Operating Expenses	-	-	-	-	-	-
Equipment	-	-	-	-	-	-
Out-of-State Travel	-	-	-	-	-	-
Subcontractor/Consultant Services	1,196,654	3,840,936	1,782,992	6,820,582	6,820,582	7,470,594
Other Costs	6,728	68,389	458,881	533,998	533,998	119,032
Total Program Costs	1,237,024	4,146,898	2,608,292	7,992,214	7,992,214	8,216,111
Total Expenditures	1,280,343	4,261,834	2,716,132	8,258,309	8,258,309	8,529,658 (3)
Revenue over (under) Expenditures:	$ -	$ -	$ -	$ -	$ -	$ -

(1) The expenditure and total budget amounts are based on the CSBG Contract Budget Summary contained in the contract (as Attachment I to the Grant Agreement). The Contract Budget amounts are from March 27, 2020 through September 30, 2022.

(2) The expenditure amounts are based on the monthly CSBG CARES Expenditure Claim Reports filed with the California Department of Community Services and Development from March 27, 2020 through June 30, 2023.

(3) $271,349 ($8,529,658 - $8,258,309) represents the unspent funds returned by subcontractors for this contract. The unspent funds were remitted to the California Department of Community Services and Development.

COUNTY OF LOS ANGELES
DEPARTMENT OF PUBLIC SOCIAL SERVICES
SUPPLEMENTARY SCHEDULE OF REVENUE AND EXPENDITURES
CSBG CONTRACT NO. 21F-4021
FOR THE YEAR ENDED JUNE 30, 2023

AL #93.569

	January 1, 2021 through June 30, 2021	July 1, 2021 through June 30, 2022	July 1, 2022 through June 30, 2023	Total Audited Costs	Total Reported Expenses	Total Budget[1]
REVENUE						
Grant Revenue	$ 830,147	$ 4,798,810	$ 673,133	$ 6,302,090	$ 6,302,090	$ 6,302,090
CSBG Discretionary	-	-	-	-	-	-
Total Revenue	830,147	4,798,810	673,133	6,302,090	6,302,090	6,302,090
EXPENDITURES[2]						
Administrative Costs						
Salaries and Wages	140,059	243,967	-	384,026	384,026	384,026
Fringe Benefits	80,794	148,794	-	229,588	229,588	222,735
Operating Expenses	7	14,000	-	14,007	14,007	20,860
Equipment	-	-	-	-	-	-
Out-of-State Travel	-	2,000	-	2,000	2,000	2,000
Contract/Consultant Services	-	-	-	-	-	-
Other Costs	45,323	76,029	-	121,352	121,352	121,352
Total Administrative Costs	266,183	484,790	-	750,973	750,973	750,973
Program Costs						
Salaries and Wages	133,654	666,011	-	799,665	799,665	685,428
Fringe Benefits	67,901	387,908	-	455,809	455,809	390,694
Operating Expenses	-	-	-	-	-	-
Equipment	-	-	-	-	-	-
Out-of-State Travel	-	-	-	-	-	-
Subcontractor/Consultant Services	311,436	3,059,980	673,133	4,044,549	4,044,549	4,259,771
Other Costs	50,973	200,121	-	251,094	251,094	215,224
Total Program Costs	563,964	4,314,020	673,133	5,551,117	5,551,117	5,551,117
Total Expenditures	830,147	4,798,810	673,133	6,302,090	6,302,090	6,302,090
Revenue over (under) Expenditures:	$ -	$ -	$ -	$ -	$ -	$ -

(1) The expenditure and total budget amounts are based on the CSBG Contract Budget Summary contained in the contract (as Attachment I to the Grant Agreement). The Contract Budget amounts are from January 1, 2021 through August 31, 2022.

(2) The expenditure amounts are based on the monthly CSBG Expenditure Claim Reports filed with the California Department of Community Services and Development fror January 1, 2021 through June 30, 2023.

COUNTY OF LOS ANGELES
DEPARTMENT OF PUBLIC SOCIAL SERVICES
SUPPLEMENTARY SCHEDULE OF REVENUE AND EXPENDITURES
CSBG CONTRACT NO. 22F-5021
FOR THE YEAR ENDED JUNE 30, 2023

AL #93.569

	January 1, 2021 through June 30, 2022	July 1, 2022 through June 30, 2023	Total Audited Costs	Total Reported Expenses	Total Budget[1]
REVENUE					
Grant Revenue	$ 333,242	$ 5,400,184	$ 5,733,426	$ 5,733,426	$ 6,385,507
CSBG Discretionary	-	31,000	31,000	31,000	31,000
Total Revenue	333,242	5,431,184	5,764,426	5,764,426	6,416,507
EXPENDITURES[2]					
Administrative Costs					
Salaries and Wages	96,494	279,559	376,053	376,053	376,053
Fringe Benefits	74,274	161,166	235,440	235,440	235,441
Operating Expenses	-	14,360	14,360	14,360	14,360
Equipment	-	-	-	-	-
Out-of-State Travel	2,280	6,432	8,712	8,712	8,712
Contract/Consultant Services	-	-	-	-	-
Other Costs	31,042	84,707	115,749	115,749	115,749
Total Administrative Costs	204,090	546,224	750,314	750,314	750,315
Program Costs					
Salaries and Wages	81,707	708,920	790,627	790,627	790,627
Fringe Benefits	26,720	409,555	436,275	436,275	436,275
Operating Expenses	-	-	-	-	-
Equipment	-	-	-	-	-
Out-of-State Travel	-	-	-	-	-
Subcontractor/Consultant Services	-	3,554,111	3,554,111	3,554,111	4,206,191
Other Costs	20,725	212,374	233,099	233,099	233,099
Total Program Costs	129,152	4,884,960	5,014,112	5,014,112	5,666,192
Total Expenditures	333,242	5,431,184	5,764,426	5,764,426	6,416,507 **(3)**
Revenue over (under) Expenditures:	$ -	$ -	$ -	$ -	$ -

(1) The expenditure and total budget amounts are based on the CSBG Contract Budget Summary contained in the contract (as Attachment I to the Grant Agreement). The Contract Budget amounts are from January 1, 2022 through June 30, 2023.

(2) The expenditure amounts are based on the monthly CSBG Expenditure Claim Reports filed with the California Department of Community Services anc Development from January 1, 2022 through June 30, 2023.

(3) The grant balance of this contract was $652,081 ($6,416,507 - $5,764,426) as of June 30, 2023. This amount will be expended during FY 2023-24.

COUNTY OF LOS ANGELES
DEPARTMENT OF PUBLIC SOCIAL SERVICES
SUPPLEMENTARY SCHEDULE OF REVENUE AND EXPENDITURES
CSBG CONTRACT NO. 23F-4021
FOR THE YEAR ENDED JUNE 30, 2023

AL #93.569

	January 1, 2023 through June 30, 2023	Total Audited Costs	Total Reported Expenses	Total Budget[(1)]
REVENUE				
Grant Revenue	$ 353,046	$ 353,046	$ 353,046	$ 6,270,685
CSBG Discretionary	-	-	-	77,901
Total Revenue	353,046	353,046	353,046	6,348,586
EXPENDITURES[(2)]				
Administrative Costs				
Salaries and Wages	70,554	70,554	70,554	414,831
Fringe Benefits	59,937	59,937	59,937	262,975
Operating Expenses	4,705	4,705	4,705	41,052
Equipment	-	-	-	-
Out-of-State Travel	-	-	-	2,600
Contract/Consultant Services	-	-	-	-
Other Costs	18,112	18,112	18,112	108,925
Total Administrative Costs	153,308	153,308	153,308	830,383
Program Costs				
Salaries and Wages	128,460	128,460	128,460	811,838
Fringe Benefits	49,962	49,962	49,962	454,629
Operating Expenses	-	-	-	-
Equipment	-	-	-	-
Out-of-State Travel	-	-	-	-
Subcontractor/Consultant Services	-	-	-	4,023,772
Other Costs	21,316	21,316	21,316	227,964
Total Program Costs	199,738	199,738	199,738	5,518,203
Total Expenditures	353,046	353,046	353,046	6,348,586
Revenue over (under) Expenditures:	$ -	$ -	$ -	$ - **(3)**

(1) The expenditure and total budget amounts are based on the CSBG Contract Budget Summary contained in the contract (as Attachment I to the Grant Agreement). The Contract Budget amounts are from January 1, 2023 through May 31, 2024.

(2) The expenditure amounts are based on the monthly CSBG Expenditure Claim Reports filed with the California Department of Community Services and Development from January 1, 2023 through June 30, 2023.

(3) The grant balance of this contract was $5,995,540 ($6,348,586 - $353,046) as of June 30, 2023. This amount will be expended during FY 2023-24.

COUNTY OF LOS ANGELES
DEPARTMENT OF ARTS AND CULTURE
SUPPLEMENTARY SCHEDULE OF REVENUE AND EXPENDITURES
CSBG CONTRACT NO. 22F-5105
FOR THE YEAR ENDED JUNE 30, 2023

AL #93.569

	January 1, 2022 through June 30, 2022	July 1, 2022 through June 30, 2023	Total Audited Costs	Total Reported Expenses	Total Budget(1)	
REVENUE						
Grant Revenue	$ 94,115	$ 206,839	$ 300,954	$ 300,954	$ 300,954	
Interest Income	-	500	500	500	-	(2)
Total Revenue	94,115	207,339	301,454	301,454	300,954	
EXPENDITURES(3)						
Administrative Costs						
Salaries and Wages	-	-	-	-	-	
Fringe Benefits	-	-	-	-	-	
Operating Expenses	-	-	-	-	-	
Equipment	-	-	-	-	-	
Out-of-State Travel	-	-	-	-	-	
Contract/Consultant Services	-	-	-	-	-	
Other Costs	-	-	-	-	-	
Total Administrative Costs	-	-	-	-	-	
Program Costs						
Salaries and Wages	-	13,813	13,813	13,813	13,813	
Fringe Benefits	-	5,966	5,966	5,966	5,966	
Operating Expenses	-	-	-	-	-	
Equipment	-	-	-	-	-	
Out-of-State Travel	-	-	-	-	-	
Subcontractor/Consultant Services	94,115	182,330	276,445	276,445	281,175	
Other Costs	-	2,740	2,740	2,740	-	
Total Program Costs	94,115	204,849	298,964	298,964	300,954	
Total Expenditures	94,115	204,849	298,964	298,964	300,954	
Revenue over (under) Expenditures:	$ -	$ 2,490	$ 2,490 (4)	$ 2,490	$ -	

(1) Total budget amounts are based on the CSBG Contract Budget Summary contained in the contract (as an Attachment to the Grant Agreement) with year-end budget shifts. The interest earned on the advance in excess of $500 was remitted to the U.S. Department of Health and Human Services.

(2) $500 of the interest earned on the advance was retained for administrative expenditures.

(3) The expenditure amounts are based on the monthly California Department of Community Services and Development Expenditure Claim Reports filed with the California Department of Community Services and Development.

(4) $1,990 ($2,490 - $500) of unspent funds was remitted to the California Department of Community Services and Development.

COUNTY OF LOS ANGELES
DEPARTMENT OF ARTS AND CULTURE
SUPPLEMENTARY SCHEDULE OF REVENUE AND EXPENDITURES
CSBG CONTRACT NO. 22F-5105 DISCRETIONARY
FOR THE YEAR ENDED JUNE 30, 2023

AL #93.569

	January 1, 2022 through June 30, 2022	July 1, 2022 through June 30, 2023	Total Audited Costs	Total Reported Expenses	Total Budget[1]
REVENUE					
Grant Revenue	$ -	$ 31,000	$ 31,000	$ 31,000	$ 31,000
Interest Income	-	-	-	-	-
Total Revenue	-	31,000	31,000	31,000	31,000
EXPENDITURES[2]					
Administrative Costs					
Salaries and Wages	-	-	-	-	-
Fringe Benefits	-	-	-	-	-
Operating Expenses	-	-	-	-	-
Equipment	-	-	-	-	-
Out-of-State Travel	-	-	-	-	-
Contract/Consultant Services	-	-	-	-	-
Other Costs	-	-	-	-	-
Total Administrative Costs	-	-	-	-	-
Program Costs					
Salaries and Wages	-	-	-	-	-
Fringe Benefits	-	-	-	-	-
Operating Expenses	-	-	-	-	-
Equipment	-	-	-	-	-
Out-of-State Travel	-	-	-	-	-
Subcontractor/Consultant Services	-	31,000	31,000	31,000	31,000
Other Costs	-	-	-	-	-
Total Program Costs	-	31,000	31,000	31,000	31,000
Total Expenditures	-	31,000	31,000	31,000	31,000
Revenue over (under) Expenditures:	$ -	$ -	$ -	$ -	$ -

(1) Total budget amounts are based on the CSBG Contract Budget Summary contained in the contract (as an Attachment to the Grant Agreement) with year-end budget shifts.

(2) The expenditure amounts are based on the monthly California Department of Community Services and Development Expenditure Claim Reports filed with the California Department of Community Services and Development.

COUNTY OF LOS ANGELES
DEPARTMENT OF ARTS AND CULTURE
SUPPLEMENTARY SCHEDULE OF REVENUE AND EXPENDITURES
CSBG CONTRACT NO. 23F-4105
FOR THE YEAR ENDED JUNE 30, 2023

AL #93.569

	January 1, 2023 through June 30, 2023	Total Audited Costs	Total Reported Expenses	Total Budget[1]
REVENUE				
Grant Revenue	$ 90,471	$ 90,471	$ 90,471	$ 447,118
Interest Income	-	-	-	-
Total Revenue	90,471	90,471	90,471	447,118
EXPENDITURES[2]				
Administrative Costs				
Salaries and Wages	-	-	-	-
Fringe Benefits	-	-	-	-
Operating Expenses	-	-	-	-
Equipment	-	-	-	-
Out-of-State Travel	-	-	-	-
Contract/Consultant Services	-	-	-	-
Other Costs	-	-	-	-
Total Administrative Costs	-	-	-	-
Program Costs				
Salaries and Wages	-	-	-	-
Fringe Benefits	-	-	-	-
Operating Expenses	-	-	-	-
Equipment	-	-	-	-
Out-of-State Travel	-	-	-	-
Subcontractor/Consultant Services	90,471	90,471	90,471	447,118
Other Costs	-	-	-	-
Total Program Costs	90,471	90,471	90,471	447,118
Total Expenditures	90,471	90,471	90,471	447,118 (3)
Revenue over (under) Expenditures:	$ -	$ -	$ -	$ -

(1) Total budget amounts are based on the CSBG Contract Budget Summary contained in the contract (as an Attachment to the Grant Agreement) with year-end budget shifts.

(2) The expenditure amounts are based on the monthly California Department of Community Services and Development Expenditure Claim Reports filed with the California Department of Community Services and Development.

(3) The grant balance of this contract was $356,647 ($447,118 - $90,471) as of June 30, 2023. This amount will be expended during FY 2023-24.

COUNTY OF LOS ANGELES
DEPARTMENT OF AGING AND DISABILITIES
SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
GRANTED BY THE CALIFORNIA DEPARTMENT OF AGING
FOR THE YEAR ENDED JUNE 30, 2023

Grant Name	AL #	Single Audit Federal Expenditures	State Expenditures	Total Expenditures
SNAP-ED (SP2122-19)	10.561	$ 53,587	$ -	$ 53,587
SNAP-ED (SP2223-19)	10.561	253,849	-	253,849
Older American Title V Project	17.235	1,462,228	-	1,462,228
MIPPA (MI2122-19)	93.071	102,993	-	102,993
MIPPA (MI2223-19)	93.071	158,761	-	158,761
Area Agency on Aging - HICAP H9	93.324	225,295	512,750	738,045
Area Agency on Aging - HICAP H3	93.324	63,214	173,253	236,467
Financial Alignment (FA 2122-19)	93.634	66,785	-	66,785
Long Term Care Ombudsman - Elder Justice	93.747	31,042	-	31,042
TOTAL OTHERS		2,417,754	686,003	3,103,757
Ombudsman SNF	*	-	242,873	242,873
Ombudsman Initiative	*	-	424,561	424,561
Ombudsman PH L&C	*	-	51,131	51,131
Title VII - Elder Abuse Prevention	93.041	85,284	-	85,284
Title VII - Ombudsman	93.042	139,905	-	139,905
Area Agency on Aging III D	93.043	497,295	-	497,295
Area Agency on Aging III B	93.044	6,833,814	903,130	7,736,944
Area Agency on Aging III C-I	93.045	7,839,084	4,126,789	11,965,873
Area Agency on Aging III C-II	93.045	5,566,205	6,013,767	11,579,972
Area Agency on Aging Title III E	93.052	2,472,052	-	2,472,052
Area Agency on Aging III USDA C-I	93.053	982,877	-	982,877
Area Agency on Aging III USDA C-II	93.053	710,122	-	710,122
TOTAL TITLE III AND VII		25,126,638	11,762,251	36,888,889
COVID-19 - ARDC COVID Vaccine Access	93.044	616,334	-	616,334
TOTAL COVID-19 TITLE III		616,334	-	616,334
COVID-19 - CAA, Nutrition OAA Title III-C2	93.045	611	-	611
TOTAL COVID-19 CAA		611	-	611
COVID-19 - FFCRA - OAA - Home Delivered Meals: Title III-C2	93.045	1,033,388	-	1,033,388
TOTAL COVID-19 FFCRA		1,033,388	-	1,033,388
COVID-19 - ARP - Title III-B - OAA - Supportive Services	93.044	586,601	-	586,601
COVID-19 - ARP - Title III C-1 Congregate Meals	93.045	2,496,045	-	2,496,045
TOTAL COVID-19 ARP		3,082,646	-	3,082,646
TOTAL		$ 32,277,371	$ 12,448,254	$ 44,725,625

**This grant does not have an Assistance Listing Number. It is 100% State-funded.*