



County of Los Angeles, California Annual Comprehensive Financial Report

Fiscal Year Ended June 30, 2024
Oscar Valdez • Auditor-Controller

**County of Los Angeles, California
Annual Comprehensive Financial Report
Fiscal Year Ended June 30, 2024**

Prepared by the Office of Auditor-Controller
Oscar Valdez • Auditor-Controller

COUNTY OF LOS ANGELES, CALIFORNIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2024
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**COUNTY OF LOS ANGELES
DEPARTMENT OF AUDITOR-CONTROLLER**

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OSCAR VALDEZ
AUDITOR-CONTROLLER

CONNIE YEE
CHIEF DEPUTY AUDITOR-CONTROLLER

ASSISTANT AUDITOR-CONTROLLERS

**MAJIDA ADNAN
RACHELLE ANEMA
ROBERT G. CAMPBELL**

December 12, 2024

The Honorable Members of the Board of Supervisors and
Citizens of County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Members of the Board and Citizens of County of Los Angeles:

In accordance with Section 25253 of the Government Code of California, I hereby submit the Annual Comprehensive Financial Report (ACFR) of the County of Los Angeles for the year ended June 30, 2024. The report contains financial statements that have been prepared in accordance with generally accepted accounting principles (GAAP) prescribed for governmental entities and provides a comprehensive overview of the County's financial operations and financial position. The accuracy, completeness and fairness of the presentation of all information in this report are the responsibility of the County.

The Independent Auditor's Report is presented at the front of the financial section of this report. Management's Discussion and Analysis (MD&A), immediately follows the Independent Auditor's Report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

The report includes financial data for all County funds. Additionally, the following entities are considered part of the County for purposes of meeting the reporting entity requirements prescribed by the Governmental Accounting Standards Board:

Fire Protection District	Waterworks Districts
Flood Control District	Los Angeles County Capital Asset Leasing Corporation
Garbage Disposal Districts	Various Joint Powers Authorities
Improvement Districts	Los Angeles County Employees Retirement Association
Regional Park and Open Space District	Los Angeles County Securitization Corporation
Sewer Maintenance Districts	Los Angeles County Facilities, Inc.
Street Lighting Districts	Los Angeles County Development Authority
	First 5 LA

These entities are component units of the County and are included in the County's basic financial statements because the County Board of Supervisors is financially accountable for them. All component units are blended into the basic financial statements, except for the Los Angeles County Employees Retirement Association, which is reported as a fiduciary component unit, and the Los Angeles County Development Authority and First 5 LA, which are discretely presented. Note 1 to the basic financial statements contains additional information regarding the relationship between the County and these entities.

Other local governmental entities provide public or specialized services to the residents of the County, including over eighty cities, one hundred school districts, and numerous special districts. The operations of these entities are not included in the County's reporting entity since each entity is responsible for conducting its own day-to-day operations and is compelled to answer to its own separately elected governing board. Significant entities that do not meet the criteria for inclusion in this report include the Los Angeles County Office of Education, Los Angeles Unified School District, and Los Angeles County Sanitation Districts. Also, the Los Angeles County Superior Court is not included due to legislation (AB 233), which transferred oversight responsibilities for Court operations to the State in 1997-98. However, AB 233 requires the County to continue to fund certain Court-related expenditures, and the County continues to receive certain Court collections. Accordingly, the County's financial statements include various Court-related financial transactions.

LOS ANGELES COUNTY AND ITS SERVICES

Los Angeles County was established by an act of the State Legislature on February 18, 1850, as one of California's original 27 counties. Located in the southern portion of the State, the County covers 4,083 square miles. With a population of over 9.8 million, its population is the largest of any county in the nation.

Los Angeles County was a general law county until 1913 when it became a charter county, as a result of local election. The County is governed by a five-member Board of Supervisors (Board), each of whom is elected by residents from their respective supervisorial district to serve a four-year term, with the potential to serve two additional four-year terms if re-elected by voters. The other elected officials of the County are the Assessor, District Attorney, and Sheriff. On March 5, 2002, County voters approved two charter amendments that introduced mandatory term limits for the elected officials of the County. As a result, each Supervisor is now limited to serving a maximum of three consecutive terms commencing as of December 2002.

On July 7, 2015, the Board approved a new governance structure, pursuant to which all non-elected department heads report directly to the Board. County departments continue to report to the Chief Executive Officer (CEO) for day-to-day operations, and for administrative and budget matters. The CEO continues to function as the Board's agent to manage Countywide policy objectives and departmental performance management. The governance structure is designed to streamline the County governance by improving communications with County departments and facilitating more effective decision making in response to the Board's policy objectives.

There are over one million residents in the unincorporated areas of the County. These residents receive all municipal services from the County, including law enforcement, fire protection, land use and zoning, building and business permits, local road building and maintenance, animal care

and control, and public libraries. In addition, the County provides a wide range of services to all County residents.

The County also provides municipal services to many incorporated cities within its boundaries under the Contract Services Plan (Plan). Established in 1954, the Plan allows cities to provide municipal services without incurring the cost of creating numerous city departments and facilities by having the County provide, at cost, any or all municipal services within a city at the same level as provided in unincorporated areas, or at any higher level the city may choose. Although the Plan was developed to assist new cities, the great majority of the cities in the County now contract for one or more services.

The County's principal functions include seven major areas as required under the County's charter, County ordinances, or by State or federal mandate: general government, public protection, public ways and facilities, health and sanitation, public assistance, education and recreation, and cultural services. The State and federal governments mandate certain minimum levels of services in the public assistance and health areas.

ECONOMIC OVERVIEW

With a Gross Domestic Product of \$807 billion in 2023, Los Angeles County's economy is larger than that of 44 states and all but 21 countries. The County serves as the central trade district for the western United States and the gateway to the Asian economies, as it has evolved into a leader in international commerce and investments. The County's economy experienced strong growth in 2023, with an increase in economic output of 2.2%, as measured by Gross Domestic Product and decreases in taxable sales of 3%.

During Fiscal Year (FY) 2016-17, voters approved various State and local ballot measures that could generate approximately \$151 billion in funding for capital infrastructure and public services in the County. In the June and November 2016 elections, the voters in school and community college districts passed over \$9.4 billion in general obligation bond measures supported by ad valorem taxes to finance new capital construction and improvement projects. As of December 31, 2023, K-12 school and community college districts had approximately \$24.1 billion of previously authorized, but unissued bond capacity.

In 2008, voters approved Measure R, a 30-year increase of one-half cent in sales tax to fund major public transit projects, including extending light rail to the Los Angeles International Airport (LAX), and a subway to Westwood. Revenues will also fund street and sidewalk repairs throughout the County, new bike paths, and earthquake retrofits for bridges. Measure M, approved by voters in 2016 provides an indefinite extension of Measure R and is projected to generate \$120 million of sales tax revenue annually over the next 40 years for the Los Angeles County Metropolitan Transit Authority to finance new transportation infrastructure projects.

On March 7, 2017, voters approved Measure H, commonly known as the Homeless Initiative. The measure authorized the implementation of a one-quarter cent sales tax for a duration of 10 years, with a primary objective of addressing the pressing issues of homelessness by providing essential services and prevention measures. The Homeless Initiative is projected to generate approximately \$537 million annually.

On November 6, 2018, voters approved Measure W, the Safe, Clean Water Program, which is expected to generate approximately \$300 million for the County's Flood Control District through a parcel tax. Revenues will be used to modernize the County's 100-year old water system to protect public health, our environment, and maximize a cleaner, locally controlled water supply.

On November 8, 2022, voter approved Measure C, a general tax measure that would allow the County to tax cannabis businesses that are in the unincorporated areas of the County. Currently, the Office of Cannabis Management in the County's Department of Consumer and Business Affairs is developing an equitable commercial cannabis program that includes permitting and resources for eligible applicants. The Cannabis Business Tax is projected to generate approximately \$10.3 million annually.

In addition, hospitals throughout the County are engaged in building programs to meet stricter earthquake standards and other regulatory requirements. These major construction projects, combined with terminal expansions under way at the two primary seaports (Port of Los Angeles and Port of Long Beach), LAX, and the Metro Light Rail System have provided continued support to the job market in the County.

The County enjoys a diverse industrial base, with employment in wholesale and retail trade, health care, manufacturing, and leisure and hospitality being the leading employment sectors in the private economy. The two major seaports in the County, located in the cities of Los Angeles and Long Beach, encompass the largest port complex in the nation as measured by cargo tonnage and the number of containers handled, and on a combined basis rank ninth largest among the world's port facilities. The Los Angeles region is the largest manufacturing center in the nation, with 318,500 workers employed in this sector in 2023.

INTERNAL AND BUDGETARY CONTROLS

The County has developed a system of internal accounting controls designed to provide reasonable, but not absolute, assurance to safeguard assets against loss from unauthorized use. It also provides reliable records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the costs of a system of internal accounting controls should not outweigh related benefits. Also, the evaluation of costs and benefits requires estimates and judgments by management. All internal accounting control evaluations occur within the above framework. We believe that the County's system of internal accounting controls adequately safeguards assets and also provides reasonable assurance of proper recording of financial transactions.

In accordance with the provisions of Section 29000-29144 of the Government Code, commonly known as the County Budget Act, the County prepares and adopts a budget on or before October 2 of each fiscal year. Except for capital assets, expenditures are controlled at the following object levels for all budget units: salaries and employee benefits, services and supplies, other charges, and other financing uses. Amounts are budgeted and controlled for capital assets at the following sub-object levels: land, buildings and improvements, infrastructure, and equipment.

The County uses encumbrance accounting to ensure effective budgetary control and accountability. Unencumbered appropriations lapse at year-end and encumbrances outstanding

at the time are reported as restricted, committed, or assigned fund balance for subsequent year expenditures.

After the original budget is adopted, the Board of Supervisors must approve all transfers of appropriations between budget units and transfers exceeding \$250,000 within budget units. The Board must also approve necessary supplemental appropriations, normally financed by unanticipated revenues earned during the year.

In addition to these procedural controls, the Auditor-Controller's (A-C) Audit Division performs periodic internal control, operational, and management audits of various County departments. On an annual basis, an audit plan is recommended by the A-C and approved by the County's Audit Committee, an oversight group appointed by the Board of Supervisors. These audits help to ensure that prescribed procedures are followed and that operations are conducted in an efficient manner. The A-C's Countywide Contract Monitoring Division conducts fiscal and compliance reviews of the County's social and health services contract providers, provide training on fiscal compliance, and works with County departments to enhance accountability and performance effectiveness over the contracts. A fraud hotline provides County employees and citizens with a way to anonymously report perceived fraudulent activities by County employees, vendors, contractors, inspectors, etc. Allegations reported to the hotline are evaluated and investigated, as appropriate, by the Office of County Investigations within the A-C.

BUDGET OUTLOOK AND MAJOR INITIATIVES

The FY 2024-25 Budget of \$49.2 billion assumes increases from outside County sources, primarily from the State, federal funding, and anticipated prior year savings.

NEWLY FUNDED PROGRAM INITIATIVES

Outlined below are examples of significant program initiatives that were funded or augmented by the FY 2024-25 Budget process:

- \$171.9 million to the Care First, Jails Last Community Investment Initiative to, among other things, provide permanent supportive housing, community operated youth centers, reentry services, violence prevention and gang intervention services, felony incompetent to stand trial program services, free phone calls for individuals in custody, acute mental health non-carceral care services, indigent defense services, and other applicable programs to address negative outcomes caused by racially driven criminal justice inequities and long-term community economic disinvestment.
- \$840.9 million to fund the County's New Framework to combat homelessness. The New Framework is divided into five categories of action to sustain momentum and drive results:
 - Coordinate – Create a coordinated system that links critical infrastructure and drives best practices;
 - Prevent – Provide targeted prevention services to avoid entry or a return to homelessness;
 - Connect – Link and navigate everyone to an exit pathway;

- House – Rapidly rehouse using temporary and permanent housing; and
 - Stabilize – Scale services critical to rehousing and stabilization.
-
- \$18.8 million to the Department of Public Social Services (DPSS) to support the increases in CalWORKs caseloads.
 - \$32 million for 154 positions in DPSS to ensure that the County draws down all available CalFresh State and federal revenue to support individuals and families in need of food benefits.
 - \$16.5 million to DPSS for General Relief caseload increases.
 - \$15.6 million to the Assessor’s Office to continue the Assessor Modernization Project, to replace the outdated legacy property assessment systems.
 - \$7.3 million to the Department of Registrar-Recorder/County Clerk for project maintenance and implementation services for the Election Management System.

CAPITAL ASSET AND DEFERRED MAINTENANCE INITIATIVES

The County continues to plan for, and fund high priority capital asset projects that address health, public safety, recreation, and infrastructure needs. Many capital asset initiatives are multi-year in nature and the FY 2024-25 Budget provides one-time funding of over \$2.46 billion for initiatives in progress as well as new projects. During FY 2023-24, nineteen capital projects were completed at a total cost over \$186.9 million, including the Crossroads Parkway, Walnut Park Pocket Park Stormwater Project, Harbor-UCLA Medical Center, UCLA Medical Center Fire Alarm and Nurse Call Systems Projects, and Rancho Los Amigos Interim Housing Facility Refurbishment Project.

The County continues to invest in deferred maintenance to meet performance requirements and expectations for its facilities. The FY 2024-25 Budget earmarks \$49 million for high priority repairs, maintenance, and accessibility modifications needs at County facilities, including juvenile halls, animal shelters, beaches, parks, and for various roof repairs.

NEWLY VOTER APPROVED COUNTY BALLOT MEASURES

On November 5, 2024, voters approved Measure A, commonly known as the Homelessness Services and Affordable Housing Ordinance. This measure authorizes the implementation of a permanent one-half cent sales tax to reduce and prevent homelessness, as well as to provide mental health and addiction treatment, and affordable housing. Additionally, this measure repeals the one-quarter cent sales tax enacted by Measure H in 2017, which would have otherwise expired in 2027. Measure A is projected to generate approximately \$1.076 billion annually.

On November 5, 2024, voters approved Measure E, commonly known as the Consolidated Fire Protection District of Los Angeles County Emergency Response and Infrastructure Ordinance. This measure authorizes the levy of 6 cents per square foot of certain parcel improvements to ensure timely emergency response times by local firefighters and paramedics. Measure E is projected to generate approximately \$152 million annually.

On November 5, 2024, voters approved Measure G, commonly known as the Los Angeles County Government Structure, Ethics and Accountability Charter Amendment. This measure amends the Los Angeles County Charter to create and elect a County Executive Officer by 2028; to create and establish an independent Ethics Commission by 2026 to increase restriction on lobbying and investigate misconduct; establishes a nonpartisan Legislative Analyst to review proposed County policies; and increases the Board of Supervisors from five to nine elected members following the 2030 census.

STRATEGIC PLANNING INITIATIVES

On March 6, 2024, the Board approved the County of Los Angeles FY 2024-2030 Strategic Plan, representing the County's commitment to its constituents, the community, and County government. The approved plan includes an updated vision, mission, and values, with three North Star goals, seventeen focus area goals, and sixty strategies and objectives with a focus on Board priorities and initiatives.

The strategic plan's underlying North Star goals and focus area goals are summarized as follows:

Make Investments that Transform Lives by investing in solutions that address our most complex societal challenges (health, jobs, housing, food insecurity, and recidivism) affecting our most vulnerable communities – one person at a time.

- A. *Healthy Individuals and Families*: Investing in County health systems to expand care capacity supporting the physical and mental health of individuals while addressing the social determinants that affect the residents' well-being.
- B. *Employment of Sustainable Wages*: Supporting mobility, economic and workforce development, job training, meaningful connections, and access employment opportunities with sustainable wages for County residents, with an emphasis on those who are experiencing barriers. Additionally, supporting small and large businesses growth to maintain job supply.
- C. *Housing and Homelessness*: Supporting efforts that prevent displacement, increase access to housing stability, develop more affordable housing, sustain homeownership opportunities, and enhance the effectiveness of the County's homeless rehousing system.
- D. *Support Vulnerable Populations*: Addressing conditions which drive interactions with the County's child welfare, homeless rehousing, carceral, law enforcement and justice systems.

Foster Vibrant and Resilient Communities by investing in the lives of the County residents and leveraging the support from networks that include public/private partnerships, faith-based organizations, community-based organizations, philanthropic organizations, and local governments, the County will foster vibrant and resilient communities.

- A. *Public Health*: Addressing community-wide issues, social determinants of health, risk and conditions that contribute to health disparities and threaten healthy lifestyles, and environmental and community health.
- B. *Care First, Jails Last*: Implementing a new vision of community safety in Los Angeles County one centered on health solutions and services provided in the community so that jail is the last option rather than the first and only response.

- C. *Public Safety*: Enhancing the safety of the public and our communities by addressing the risks, danger, harm, and conditions that cause, drive, or can help mitigate unlawful activity and crime, and support law enforcement accountability and transparency.
- D. *Sustainability*: Focusing on environmental justice, particularly in communities that have long endured industrial contamination, and “Our County” Sustainability Plan’s 12 board, aspirational, and cross-cutting goals, that embrace positive change and address sustainability issues regionally.
- E. *Economic Health*: Deploying and diffusing community resources and investments through partnership with community-based institutions, organizations, corporations, and small business to enhance the economic health of all communities.
- F. *Community Connections*: Investing in our communities and create public spaces and programs that are welcoming, accessible, where all residents can easily build relationships, create social networks, feel connected and can access opportunities.

Realize Tomorrow’s Government Today by pursuing and addressing public needs and expectations through innovative, flexible, effective, transparent partnerships that focus on advancing the common good while ensuring fiscal responsibility.

- A. *Communication and Public Access*: Providing increased transparency and accessibility to government services and communication, including information that is easy to understand and available in multiple languages and format.
- B. *Diverse and Inclusive Workforce*: Striving to meet the highest standards and promote a more diverse and inclusive County workforce that seeks to be representative of County residents.
- C. *Equity-Centered Policies and Practices*: Institutionalizing the use of an equity lens in County policies and practices.
- D. *Streamlined and Equitable Contracting and Procurement*: Implementing streamlined and more equitable contracting systems and opportunities.
- E. *Data-Driven Decision Making*: Using equity and data as a tool to continually assess and strengthen our efficiency and effectiveness, maximize and leverage resources, ensure fiscal responsibility, and hold ourselves accountable.
- F. *Flexible and Efficient Infrastructure*: Using lessons learned from the recent pandemic to implement flexible and efficient administrative, technological, and physical infrastructures to meet the needs of our constituents.
- G. *Internal Controls and Processes*: Strengthening our internal controls and processes while being cognizant of efficiency to continue good stewardship of the public trust and fiscal responsibility.

LONG-TERM FINANCIAL PLANNING

The Board has adopted policies, which guide the County’s CEO in financial planning and recommending budget proposals. Key policy elements include:

- Ongoing costs should be funded with ongoing revenues. Aligning continuing expenditures with continuing revenues, on a level that can be reasonably sustained, will foster stability, predictability, and long-range planning, while avoiding volatility in service levels. Before expanding services, use new, ongoing revenues to meet current obligations and reduce reliance on one-time funding. New programs should not be proposed without identifying specific and continuous funding sources.

- Budget decisions should be considered within the context of revenues and expenditures projected beyond a single fiscal year. A long-range forecast should be developed and maintained to reflect continuing programs, anticipated new initiatives, revenue changes, cost increases, potential problem issues, and other factors that may impact strategies for maintaining a balanced budget over several years.

On June 22, 2009, the Board established a “Reserve for Rainy Day” (Reserve) account within the County’s General Fund, which is intended to protect essential County programs against unforeseen emergencies and economic downturns. On May 3, 2022, the Board increased the Reserve cap from 10% to 17% of on-going locally generated revenue. Transfers, at a minimum of 10% of excess fund balance, less Board approved carryover balances, are required to be set aside in the Reserve until the 17% cap is met.

For the year ended June 30, 2011, the County implemented Governmental Accounting Standards Board Statement No. 54 (GASB 54), “Fund Balance Reporting and Governmental Fund Type Definitions.” The County’s policies for use of the Reserve are not within the GASB 54 definition of a stabilization arrangement. Therefore, the Reserve is classified as General Fund unassigned fund balance in the GAAP financial statements. As of June 30, 2024, the Reserve balance was \$978.6 million, and was increased to \$978.6 million as part of the FY 2024-25 Final Budget.

OTHER INFORMATION

INDEPENDENT AUDIT

The basic financial statements have been audited by Macias Gini & O’Connell LLP (MGO). In accordance with the 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), MGO is also in the process of completing an annual financial and compliance audit of federal funds received by the County in FY 2023-24. The County’s single audit for FY 2022-23 has been completed.

AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County of Los Angeles for its ACFR for the past forty-two fiscal years.

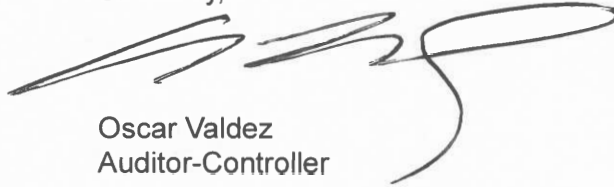
In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized ACFR, whose contents conform to program standards. The report must satisfy both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to Certificate of Achievement Program requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

ACKNOWLEDGMENTS

I would like to express my appreciation to my Accounting Division, the various County departments who assisted in the preparation of this report, and also acknowledge the efforts of our independent auditor.

Sincerely,

A handwritten signature in black ink, appearing to read 'Oscar Valdez', with a long, sweeping flourish extending to the right.

Oscar Valdez
Auditor-Controller



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**County of Los Angeles
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morill

Executive Director/CEO

COUNTY OF LOS ANGELES
BOARD OF SUPERVISORS AND PRINCIPAL COUNTY OFFICIALS
AS OF JUNE 30, 2024

BOARD OF SUPERVISORS

Lindsey P. Horvath, Chair
Third District

Hilda L. Solis
First District

Holly J. Mitchell
Second District

Janice Hahn
Fourth District

Kathryn Barger
Fifth District

Edward Yen
Executive Officer
Board of Supervisors

PRINCIPAL COUNTY OFFICIALS

Jeffrey Prang
Assessor

George Gascón
District Attorney

Robert G. Luna
Sheriff

Fesia A. Davenport
Chief Executive Officer

Elizabeth Buenrostro Ginsberg
Treasurer and Tax Collector

Oscar Valdez
Auditor-Controller

Dawyn R. Harrison
County Counsel

COUNTY OF LOS ANGELES

LEGEND

APPOINTIVE

- REQUIRED BY COUNTY CHARTER
- REQUIRED OR AUTHORIZED BY STATE LAW
- ★ ESTABLISHED BY ORDINANCE OF THE BOARD OF SUPERVISORS
- ▲ ESTABLISHED BY ORDER OF THE BOARD OF SUPERVISORS

ELECTIVE

- REQUIRED BY COUNTY CHARTER





Independent Auditor’s Report

The Honorable Board of Supervisors
County of Los Angeles, California

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, 2024, 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, 2024, 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%	10%

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). 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.

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

Other Information

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

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



Los Angeles, California
December 12, 2024

**COUNTY OF LOS ANGELES
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2024**

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, 2024. 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 \$10.447 billion. Net position is classified into three categories and the unrestricted component was negative \$35.141 billion.

During the current year, the County's net position increased by \$1.412 billion. Net position related to governmental activities increased by \$1.090 billion, while net position related to business-type activities increased by \$322 million.

At the end of the current year, the County's General Fund reported a total fund balance of \$7.693 billion. The fund balance categories and amounts consisted of nonspendable fund balance of \$294 million, restricted fund balance of \$89 million, committed fund balance of \$1.070 billion, assigned fund balance of \$1.345 billion, and \$4.895 billion of unassigned fund balance.

The County's capital asset balances were \$23.606 billion at year-end and increased by \$537 million during the year.

During the current year, the County's long-term debt related to bonds, notes and loans from direct borrowings and direct placements increased by \$131 million. Newly issued and accreted long-term debt of \$476 million was less than the long-term debt maturities of \$345 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.

COUNTY OF LOS ANGELES
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)-Continued
FOR THE YEAR ENDED JUNE 30, 2024

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.

COUNTY OF LOS ANGELES
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)-Continued
FOR THE YEAR ENDED JUNE 30, 2024

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.

**COUNTY OF LOS ANGELES
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)-Continued
FOR THE YEAR ENDED JUNE 30, 2024**

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 \$10.447 billion at the close of the most recent fiscal year.

Summary of Net Position
As of June 30, 2024 and 2023 (in thousands)

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Current and other assets	\$ 24,777,388	\$ 22,643,936	\$ 5,028,768	\$ 4,663,966	\$ 29,806,156	\$ 27,307,902
Capital assets	20,093,030	19,709,385	3,513,144	3,359,596	23,606,174	23,068,981
Total assets	<u>44,870,418</u>	<u>42,353,321</u>	<u>8,541,912</u>	<u>8,023,562</u>	<u>53,412,330</u>	<u>50,376,883</u>
Deferred outflows of resources	<u>10,817,024</u>	<u>10,817,003</u>	<u>1,658,774</u>	<u>1,634,388</u>	<u>12,475,798</u>	<u>12,451,391</u>
Current and other liabilities	7,952,565	7,719,806	1,072,810	958,829	9,025,375	8,678,635
Long-term liabilities	48,032,219	46,002,627	7,993,020	7,682,704	56,025,239	53,685,331
Total liabilities	<u>55,984,784</u>	<u>53,722,433</u>	<u>9,065,830</u>	<u>8,641,533</u>	<u>65,050,614</u>	<u>62,363,966</u>
Deferred inflows of resources	<u>9,655,293</u>	<u>10,490,505</u>	<u>1,629,595</u>	<u>1,832,739</u>	<u>11,284,888</u>	<u>12,323,244</u>
Net position:						
Net investment in capital assets	16,229,559	15,833,971	2,590,331	2,525,430	18,819,890	18,359,401
Restricted	5,788,406	5,083,496	85,492	84,718	5,873,898	5,168,214
Unrestricted (deficit)	<u>(31,970,600)</u>	<u>(31,960,081)</u>	<u>(3,170,562)</u>	<u>(3,426,470)</u>	<u>(35,141,162)</u>	<u>(35,386,551)</u>
Total net position	<u>\$ (9,952,635)</u>	<u>\$ (11,042,614)</u>	<u>\$ (494,739)</u>	<u>\$ (816,322)</u>	<u>\$ (10,447,374)</u>	<u>\$ (11,858,936)</u>

COUNTY OF LOS ANGELES
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)-Continued
FOR THE YEAR ENDED JUNE 30, 2024

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 \$2.133 billion for governmental activities. There was an increase of \$1.797 billion in pooled cash and investments, largely due to the improved cash position of the County's General Fund, Mental Health Services Act (MHSA) fund and the nonmajor special revenue funds of \$986 million, \$456 million and \$286 million, respectively, \$366 million in other receivables primarily from mental health, social services, and General Fund health programs, and \$42 million in taxes receivable accrued at year-end. This was offset by a decrease of \$112 million in internal receivables from the prior year.

For business-type activities, current and other assets increased by \$365 million. The business-type activities other receivables and internal receivables increased by \$299 million and \$112 million, respectively, from the prior year. This was offset by a decrease of \$46 million in accounts receivables from the prior year.

Deferred Outflows of Resources

In the current year, the County's deferred outflows of resources balances were \$12.476 billion. The deferred outflows of resources were \$10.817 billion and \$1.659 billion for governmental and business-type activities, respectively. The total deferred outflows of resources amounts and net increases of \$24 million were mostly related to pension and OPEB RHC. The total pension related deferred outflows increased by \$210 million and \$57 million for governmental and business-type activities, respectively, from the prior year. The total OPEB RHC related deferred outflows decreased by \$208 million and \$32 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 increased by \$233 million for governmental activities primarily from an increase in advances payable of \$251 million, accounts payable of \$82 million, and accrued payroll of \$37 million at year-end. This was offset by a decrease in other payables of \$137 million for amounts owed at year-end. For business-type activities, a net increase of \$114 million in current and other liabilities was largely associated with an increase in accounts payable of \$105 million for amounts owed at year-end.

Long-term liabilities increased by \$2.030 billion and \$310 million for governmental and business-type activities, respectively. Net pension liabilities significantly increased in the current year by \$767 million and \$146 million for governmental and business-type activities, respectively. Net OPEB liabilities increased by \$353 million and \$32 million for governmental and business-type activities, respectively. Net Pension and OPEB liabilities changes were due to the projected and actual experience, assumption changes and changes in proportion, offset by the increase in plan fiduciary net position due to improved investment performance.

COUNTY OF LOS ANGELES
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)-Continued
FOR THE YEAR ENDED JUNE 30, 2024

Liabilities-Continued

For governmental activities, litigation and self-insurance liabilities increased by approximately \$612 million 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.

For business-type activities, liabilities for accrued compensated absences and workers' compensation were higher by \$21 million and \$10 million, respectively. For business-type activities, bonds, notes and loans from direct placements were higher by \$117 million. Amounts owed to third party payors by the County's hospitals were higher by \$5 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 \$11.285 billion. Deferred inflows of resources decreased by \$835 million and \$203 million for governmental and business-type activities, respectively. The total OPEB RHC and LTD related deferred inflows decreased by \$634 million and \$153 million for governmental and business-type activities, respectively, from the prior year. Pension related deferred inflows of resources decreased by \$211 million and \$49 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.

Deferred inflows of resources for leases increased by \$12 million in governmental activities. For Public-Private and Public-Public Partnerships (PPPs), there were \$83 million of related deferred inflows of resources recognized in the current year, which represents a decrease of \$2 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.

COUNTY OF LOS ANGELES
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)-Continued
FOR THE YEAR ENDED JUNE 30, 2024

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, \$18.820 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 \$5.874 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 \$35.141 billion. Both governmental and business-type activities reported deficits in this category of \$31.971 billion and \$3.170 billion, respectively. OPEB related liabilities of \$25.126 billion, along with pension liabilities totaling \$14.074 billion, continued to be the most significant factors associated with the reported deficits.



**COUNTY OF LOS ANGELES
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)-Continued
FOR THE YEAR ENDED JUNE 30, 2024**

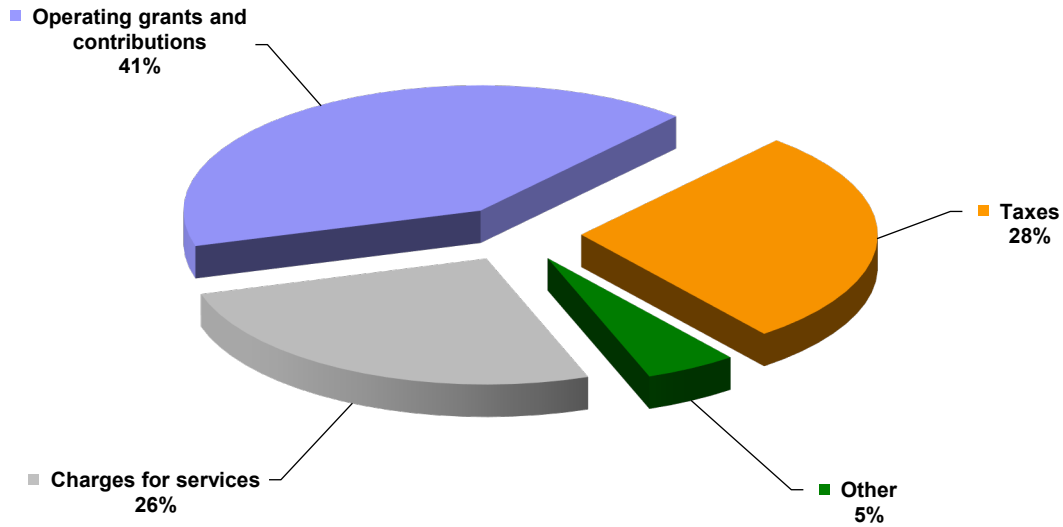
The following table details and identifies changes in net position for governmental and business-type activities:

Summary of Changes in Net Position
For the Years Ended June 30, 2024 and 2023
(in thousands)

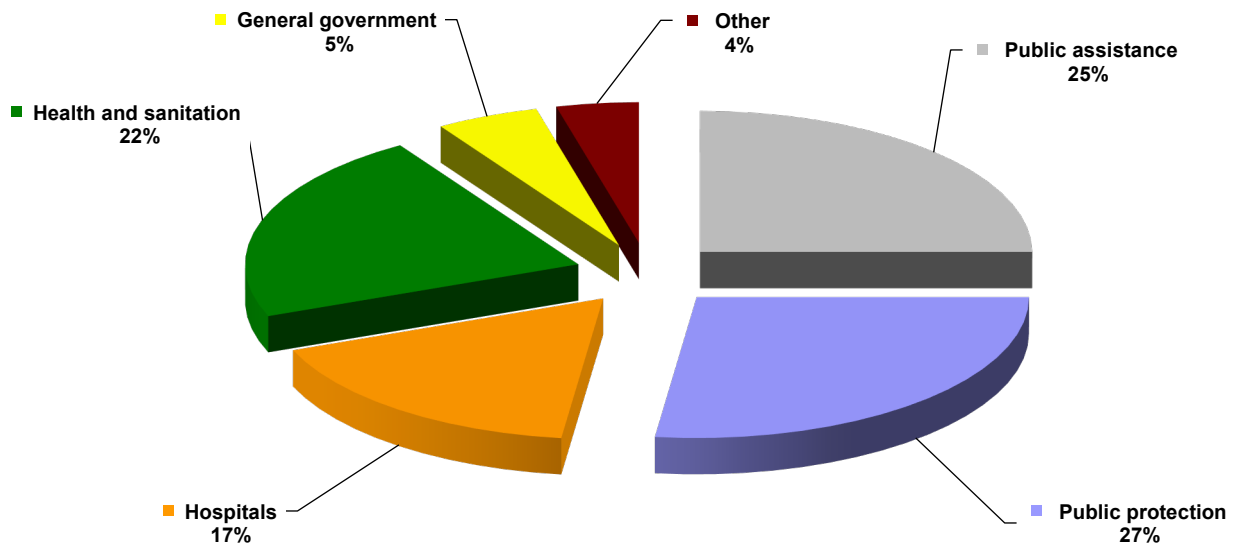
	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues:						
Program revenues:						
Charges for services	\$ 4,757,465	\$ 4,342,851	\$ 5,367,328	\$ 5,018,952	\$ 10,124,793	\$ 9,361,803
Operating grants and contributions	15,578,862	14,134,795	185,668	182,601	15,764,530	14,317,396
Capital grants and contributions	58,660	64,023	326	1,193	58,986	65,216
General revenues:						
Taxes	10,811,926	10,297,844	9,101	8,368	10,821,027	10,306,212
Unrestricted grants and contributions	679,353	632,188	966	114	680,319	632,302
Investment income	863,672	347,504	53,810	22,949	917,482	370,453
Miscellaneous	253,977	278,413	303	59	254,280	278,472
Total revenues	33,003,915	30,097,618	5,617,502	5,234,236	38,621,417	35,331,854
Expenses:						
General government	1,884,559	1,626,902			1,884,559	1,626,902
Public protection	10,040,684	10,535,212			10,040,684	10,535,212
Public ways and facilities	585,307	543,472			585,307	543,472
Health and sanitation	8,032,810	6,906,927			8,032,810	6,906,927
Public assistance	9,426,531	10,390,815			9,426,531	10,390,815
Education	173,303	154,258			173,303	154,258
Recreation and cultural services	534,164	588,735			534,164	588,735
Interest on long-term debt	178,369	161,604			178,369	161,604
Hospitals			6,215,647	5,560,504	6,215,647	5,560,504
Waterworks			118,530	113,074	118,530	113,074
Aviation			19,951	19,677	19,951	19,677
Total expenses	30,855,727	30,907,925	6,354,128	5,693,255	37,209,855	36,601,180
Excess (deficiency) before transfers	2,148,188	(810,307)	(736,626)	(459,019)	1,411,562	(1,269,326)
Transfers	(1,058,209)	(1,117,417)	1,058,209	1,117,417		
Change in net position	1,089,979	(1,927,724)	321,583	658,398	1,411,562	(1,269,326)
Net position - beginning	(11,042,614)	(9,114,890)	(816,322)	(1,474,720)	(11,858,936)	(10,589,610)
Net position - ending	\$ (9,952,635)	\$ (11,042,614)	\$ (494,739)	\$ (816,322)	\$ (10,447,374)	\$ (11,858,936)

COUNTY OF LOS ANGELES
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)-Continued

REVENUES BY SOURCE – ALL ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024



EXPENSES BY TYPE – ALL ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024



COUNTY OF LOS ANGELES
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)-Continued
FOR THE YEAR ENDED JUNE 30, 2024

Governmental Activities

Revenues from governmental activities increased by \$2.906 billion (9.7%) 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 \$1.444 billion, which was primary attributable to an increase in health and sanitation and public assistance from State and federal revenues. Health and sanitation revenues grew by \$1.027 billion primarily from higher MHSA State revenues of \$450 million, higher reimbursable costs associated with mental health services of \$522 million and public health programs of \$179 million and offset by lower State realignment revenues of \$27 million. Revenues for public assistance programs grew by \$293 million as there were higher administrative and program reimbursable costs of \$445 million for public social services, children and family services, and homeless and housing programs which was offset by a reduction of COVID-19 revenues of \$166 million. General government revenues grew by \$57 million primarily from \$33 million of State revenues to fund capital projects and \$25 million for the Internal Services Department energy grant and American Rescue Plan (ARP) Digital Divide program. Revenues for public protection programs increased by \$53 million primarily due to the State 2011 Realignment revenues in the Probation department.
- Taxes, the County's largest general revenue source, were \$514 million higher than the prior year and were mostly attributable to property taxes and sales and other taxes, which grew by \$498 million and \$16 million, respectively. The County's total taxable assessed property tax value is \$2.024 trillion, which grew by 5.92% in the current year and property tax revenue increased by \$436 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 \$532 million and increased by \$27 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 \$469 million, an increase of \$4 million compared to the prior year. Other general revenues also increased by \$11 million from the Homeless and Housing Measure H sales tax and \$2 million from the local generated sales tax due to higher prices and increased consumer spending. This was offset by a decrease in deed transfer tax revenue of \$8 million due to the decline in real estate sales.
- Program revenues recognized from charges for services increased by \$415 million which was primary attributable to an increase in health and sanitation and public protection functional categories by \$342 million and \$73 million, respectively. Health and sanitation increase was due to an increase in health services administration and health community programs of \$256 million and \$76 million, respectively. The public protection increase was due to an increase in Sheriff law enforcement and Justice, Care Opportunities department (JCOD) programs by \$51 million and \$17 million, respectively.
- Investment income increased by \$516 million due to an increase in interest income of \$269 million and a change in the fair value in investments at year-end of \$247 million, which was primarily from changes in market yields throughout the fiscal year.

COUNTY OF LOS ANGELES
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)-Continued
FOR THE YEAR ENDED JUNE 30, 2024

Governmental Activities-Continued

Expenses related to governmental activities decreased by \$52 million (0.2%) during the current year. This was attributable to an increase in salaries and employee benefit (S&EB) expenses of \$1.262 billion and a decrease in operating expenses of \$1.314 billion. The S&EB increase was largely attributable for general salary increases by \$909 million, an increase in pension expenses by \$610 million, and a decrease in OPEB expenses by \$241 million, in all functional categories.

The decrease in the operating expenses of \$1.314 billion was primarily from public assistance and public protection by \$1.219 billion and \$1.084 billion, respectively. In addition, health and sanitation, general government and public ways and facilities operating expenses increased by \$818 million, \$101 million and \$46 million, respectively. Public assistance operating expenses were higher from public social services programs by \$328 million, higher children and family services programs by \$85 million, and lower affordable and homeless housing programs by \$114 million. In addition, litigation and self-insurance expenses were lower by \$1.502 billion primarily from the AB 218 prior year estimates. Public protection operating expenses were higher from Consumer and Business Affairs and Public Works programs by \$66 million and \$51 million, respectively. In addition, litigation and self-insurance expenses were lower by \$1.123 billion primarily from the AB 218 prior year estimates.

Health and sanitation operating expenses were higher by \$818 million primarily for mental health and health administration and community programs of \$478 million and \$343 million, respectively. General government operating expenses were higher by \$101 million primarily from the Public Works and Economic Development departments of \$24 million and \$68 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 \$46 million.

Interest on long-term debt was \$178 million, an increase of \$17 million from the prior year. Depreciation/amortization expense was \$674 million in the current year, an increase of \$90 million from the prior year amount of \$584 million in all functional categories.

Business-type Activities

Revenues from business-type activities for the current year were \$5.618 billion, an increase of \$383 million (7.3%) from the previous year. The most significant increase was in charges for services to the County's hospitals by \$338 million primarily associated with an increase in Global Payment Program and Managed Care Rate Supplement revenues by \$149 million and \$155 million, respectively. 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. Business-type activities for investment income increased by \$31 million due to an increase in interest income of \$13 million and a change in the fair value in investments at year-end of \$18 million, which was primarily from changes in market yields throughout the fiscal year.

Expenses related to business-type activities increased from the previous year by a net total of \$661 million (11.6%), and were associated primarily with the County's hospitals, where expenses increased by \$655 million. The hospital expenses for S&EB consisted of an increase from general salary increases and pension expenses of \$143 million and \$95 million, respectively. The S&EB increase was offset by a decrease in OPEB expenses of \$46 million. In addition, there was an increase of \$204 million for services and supplies and professional services expenses related to an increase in patient care services and an increase in the County's hospital intergovernmental transfer expense of \$242 million primarily for the Managed Care Rate Supplement, Enhanced Payment, and Global Payment programs.

COUNTY OF LOS ANGELES
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)-Continued
FOR THE YEAR ENDED JUNE 30, 2024

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 \$14.015 billion, an increase of \$1.860 billion in comparison with the prior year. Of the total fund balances, \$394 million is nonspendable to indicate the extent that funds are not in spendable form or are required to remain intact. An additional \$5.857 billion is classified as restricted, \$1.240 billion as committed, and \$1.629 billion as assigned. The remaining balance of \$4.895 billion is classified as unassigned and is entirely associated with the General Fund.

Revenues from all governmental funds for the current year were \$32.912 billion, an increase of \$2.802 billion (9.3%) from the previous year. Expenditures for all governmental funds in the current year were \$30.361 billion, an increase of \$2.040 billion (7.2%) from the previous year. In addition, net other financing uses were \$692 million, an increase of \$81 million (13.3%) as compared to \$611 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 \$1.210 billion (18.7%). At the end of the current fiscal year, the General Fund's total fund balance was \$7.693 billion. Of this amount, \$294 million is classified as nonspendable, \$89 million as restricted, \$1.070 billion as committed, \$1.345 billion as assigned and the remaining \$4.895 billion is classified as unassigned.

General Fund revenues during the current year were \$27.263 billion, an increase of \$2.042 billion (8.1%) from the previous year. General Fund expenditures during the current year were \$26.396 billion, an increase of \$1.782 billion (7.2%) from the previous year. Net other financing sources/uses was positive \$342 million in the current year as compared to positive \$258 million in the prior year.

Following are significant changes in General Fund revenues and expenditures:

- Intergovernmental revenues increased by \$861 million overall, and were primarily associated with an increase in State revenue by \$380 million, federal revenue by \$456 million and other governmental agencies revenue by \$24 million. State and federal revenues related to the COVID-19 federal and State grants funds decreased by \$583 million and were offset by an increase of \$178 million from the ARP funds. Health Services Realignment State sales tax and vehicle license fees were higher by \$52 million primarily due to higher prices and consumer spending. Other State and federal revenue growth was attributable to higher levels of reimbursable program and administrative costs in the mental health, social services, public health, probation, and sheriff programs of \$522 million, \$431 million, \$179 million, \$59 million, and \$27 million, respectively. This was offset by lower levels of reimbursable programs and administrative costs in health services administration and diversion reentry programs of \$110 million and \$73 million, respectively.

COUNTY OF LOS ANGELES
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)-Continued
FOR THE YEAR ENDED JUNE 30, 2024

Governmental Funds-Continued

- Charges for services increased by \$444 million. The significant increases were primarily associated in the health services administration, ambulatory care and community health programs of \$256 million, \$76 million and \$38 million, respectively, which was associated with the Global Payment Program and community support services. Also, there was an increase in charges for services for public health programs of \$24 million. The Sheriff's department law enforcement services revenues and JCOD programs for court services increased by \$50 million and \$17 million, respectively. This was offset by \$29 million in lower election services from the Registrar-Recorder from the prior year.
- Revenues from taxes increased by \$378 million and were primarily associated with an increase in property taxes of \$385 million and a decrease in other taxes of \$7 million. The property taxes increase was primarily associated with \$369 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, \$1 million higher than the prior year. Property tax was also reflected in "pass through" property tax revenues, which were \$23 million higher in the current year. Documentary transfer taxes decreased other taxes by \$8 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 \$1 million from increased consumer spending and higher prices.
- Investment income resulted in an increase of \$330 million due to an increase of \$176 million in interest earnings and an increase of \$154 million in the fair value change in investments at year-end, which was primarily from changes in market yields throughout the fiscal year.
- General Fund expenditures increased by a total of \$1.782 billion, or 7.2%. Current expenditures increased by \$1.900 billion, and debt service and capital outlay expenditures decreased by \$118 million.
 - Health and sanitation expenditures increased by \$1.033 billion. This was primarily due to an increase of \$479 million in mental health expenditures and \$474 million in the general fund health services administration, ambulatory care, correctional health, and community health programs. There was also an increase of \$237 million for general salary increase for S&EB costs. This was offset by a decrease of \$69 million in expenditures for public health programs.
 - Public assistance expenditures increased by \$389 million. This was primarily due to an increase of expenditures of \$325 million for public social services, \$86 million for children and family services, and \$32 million for homeless and housing programs. There was also an increase of \$196 million for general salary increase for S&EB costs. This was offset by a decrease in affordable housing and aging and disabilities programs of \$200 million and \$27 million, respectively.
 - Public protection program costs were higher by \$315 million, and were primarily associated with an increase in S&EB expenditures of \$260 million and an increase in law enforcement expenditures of \$65 million for consumer and business affairs programs.

COUNTY OF LOS ANGELES
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)-Continued
FOR THE YEAR ENDED JUNE 30, 2024

Governmental Funds-Continued

- General government spending increased by \$151 million and was primarily associated with increased expenditures of \$68 million for the Economic Opportunity department, \$57 million for the Care First and Community Investment (CFCI) program, and \$47 million for costs associated with capital improvements. This was offset by a decreased expenditures of \$64 million for judgments and damages, \$28 million for the Internal Services Department, and \$31 million in rent expense. There was a net increase of \$108 million for general salary increases in S&EB.

The Fire Protection District reported a year-end fund balance of \$259 million, which represented an increase of \$43 million compared to the previous year increase of \$27 million, resulting in a net difference of \$16 million. The Fire Protection District responds to a number of major incidents and emergencies and provides essential fire protection and emergency medical services during the fiscal year. Revenues increased by \$73 million, of which \$49 million was related to property taxes and primarily associated with growth in assessed property values, \$14 million in charges for services, and \$10 million in investment income. Expenditures were higher by \$30 million, of which S&EB were higher by \$61 million for general salary increases and and offset by lower services and supplies cost of \$29 million.

The Flood Control District reported a year-end fund balance of \$270 million, which represented a decrease of \$94 million in fund balance compared to the previous year's decrease of \$42 million, resulting in a net difference of \$52 million. The change in fund balance was primarily due to higher services and supplies and capital assets infrastructure expenditures of \$35 million for infrastructure improvement projects to support flood protection and water conservation. Revenues declined by \$6 million due to a decrease in charges of services of \$15 million, \$9 million from higher property taxes due to growth in assessed valuation, \$10 million from higher interest revenue due to favorable interest rates. There was also a net increase of other financing uses of \$12 million.

The LA County Library Fund reported a year-end fund balance of \$168 million, which represented a decrease of \$1 million in fund balance compared to the previous year increase of \$38 million, resulting in a net difference of \$39 million. Revenues increased by \$11 million, of which \$6 million was related to property taxes associated with growth in assessed valuation, \$4 million lower State and federal revenues and \$9 million higher investment income. Expenditures were \$11 million higher than the previous year and other financing sources were lower by \$39 million.

The Regional Park and Open Space District reported a year-end fund balance of \$791 million, which represented an increase of \$115 million in fund balance compared to the previous year increase of \$101 million, resulting in a net difference of \$14 million. The net change in fund balance was primarily attributable to an increase in investment income of \$23 million from higher interest rates. Property tax increased by \$7 million from the previous year due to growth in assessed valuation. Expenditures were higher by \$16 million due to an increase in program awards to empower communities and preserve parks and open space from the previous year.

The MHSA Fund reported a year-end fund balance of \$1.549 billion, which represented a decrease of \$316 million in fund balance compared to the previous decrease of \$46 million, resulting in a net difference of \$362 million. Current year revenues were higher by \$486 million, primarily from an increase of \$450 million in State revenues and investment income of \$36 million, while transfers out increased by \$124 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).

COUNTY OF LOS ANGELES
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)-Continued
FOR THE YEAR ENDED JUNE 30, 2024

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.

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 \$92 million for the Rancho Los Amigos National Rehabilitation Center to \$442 million for the Los Angeles General Medical Center. The total subsidy amount was \$954 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 \$906 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 (\$101 million), Harbor-UCLA Medical Center (\$68 million), and Olive-View UCLA Medical Center (\$40 million). The total current year amount of \$209 million in Measure B transfers increased by \$16 million from the prior year.

Waterworks Fund reported year-end net position of \$764 million, which was \$2 million higher than the previous year, resulting in a net difference of \$11 million from the prior year. Revenues of \$101 million were slightly higher by \$10 million than the previous year's amount of \$91 million. Current year operating expenses of \$118 million were slightly higher by \$6 million than the previous year. Net nonoperating revenues increased by \$7 million primarily from higher investment income of \$5 million.

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 \$452 million in the General Fund's available (unassigned) fund balance from the previous year.

**COUNTY OF LOS ANGELES
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)-Continued
FOR THE YEAR ENDED JUNE 30, 2024**

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):

<u>Category</u>	Increase (Decrease) From Original Budget	Final Budget Amount	Actual Amount	Variance- Positive (Negative)
Taxes	\$ 5,422	\$ 7,859,100	\$ 8,025,301	\$ 166,201
Intergovernmental revenues	780,208	16,354,894	14,709,603	(1,645,291)
Charges for services	494,398	3,456,959	3,361,713	(95,246)
All other revenues	59,269	829,001	1,170,676	341,675
Other sources and transfers in	192,882	2,038,225	1,347,823	(690,402)
Total	\$ 1,532,179	\$ 30,538,179	\$ 28,615,116	\$ (1,923,063)

Changes from Amounts Originally Budgeted

During the year, net increases in budgeted revenues and other financing sources were approximately \$1.532 billion. The changes occurred in the following areas:

- The budget for "Taxes" increased by \$6 million. The \$6 million increase was primarily associated with year-end budgetary changes that are designed to demonstrate compliance with legal provisions related to the appropriations of revenues from property taxes and certain other tax related revenues.
- The estimated revenue for "Intergovernmental revenues" increased by \$780 million. The increase is primarily from COVID-19 federal ARP revenues, which is associated with \$463 million for a variety of ARP programs and \$336 million under the ARP Revenue Loss Provision. On November 6, 2023, the County identified revisions to its ARP spending plan and reallocated funds for housing and homelessness programs, affordable housing, support the health and public health response to COVID-19, direct community investments and grants, support for tenants and landlords, workforce development services, economic support for small businesses and nonprofits, and programs targeting people who need assistance. The remaining net budget decreases of \$19 million were related to a variety of federal and State funded programs.
- The estimated revenue for "Charge for services" increased by \$494 million. The increase is primarily from \$284 million for health services administration services, \$163 million for the ambulatory care network services, \$32 million for the Sheriff's department contracted services and \$8 million for Public Health services. There were \$7 million of net budget increases in charges for services from a variety of programs.
- The budget for "All other revenues" increased by \$59 million primarily from \$38 million in investment income due to higher interest rates and \$11 million for increases in Public Works licenses, permits, and franchises revenues. There were \$10 million in net budget increases for miscellaneous revenues.
- The budget for "Other sources and transfers in" increased by \$193 million from transfers of \$124 million from the Nonmajor Other Special Revenue for capital projects, \$54 million from the MHSA fund for General Fund mental health programs and \$15 million in other transfers for a variety of programs.

COUNTY OF LOS ANGELES
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)-Continued
FOR THE YEAR ENDED JUNE 30, 2024

Actual Revenues/Financing Sources Compared with Final Budget Amounts

Actual revenues and other financing sources recognized by the General Fund were approximately \$28.615 billion. This amount was \$1.923 billion, or 6.3%, lower than budget. As discussed below, the changes occurred in the following areas.

- Actual "Taxes" were higher by \$166 million from the amount budgeted. Of this increase, \$149 million increase was associated with property tax revenue due to a growth in assessed property values. Other taxes increased primarily from an increase in aircraft assessment, transient occupancy tax, and local sales revenue by \$15 million, \$13 million, and \$7 million, respectively. There were net decrease in deed transfer taxes of \$18 million due to a decline in real estate transactions.
- Actual "Intergovernmental revenues" were \$1.645 billion lower than the amount budgeted. The ARP programs in various departments accounted for \$238 million as these program costs were not completed prior to year-end. Approximately \$439 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. Health, correctional, and community health program, Public health, Mental health, Economic opportunity, and Homeland Security grants, accounted for approximately \$177 million, \$173 million, \$72 million, \$32 million, and \$23 million, respectively, which experienced lower than anticipated reimbursable costs and correspondingly lower than expected revenues. Budgeted intergovernmental revenues of \$366 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 \$25 million experienced lower than anticipated revenue for State funded homeless and housing initiatives. Probation and Sheriff budgeted intergovernmental revenues were lower by \$25 million, which experienced lower than anticipated reimbursable operating expenditures and staffing vacancies. Programs that support criminal justice reform in the Office of Diversion and Reentry, JCOD, and Youth Development budgeted intergovernmental revenues were lower by \$46 million as new programs and initiatives were still being developed prior to year-end. There were net decreases of \$29 million from a variety of programs.
- Actual "Charges for services" were \$95 million lower than the amount budgeted. The decrease was primarily attributable to \$32 million, \$20 million and \$16 million of costs associated with ambulatory care network, community health services, and public health 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 were \$13 million lower than the budgeted amount as they develop and continue to ramp up services. Registrar-Recorder experienced a \$19 million decline of revenue from election services. There were net increases of \$5 million from a variety of programs.
- Actual "All other revenues" were \$341 million higher than budgeted. Interest revenue was higher by \$254 million due to a changes in the market yields throughout the fiscal year. Miscellaneous revenues were primarily higher from the Rent Expense, Health Services Administration and Community Health Services programs by \$45 million. Fine and penalties were higher by \$49 million. License Permits and Franchise revenues were higher by \$4 million. There were net decreases of \$11 million from other revenues for the remaining variance.

**COUNTY OF LOS ANGELES
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)-Continued
FOR THE YEAR ENDED JUNE 30, 2024**

Actual Revenues/Financing Sources Compared with Final Budget Amounts-Continued

- The actual amount of "Other sources and transfers in" was \$690 million lower than the amount budgeted. Of this amount, mental health programs funded by the MHSA Fund did not fully materialize at the budgeted level and "transfers in" were \$371 million lower than budgeted. The Homeless and Housing Measure H costs were \$165 million less than budgeted for General Fund programs. Costs associated with Consumer protection, Probation, Sheriff, JCOD, and Youth development departmental programs funded by the Other Public Protection Special Revenue Funds were \$54 million less than budgeted. Costs associated with the public health programs funded by the Health and Sanitation Special Revenue funds were \$13 million less than budgeted. In addition, "transfers in" totaling \$66 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 \$21 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):

<u>Category</u>	Increase (Decrease) From Original Budget	Final Budget Amount	Actual Amount	Variance- Positive
General government	\$ (20,685)	\$ 3,821,756	\$ 1,879,693	\$ 1,942,063
Public protection	344,601	7,552,904	7,185,630	367,274
Health and sanitation	258,447	8,802,606	7,791,294	1,011,312
Public assistance	26,403	10,001,015	9,097,590	903,425
All other expenditures	414,518	2,682,484	982,445	1,700,039
Transfers out	302,598	1,072,368	1,069,312	3,056
Contingencies	(77,561)	(185)		(185)
Fund balance changes-net	283,858	369,720	157,576	212,144
Total	\$ 1,532,179	\$ 34,302,668	\$ 28,163,540	\$ 6,139,128

Changes from Amounts Originally Budgeted

During the year, net increases in General Fund appropriations and fund balance component changes were approximately \$1.532 billion. The most significant changes occurred in the following areas:

- "Public protection" appropriations increased by \$345 million. An increase of \$24 million of S&EB was appropriated to reflect the general S&EB increases. Law enforcement appropriations increased by \$197 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 federal grant programs. The Consumer and Business Affairs appropriations increased by \$47 million for ARP programs to provide mortgage relief, expand the income tax assistance program, financial coaching, landlord-tenant mediation, and rent relief. District attorney appropriations increased by \$26 million to pay for operation costs in services and supplies, insurance, litigation, and settlements costs. Probation appropriations were increased by \$31 million to fund the department operation costs which include increases in services and supplies, contracts, equipment purchases, insurance, and legal settlements. There were net increases of \$20 million for other public protection programs.

COUNTY OF LOS ANGELES
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)-Continued
FOR THE YEAR ENDED JUNE 30, 2024

Changes from Amounts Originally Budgeted-Continued

- "Health and sanitation" appropriations were increased by \$258 million. General Fund health services operations that support Administration, Ambulatory care network, and Correctional health appropriations increased by \$305 million to fund increased costs related to intergovernmental transfers, registry staffing, medical supplies, pharmaceuticals, and equipment purchases which was offset by a decrease in S&EB appropriations of \$59 million. Mental health appropriations increased by \$48 million to fund the innovative interim housing outreach program, temporary mental health shelter beds, and mental health contract providers. Public health appropriations increased by \$149 million primarily for the expansion of substance use disorder contracted services and ARP funded programs for COVID-19 community testing. Community health programs, a newly established budget, provides comprehensive services for the patient populations that are also experiencing non-medical factors that influence a patient health outcomes appropriations decreased by \$189 million. There were net increases of \$4 million for other health and sanitation programs.
- Appropriations for "All other expenditures" were increased by \$415 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 \$303 million. The increase was primarily attributable to augmenting the amount of fund transfers from the General Fund to the various Hospital Enterprise Funds.
- Net fund balance budgetary changes of \$284 million had the effect of reducing the available (unassigned) fund balance component. The changes were largely attributable to increasing the reserve for rainy day funds and committed for American Rescue Plan for capital programs by \$124 million and \$209 million, respectively. The remaining variance of \$49 million was attributable to various other fund balance accounts.

Actual Expenditures/Other Financing Uses Compared with Final Budget Amount

Actual expenditures/other financing uses for the current year were \$6.139 billion (17.9%) lower than the final total budget of \$34.303 billion. There were budgetary savings in all functional expenditure categories. Following are the functional areas that recognized the variations from the final budget:

- General government expenditures were \$1.942 billion less than the budgeted amount. Of this amount, the budgetary savings was largely attributable to appropriations not associated with specific County departments, such as provisional appropriations and central non-departmental appropriations by \$1.249 billion. The CFCI Program not associated with a specific County department had budgetary savings of \$197 million as they continue to design, develop, launch and implement Board-approved CFCI programs. The Board of Supervisors had budgetary savings of \$127 million to be spent in future years for various community projects. S&EB savings for general government operations of \$122 million were due to vacancies and hiring delays. The Department of Economic Opportunity had budgetary savings of \$100 million to be spent in future years for economic development initiatives within the County. Chief Executive Office had budgetary savings of \$47 million due to lower than anticipated operational costs. Judgments and damages had budgetary savings of \$32 million due to lower than anticipated legal settlements costs. The remaining net budgetary savings of \$68 million was spread across the general government departments and was mostly related to savings in the areas of services and supplies.

COUNTY OF LOS ANGELES
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)-Continued
FOR THE YEAR ENDED JUNE 30, 2024

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

- Overall expenditures for the "health and sanitation" category were \$1.011 billion less than the budgeted amount. Specifically, the budgetary savings were from the mental health, community health programs, CFCI health programs, public health programs, and health services administration of \$289 million, \$240 million, \$116 million, \$75 million, \$17 million, respectively, due to lower than anticipated costs for professional, contracted, and information technology services, and implementing new programs. There was also \$265 million from S&EB savings due to staffing vacancies and hiring delays. The remaining variance of \$9 million was related to other health and sanitation programs.
- Actual "public assistance" expenditures were \$903 million lower than the final budget. The variance of \$309 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 \$231 million and \$253 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. The Aging and Disabilities department was lower than budgeted by \$13 million due to lower than anticipated costs to support older adults, adults with disabilities and community programs. In addition, there were S&EB savings of \$95 million due to the hiring delays and vacancies. The remaining variance of \$2 million was related to other public assistance programs.
- The category referred to as "all other expenditures" reflected actual spending of \$1.700 billion less than the budgeted amount. Of this variance, \$1.672 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, 2024, were \$23.606 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.

**COUNTY OF LOS ANGELES
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)-Continued
FOR THE YEAR ENDED JUNE 30, 2024**

The total increase in the County's capital assets (net of depreciation/amortization) for the current fiscal year was \$537.19 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	Increase (Decrease)
Land and easements	\$ 7,840,427	\$ 7,815,091	\$ 25,336
Buildings and improvements	6,319,349	6,141,339	178,010
Infrastructure	3,740,931	3,856,261	(115,330)
Equipment	635,142	599,197	35,945
Software	133,770	166,611	(32,841)
Capital assets, in progress	3,340,491	2,876,906	463,585
Lease assets	1,498,670	1,526,637	(27,967)
Subscription assets	97,394	86,939	10,455
	<u>\$ 23,606,174</u>	<u>\$ 23,068,981</u>	<u>\$ 537,193</u>

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 \$464 million.

Governmental activities for capital assets, in progress, increased by \$403 million which included major buildings and improvements construction-in-progress for general government of \$67 million, public protection of \$104 million, health and sanitation of \$62 million, public assistance of \$16 million, and recreation and cultural services of \$130 million. The major projects include \$53 million for various deferred maintenance projects under the Facility Reinvestment Program, \$41 million for the Natural History Museum Commons Renovation, \$22 million for the Hall of Administration retrofit and repairs, and \$20 million for the Natural History Museum La Brea Tar Pits. In addition, there were capitalized software-in-progress costs of \$18 million for the Assessor's Modernization Project Phase 4 and \$10 million for the Registrar-Recorder/County Clerk's Voting System for all People Tally System and Ballot Marking Devices and Manager Enhancement. There was also a net increase in buildings and improvements totaling \$73 million. Completed major capital projects processed in the current year included \$30 million for the East Los Angeles Sustainable Median Stormwater Capture project, \$12 million for the Rancho Los Amigos South Campus Sports Center, \$12 million for Tenant Improvements, \$10 million for the Hall of Records 7th Floor Renovation, \$11 million for the Santa Clarita Fire Station No. 104, \$10 million for the Park to Playa Trail: Stoneview Nature Center to Kenneth Hahn State Recreational Area Segment, \$5 million for the Harbor-UCLA Medical Center Mental Health Adult Outpatient Program Interim Facility project, \$5 million for the Harbor-UCLA Medical Center Mental Health Children's Outpatient Clinic project.

Business-type activities capital assets, in progress, increased by \$61 million which included major buildings and improvements construction-in-progress of \$245 million for the Harbor-UCLA Medical Center Replacement Program and \$10 million for the Olive View-UCLA Medical Center Fire Alarm and Nurse Call Systems project. Completed major capital projects included \$75 million for various projects within the Harbor-UCLA Medical Center Replacement Program and \$72 million for the Olive View-UCLA Medical Center Fire Alarm and Nurse Call Systems project.

As of June 30, 2024, there were \$923.63 million of capital asset commitments outstanding. Major capital asset commitments include \$905.98 million for the Harbor-UCLA Medical Center Replacement Program and \$15.39 million for various deferred maintenance projects under the Facility Reinvestment Program.

**COUNTY OF LOS ANGELES
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)-Continued
FOR THE YEAR ENDED JUNE 30, 2024**

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, increased by \$131 million, as newly issued debt and accretions of \$476 million were more than the debt maturities of \$345 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 \$460 million were issued for governmental and business-type activities in the amounts of \$205 million and \$255 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 slightly decreased by \$2 million, as newly issued leases of \$152 million were lower than the lease maturities of \$154 million related to governmental and business-type activities. Subscription liabilities slightly decreased by \$2 million from the prior year. 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 \$16 million as of June 30, 2024.

In addition to the above borrowing, the County continued to finance General Fund cash flow shortages occurring periodically during the fiscal year by selling \$700 million in tax and revenue anticipation notes. The notes matured and were redeemed on June 28, 2024.

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:

	<u>Moody's</u>	<u>S&P</u>	<u>Fitch</u>
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 assigned by Fitch for Certificates of Participation, Equipment Leases, and Operating Leases were upgraded from the previous year.

COUNTY OF LOS ANGELES
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)-Continued
FOR THE YEAR ENDED JUNE 30, 2024

Economic Conditions and Outlook

Los Angeles County's FY 2024-2025 budget makes major investments in mental health services complemented by substantial funding to sustain the County's accelerated emergency response to the homelessness crisis, along with programs to create jobs, expand food resources, support families, and advance the Board of Supervisors' Care First, Jails Last vision. The County's 2024-2025 Budget represents a balanced plan, devoting limited resources to the highest priority programs while maintaining the County's safety net, other basic services, and recent innovations aimed at alleviating poverty, such as the County's expanding the guaranteed income programs. The County budget also seeks to ensure we are prepared for challenges ahead, including safeguarding the County against both economic and cybersecurity threats. 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 2024-2025 Budget on June 24, 2024. The Budget was adopted based on estimated fund balances that would be available at the end of 2023-2024. The Board updated the Budget on October 8, 2024 to reflect final 2023-2024 fund balances and other pertinent financial information. For the County's General Fund, the 2024-2025 Budget utilized \$4.216 billion of fund balance, which exceeded the previously estimated fund balance of \$2.776 billion. Of the additional fund balance of \$1.440 billion, \$505 million was used to carryover lapsed appropriations and ensure the continuity of funded program initiatives. The remaining \$935 million 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, provide immigrant assistance services, help children and families, older adults and people with disabilities, address public assistance cost increases, 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.

The County faces multiple challenges that are expected to significantly affect its fiscal outlook over the next several years, including slower growth of its locally generated revenues, expiration of hundreds of millions in COVID-19 related federal funding as well as homelessness funding, and potentially outsized legal settlements and judgments resulting from Assembly Bill (AB) 218, which allowed plaintiffs to file sexual assault lawsuits against the County that were previously time-barred. These budgetary pressures are likely to limit our ability to fund new and expanded programs in future years and will inhibit the growth that mandates CFCI funding, among other impacts. The County will continue to advocate for additional federal and State funding.

The economic outlook and growth remains mostly positive from continued strength in the jobs market and consumption, which help drive modest economic growth. Conversely, the economy still faces challenges even though inflation is easing from the post-pandemic highs, federal reserve lowering interest rates and the housing market. In September 2024 and November 2024, the Federal Reserve board lowered the federal funds rate by 0.50% and 0.25% percentage points, respectively. While housing prices remain high, the easing of the interest rates should lower mortgage rates which can encourage prospective buyers to borrow and increase the homeowners' willingness to purchase a new home within their affordability. We will closely monitor key economic indicators 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) issued their fiscal outlook on November 20, 2024

COUNTY OF LOS ANGELES
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)-Continued
FOR THE YEAR ENDED JUNE 30, 2024

and reports that the State of California legislators approved a balanced budget for FY 2024-25 and also proactively, addressed the anticipated budget problems for FY 2025-26. The LAO reports three key challenges: 1) Revenues running ahead of the broader economy; 2) 2025-26 Budget roughly balanced; and 3) No capacity for new commitments on the State budget. Income tax revenues are being driven by the recent stock market rally, which call into question the sustainability in the absence of improvements to the State's broader economy. Although the revenue improvements are ahead of the budget estimates, this is offset by the spending increases to balance the budget. The LAO provides a cautious outlook and the State continues to face a double-digit operating deficit in the years to come. The State does not have the capacity to add new commitments, particularly ones that are ongoing. The State legislature will need to address these future deficits. Health and human services programs are subject to considerable challenges and uncertainty as the County depends on funding from the State and federal government.

The results of the November 5, 2024 nationwide election will bring transition to the United States presidency and federal administration. 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, health care and public health network and public assistance programs, including services to our immigrant population. The County will be carefully monitoring 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.

In addition, on November 5, 2024, the voters of Los Angeles County successfully passed three ballot measures: 1) Homeless Services and Affordable Housing Ordinance (Measure A) which is estimated to generate \$1.076 billion in annual sales tax revenue; 2) Consolidated Fire Protection District of Los Angeles County Emergency Response and Infrastructure Ordinance (Measure E) is estimated to generate \$152 million in revenue; and 3) Los Angeles County Government Structure, Ethics, and Accountability Charter Amendment (Measure G) with the fiscal impact not determinable. Details of the measures are further discussed in the subsequent event note 23.

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, 2024 (in thousands)

	PRIMARY GOVERNMENT			DISCRETELY PRESENTED COMPONENT UNITS
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	
ASSETS				
Pooled cash and investments: (Notes 1 and 4)				
Operating	\$ 11,288,085	1,019,842	\$ 12,307,927	\$ 267,354
Other	6,488,947	38,473	6,527,420	
Total pooled cash and investments	17,777,032	1,058,315	18,835,347	267,354
Other investments (Note 4)	62,549		62,549	814,333
Taxes receivable	419,180	939	420,119	
Accounts receivable - net (Note 14)		2,521,430	2,521,430	25,991
Interest receivable	71,410	4,418	75,828	1,140
Lease receivable (Note 9)	1,885,346	19,718	1,905,064	7,040
Other receivables	4,544,444	1,103,849	5,648,293	55,589
Internal balances (Note 15)	(154,434)	154,434		
Inventories	166,742	37,957	204,699	10,305
Restricted assets (Note 4)	5,119	127,708	132,827	14,470
Net pension asset				3,493
Capital assets: (Notes 1, 5, 9 and 10)				
Capital assets, not being depreciated	10,376,968	803,950	11,180,918	93,292
Capital assets, net of accumulated depreciation/ amortization	9,716,062	2,709,194	12,425,256	109,876
Total capital assets	20,093,030	3,513,144	23,606,174	203,168
TOTAL ASSETS	44,870,418	8,541,912	53,412,330	1,402,883
DEFERRED OUTFLOWS OF RESOURCES (Note 20)	10,817,024	1,658,774	12,475,798	33,153
LIABILITIES				
Accounts payable	900,669	922,873	1,823,542	79,496
Accrued payroll	642,706	123,704	766,410	
Other payables	33,257	12,423	45,680	13,834
Accrued interest payable	13,999	12,630	26,629	
Advances payable	6,361,934	1,180	6,363,114	3,652
Long-term liabilities: (Note 11)				
Due within one year	1,589,073	464,968	2,054,041	7,256
Due in more than one year	46,443,146	7,528,052	53,971,198	123,238
TOTAL LIABILITIES	55,984,784	9,065,830	65,050,614	227,476
DEFERRED INFLOWS OF RESOURCES (Note 20)	9,655,293	1,629,595	11,284,888	15,560
NET POSITION				
Net investment in capital assets	16,229,559	2,590,331	18,819,890	162,479
Restricted for:				
Capital projects	35,808		35,808	
Debt service	201,214	85,492	286,706	
Permanent funds - nonspendable	2,179		2,179	
General government	293,753		293,753	
Public protection	885,937		885,937	
Public ways and facilities	1,081,710		1,081,710	
Health and sanitation	1,910,667		1,910,667	
Public assistance	551,382		551,382	
Education	3,138		3,138	
Recreation	822,618		822,618	
Community development				690,890
First 5 LA				274,451
Unrestricted (deficit)	(31,970,600)	(3,170,562)	(35,141,162)	65,180
TOTAL NET POSITION (DEFICIT) (Note 3)	\$ (9,952,635)	(494,739)	\$ (10,447,374)	\$ 1,193,000

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

COUNTY OF LOS ANGELES
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024 (in thousands)

FUNCTIONS	PROGRAM REVENUES			
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS
PRIMARY GOVERNMENT:				
Governmental activities:				
General government	\$ 1,884,559	689,191	255,612	28,005
Public protection	10,040,684	1,778,350	2,296,089	7,308
Public ways and facilities	585,307	33,822	347,057	4,665
Health and sanitation	8,032,810	2,086,480	4,883,315	18,682
Public assistance	9,426,531	13,232	7,779,377	
Education	173,303	3,625	6,034	
Recreation and cultural services	534,164	152,765	11,378	
Interest on long-term debt	178,369			
Total governmental activities	<u>30,855,727</u>	<u>4,757,465</u>	<u>15,578,862</u>	<u>58,660</u>
Business-type activities:				
Hospitals	6,215,647	5,250,557	184,346	
Waterworks	118,530	101,020	977	176
Aviation	19,951	15,751	345	150
Total business-type activities	<u>6,354,128</u>	<u>5,367,328</u>	<u>185,668</u>	<u>326</u>
Total primary government	<u>\$ 37,209,855</u>	<u>10,124,793</u>	<u>15,764,530</u>	<u>58,986</u>
DISCRETELY PRESENTED COMPONENT UNITS	<u>\$ 1,011,529</u>	<u>37,580</u>	<u>1,006,679</u>	<u>9,260</u>

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, 2023

NET POSITION (DEFICIT), JUNE 30, 2024

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
\$ (911,751)		\$ (911,751)		PRIMARY GOVERNMENT:
(5,958,937)		(5,958,937)		Governmental activities:
(199,763)		(199,763)		General government
(1,044,333)		(1,044,333)		Public protection
(1,633,922)		(1,633,922)		Public ways and facilities
(163,644)		(163,644)		Health and sanitation
(370,021)		(370,021)		Public assistance
(178,369)		(178,369)		Education
<u>(10,460,740)</u>		<u>(10,460,740)</u>		Recreation and cultural services
				Interest on long-term debt
				Total governmental activities
	(780,744)	(780,744)		Business-type activities:
	(16,357)	(16,357)		Hospitals
	<u>(3,705)</u>	<u>(3,705)</u>		Waterworks
	(800,806)	(800,806)		Aviation
<u>(10,460,740)</u>	<u>(800,806)</u>	<u>(11,261,546)</u>		Total business-type activities
				Total primary government
			<u>\$ 41,990</u>	DISCRETELY PRESENTED COMPONENT UNITS
9,341,988	9,101	9,351,089		GENERAL REVENUES:
57,422		57,422		Taxes:
557,745		557,745		Property taxes
76,595		76,595		Utility users taxes
49,437		49,437		Voter approved taxes
728,739		728,739		Documentary transfer taxes
				Other taxes
679,353	966	680,319		Sales and use taxes, levied by the State
863,672	53,810	917,482	42,969	Grants and contributions not restricted to special programs
253,977	303	254,280	389	Investment income
<u>(1,058,209)</u>	<u>1,058,209</u>			Miscellaneous
11,550,719	1,122,389	12,673,108	43,358	TRANSFERS - NET
1,089,979	321,583	1,411,562	85,348	Total general revenues and transfers
<u>(11,042,614)</u>	<u>(816,322)</u>	<u>(11,858,936)</u>	<u>1,107,652</u>	CHANGE IN NET POSITION
<u>\$ (9,952,635)</u>	<u>(494,739)</u>	<u>\$ (10,447,374)</u>	<u>\$ 1,193,000</u>	NET POSITION (DEFICIT), JULY 1, 2023
				NET POSITION (DEFICIT), JUNE 30, 2024

COUNTY OF LOS ANGELES
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2024 (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	\$ 4,537,551	262,836	347,792	161,477	785,314
Other	6,382,186	15,307	3,163	4,316	3,913
Total pooled cash and investments	10,919,737	278,143	350,955	165,793	789,227
Other investments (Note 4)	2,152			113	
Taxes receivable	305,769	62,148	15,941	8,941	2,083
Interest receivable	51,507	915	1,103	509	2,204
Lease receivable (Note 9)	1,846,351		34,055		
Other receivables	4,140,119	49,944	3,732	2,271	1,713
Due from other funds (Note 15)	1,132,681	1,367	32,714	12,956	4
Advances to other funds (Note 15)	17,806		6,141		
Inventories	142,429	12,173	1,101	8	
TOTAL ASSETS	18,558,551	404,690	445,742	190,591	795,231
DEFERRED OUTFLOWS OF RESOURCES (Note 20)					
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 18,558,551	404,690	445,742	190,591	795,231
LIABILITIES					
Accounts payable	\$ 762,224	7,351	11,266	4,089	37
Accrued payroll	555,409	56,032		4,921	
Other payables	27,020	2,794		564	
Due to other funds (Note 15)	619,244	24,358	43,902	6,278	3,225
Advances payable	6,224,093		75,948		
Third party payor (Notes 11 and 14)	215,649				
TOTAL LIABILITIES	8,403,639	90,535	131,116	15,852	3,262
DEFERRED INFLOWS OF RESOURCES (Note 20)	2,462,203	55,012	44,695	6,336	1,455
FUND BALANCES (Note 21)					
Nonspendable	293,753	12,173	1,101	8	
Restricted	88,654	246,970	268,731	88,616	790,514
Committed	1,070,313				
Assigned	1,345,188		99	79,779	
Unassigned	4,894,801				
TOTAL FUND BALANCES	7,692,709	259,143	269,931	168,403	790,514
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 18,558,551	404,690	445,742	190,591	795,231

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)
\$ 1,896,049	3,259,160	\$ 11,250,179	Operating
7,588	62,171	6,478,644	Other
<u>1,903,637</u>	<u>3,321,331</u>	<u>17,728,823</u>	Total pooled cash and investments
	60,284	62,549	Other investments (Note 4)
	24,298	419,180	Taxes receivable
5,954	9,079	71,271	Interest receivable
	4,940	1,885,346	Lease receivable (Note 9)
	250,496	4,448,275	Other receivables
	48,136	1,227,858	Due from other funds (Note 15)
	11,307	35,254	Advances to other funds (Note 15)
	1	155,712	Inventories
<u>1,909,591</u>	<u>3,729,872</u>	<u>26,034,268</u>	TOTAL ASSETS
	175,088	175,088	DEFERRED OUTFLOWS OF RESOURCES (Note 20)
<u>\$ 1,909,591</u>	<u>3,904,960</u>	<u>\$ 26,209,356</u>	TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES
			LIABILITIES
	108,260	\$ 893,227	Accounts payable
	109	616,471	Accrued payroll
		30,378	Other payables
360,866	428,714	1,486,587	Due to other funds (Note 15)
	61,752	6,361,793	Advances payable
	246	215,895	Third party payor (Notes 11 and 14)
<u>360,866</u>	<u>599,081</u>	<u>9,604,351</u>	TOTAL LIABILITIES
	20,843	2,590,544	DEFERRED INFLOWS OF RESOURCES (Note 20)
			FUND BALANCES (Note 21)
	86,758	393,793	Nonspendable
1,548,725	2,824,551	5,856,761	Restricted
	169,772	1,240,085	Committed
	203,955	1,629,021	Assigned
		4,894,801	Unassigned
<u>1,548,725</u>	<u>3,285,036</u>	<u>14,014,461</u>	TOTAL FUND BALANCES
<u>\$ 1,909,591</u>	<u>3,904,960</u>	<u>\$ 26,209,356</u>	TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES

COUNTY OF LOS ANGELES
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2024 (in thousands)

Fund balances - total governmental funds (page 33)		\$ 14,014,461
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	\$ 7,672,751	
Construction in progress	2,704,891	
Buildings and improvements - net	5,807,526	
Equipment - net	368,691	
Intangible software - net	230,350	
Infrastructure - net	<u>3,185,109</u>	19,969,318
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	\$ 6,220	
Deferred outflows from OPEB	4,755,417	
Deferred outflows from pension	5,598,667	
Deferred inflows from gains on refunding of debt	(10,595)	
Deferred inflows from private-public partnerships	(82,577)	
Deferred inflows from OPEB	(7,141,551)	
Deferred inflows from pension	<u>(222,602)</u>	2,902,979
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	\$ (175,088)	
Deferred inflows from tobacco settlement revenues	175,088	
Deferred inflows from property taxes	281,849	
Deferred inflows from long-term receivables	<u>248,261</u>	530,110
Other long-term asset transactions are not available for the current period and are not recognized in governmental funds:		
Receivables related to capital assets		546
Installment receivables from public-private and public-public partnerships		82,577
Accrued interest payable is not recognized in governmental funds		(13,658)
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	\$ (2,246,661)	
Unamortized premiums on bonds	(282,828)	
Accreted interest on bonds	(19,533)	
Lease liability	(1,574,321)	
Subscription liability	(83,867)	
Financed purchase obligations	(15,572)	
Accrued compensated absences	(2,176,141)	
Workers' compensation	(3,223,497)	
Litigation and self-insurance	(4,344,298)	
Pollution remediation obligation	(55,136)	
Net pension liability	(11,670,248)	
Net OPEB liability	(20,390,697)	
Third party payor liability	<u>(133,635)</u>	(46,216,434)
Assets and liabilities of internal service funds are included in governmental activities in the accompanying statement of net position.		<u>(1,222,534)</u>
Net position (deficit) of governmental activities (page 29)		<u>\$ (9,952,635)</u>

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, 2024 (in thousands)

	GENERAL FUND	FIRE PROTECTION DISTRICT	FLOOD CONTROL DISTRICT	LA COUNTY LIBRARY	REGIONAL PARK AND OPEN SPACE DISTRICT
REVENUES					
Taxes	\$ 8,022,298	1,168,396	212,445	127,085	117,108
Licenses, permits and franchises	85,169	21,112	1,779	1	
Fines, forfeitures and penalties	187,773	3,716	1,071	584	588
Revenue from use of money and property:					
Investment income (Note 4)	575,960	8,421	23,007	8,716	32,765
Rents and concessions (Note 9)	60,513	21	6,840	7	
Lease revenue (Note 9)	68,055		1,360		
Royalties	15		653		
Intergovernmental revenues:					
Federal	5,822,358	12,043	5,425	3,221	
State	8,802,375	11,794	7,163	3,183	
Other	40,779	2,593	1,563	149	
Charges for services	3,352,030	310,916	119,528	2,718	96
Miscellaneous	246,157	1,187	404	3,397	
TOTAL REVENUES	27,263,482	1,540,199	381,238	149,061	150,557
EXPENDITURES					
Current:					
General government	2,021,666				
Public protection	7,035,302	1,530,380	462,770		
Public ways and facilities					
Health and sanitation	7,501,812				
Public assistance	8,938,477				
Education				170,070	
Recreation and cultural services	488,624				35,766
Debt service:					
Principal	145,767	7,549	1,376	811	
Interest and other charges	71,855	903	56	318	
Capital outlay	192,659	1,429		651	
TOTAL EXPENDITURES	26,396,162	1,540,261	464,202	171,850	35,766
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	867,320	(62)	(82,964)	(22,789)	114,791
OTHER FINANCING SOURCES (USES)					
Transfers in (Note 15)	1,354,882	55,284		44,913	
Transfers out (Note 15)	(1,206,296)	(14,079)	(11,500)	(23,768)	
Issuance of debt (Note 11)					
Sales of capital assets	1,087	134	71	1	
Leases (Notes 5 and 9)	146,917	1,429		651	
Subscriptions (Notes 5 and 10)	45,742				
TOTAL OTHER FINANCING SOURCES (USES)	342,332	42,768	(11,429)	21,797	
NET CHANGE IN FUND BALANCES	1,209,652	42,706	(94,393)	(992)	114,791
FUND BALANCES, JULY 1, 2023	6,483,057	216,437	364,324	169,395	675,723
FUND BALANCES, JUNE 30, 2024	<u>\$ 7,692,709</u>	<u>259,143</u>	<u>269,931</u>	<u>168,403</u>	<u>790,514</u>

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
\$	1,021,125	\$ 10,668,457	Taxes
	26,127	134,188	Licenses, permits and franchises
	33,984	227,716	Fines, forfeitures and penalties
			Revenue from use of money and property:
75,840	137,901	862,610	Investment income (Note 4)
	46,834	114,215	Rents and concessions (Note 9)
	283	69,698	Lease revenue (Note 9)
	4	672	Royalties
			Intergovernmental revenues:
	13,988	5,857,035	Federal
1,021,826	497,099	10,343,440	State
	15,604	60,688	Other
	439,980	4,225,268	Charges for services
	97,343	348,488	Miscellaneous
<u>1,097,666</u>	<u>2,330,272</u>	<u>32,912,475</u>	TOTAL REVENUES
			EXPENDITURES
			Current:
	13,045	2,034,711	General government
	302,624	9,331,076	Public protection
	551,752	551,752	Public ways and facilities
	230,668	7,732,480	Health and sanitation
	248,042	9,186,519	Public assistance
	2,047	172,117	Education
	11,658	536,048	Recreation and cultural services
			Debt service:
	200,018	355,521	Principal
	109,920	183,052	Interest and other charges
	82,757	277,496	Capital outlay
	<u>1,752,531</u>	<u>30,360,772</u>	TOTAL EXPENDITURES
<u>1,097,666</u>	<u>577,741</u>	<u>2,551,703</u>	EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES
			OTHER FINANCING SOURCES (USES)
	230,240	1,685,319	Transfers in (Note 15)
(781,814)	(741,660)	(2,779,117)	Transfers out (Note 15)
	205,589	205,589	Issuance of debt (Note 11)
	252	1,545	Sales of capital assets
		148,997	Leases (Notes 5 and 9)
		45,742	Subscriptions (Notes 5 and 10)
<u>(781,814)</u>	<u>(305,579)</u>	<u>(691,925)</u>	TOTAL OTHER FINANCING SOURCES (USES)
315,852	272,162	1,859,778	NET CHANGE IN FUND BALANCES
1,232,873	3,012,874	12,154,683	FUND BALANCES, JULY 1, 2023
<u>\$ 1,548,725</u>	<u>3,285,036</u>	<u>\$ 14,014,461</u>	FUND BALANCES, JUNE 30, 2024

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, 2024 (in thousands)

Net change in fund balances - total governmental funds (page 37)		\$ 1,859,778
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	\$ 847,820	
Less - current year depreciation expense	(477,292)	
Expenditures for right-to-use lease and subscription assets	194,739	
Less - current year amortization expense	<u>(177,013)</u>	388,254
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.		(22,412)
Contribution of capital assets is not recognized in the governmental funds.		30,655
Amortization of gain or loss on refunding of debt are reported as interest expense in the governmental activities, but not reported for governmental funds.		(1,454)
Changes in unavailable revenues are reported as changes in deferred inflows of resources for governmental funds, but were recognized when earned for governmental activities.		997
Timing differences result in more or less revenues and expenses in the statement of activities.		
Change in accrued interest on long-term receivables	\$ (328)	
Change in unamortized premiums	<u>6,258</u>	5,930
Issuance of long-term debt provides resources in the governmental funds, but increases long-term liabilities in the statement of net position.		(400,328)
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position:		
Bonds	\$ 64,549	
Notes, loans, and lease revenue obligation notes	136,653	
Other long-term notes, loans, leases and subscriptions	<u>154,319</u>	355,521
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	\$ (175,100)	
Change in litigation and self-insurance	(612,135)	
Change in pollution remediation obligation	(17,970)	
Change in accrued compensated absences	(83,836)	
Change in net pension liability, net of related deferred outflows of resources and deferred inflows of resources	(331,526)	
Change in net OPEB liability, net of related deferred outflows of resources and deferred inflows of resources	73,129	
Change in third party payor liability	2,988	
Change in accrued interest payable	452	
Change in accretion of tobacco settlement bonds	(5,306)	
Transfer of capital assets between governmental fund and enterprise fund	<u>34,541</u>	(1,114,763)
Internal service funds that are reported with governmental activities.		<u>(12,199)</u>
Change in net position of governmental activities (page 31)		<u><u>\$ 1,089,979</u></u>

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, 2024 (in thousands)

	GENERAL FUND			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL ON BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES				
Taxes	\$ 7,853,678	7,859,100	8,025,301	166,201
Licenses, permits and franchises	70,832	81,661	85,694	4,033
Fines, forfeitures and penalties	138,706	138,842	187,773	48,931
Revenue from use of money and property:				
Investment income	230,021	267,855	524,189	256,334
Rents and concessions	137,083	137,893	128,042	(9,851)
Royalties			15	15
Intergovernmental revenues:				
Federal	6,000,430	6,507,867	5,887,797	(620,070)
State	9,521,478	9,777,171	8,791,888	(985,283)
Other	52,778	69,856	29,918	(39,938)
Charges for services	2,962,561	3,456,959	3,361,713	(95,246)
Miscellaneous	193,090	202,750	244,963	42,213
TOTAL REVENUES	27,160,657	28,499,954	27,267,293	(1,232,661)
EXPENDITURES				
Current:				
General government	3,842,441	3,821,756	1,879,693	1,942,063
Public protection	7,208,303	7,552,904	7,185,630	367,274
Health and sanitation	8,544,159	8,802,606	7,791,294	1,011,312
Public assistance	9,974,612	10,001,015	9,097,590	903,425
Recreation and cultural services	544,223	544,489	516,297	28,192
Debt service-				
Interest	22,701	22,701	22,701	
Capital outlay	1,701,042	2,115,294	443,447	1,671,847
TOTAL EXPENDITURES	31,837,481	32,860,765	26,936,652	5,924,113
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(4,676,824)	(4,360,811)	330,641	4,691,452
OTHER FINANCING SOURCES (USES)				
Sales of capital assets	811	811	1,087	276
Transfers in	1,844,532	2,037,414	1,346,736	(690,678)
Transfers out	(769,770)	(1,072,368)	(1,069,312)	3,056
Appropriations for contingencies	(77,376)	185		(185)
Changes in fund balance	(85,862)	(369,720)	(157,576)	212,144
TOTAL OTHER FINANCING SOURCES (USES)	912,335	596,322	120,935	(475,387)
NET CHANGE IN FUND BALANCE	(3,764,489)	(3,764,489)	451,576	4,216,065
FUND BALANCE, JULY 1, 2023	3,764,489	3,764,489	3,764,489	
FUND BALANCE, JUNE 30, 2024 (Note 16)	\$		4,216,065	4,216,065

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, 2024 (in thousands)

	FIRE PROTECTION DISTRICT			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL ON BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES				
Taxes	\$ 1,137,160	1,161,582	1,168,916	7,334
Licenses, permits and franchises	23,161	23,161	21,112	(2,049)
Fines, forfeitures and penalties	3,231	3,231	3,716	485
Revenue from use of money and property:				
Investment income	824	4,945	6,543	1,598
Rents and concessions	90	90	21	(69)
Intergovernmental revenues:				
Federal	35,780	35,982	11,969	(24,013)
State	15,899	15,899	11,794	(4,105)
Other			2,593	2,593
Charges for services	314,826	319,623	310,916	(8,707)
Miscellaneous	612	612	1,187	575
TOTAL REVENUES	1,531,583	1,565,125	1,538,767	(26,358)
EXPENDITURES				
Current-Public protection:				
Salaries and employee benefits	1,357,912	1,362,832	1,349,165	13,667
Services and supplies	194,517	196,396	164,703	31,693
Other charges	29,274	38,439	20,493	17,946
Capital assets	7,046	11,041	4,095	6,946
TOTAL EXPENDITURES	1,588,749	1,608,708	1,538,456	70,252
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(57,166)	(43,583)	311	43,894
OTHER FINANCING SOURCES (USES)				
Sales of capital assets	133	133	134	1
Transfers in	51,434	57,779	55,284	(2,495)
Transfers out	(11,442)	(11,641)	(11,641)	
Appropriations for contingencies	(8,814)	(28,543)		28,543
Changes in fund balance	(44,999)	(44,999)	(39,506)	5,493
TOTAL OTHER FINANCING SOURCES (USES)	(13,688)	(27,271)	4,271	31,542
NET CHANGE IN FUND BALANCE	(70,854)	(70,854)	4,582	75,436
FUND BALANCE, JULY 1, 2023	70,854	70,854	70,854	
FUND BALANCE, JUNE 30, 2024 (Note 16)	\$		75,436	75,436

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, 2024 (in thousands)

	FLOOD CONTROL DISTRICT			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL ON BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES				
Taxes	\$ 207,355	210,588	212,522	1,934
Licenses, permits and franchises	1,542	1,542	1,779	237
Fines, forfeitures and penalties	1,171	1,171	1,071	(100)
Revenue from use of money and property:				
Investment income	5,783	11,056	15,310	4,254
Rents and concessions	7,765	7,765	8,200	435
Royalties	625	625	653	28
Intergovernmental revenues:				
Federal			5,425	5,425
State	712	712	7,163	6,451
Other	266	266	1,563	1,297
Charges for services	119,654	119,654	119,563	(91)
Miscellaneous	677	677	404	(273)
TOTAL REVENUES	345,550	354,056	373,653	19,597
EXPENDITURES				
Current-Public protection:				
Services and supplies	394,367	401,867	399,255	2,612
Other charges	6,539	6,539	1,621	4,918
Capital assets	1,540	1,540	547	993
Capital outlay	51,620	36,620	33,629	2,991
TOTAL EXPENDITURES	454,066	446,566	435,052	11,514
DEFICIENCY OF REVENUES OVER EXPENDITURES	(108,516)	(92,510)	(61,399)	31,111
OTHER FINANCING SOURCES (USES)				
Sales of capital assets	187	187	71	(116)
Transfers in	2,000	2,000		(2,000)
Transfers out	(9,819)	(17,319)	(11,500)	5,819
Appropriations for contingencies		(8,506)		8,506
Changes in fund balance	47,000	47,000	63,254	16,254
TOTAL OTHER FINANCING SOURCES (USES)	39,368	23,362	51,825	28,463
NET CHANGE IN FUND BALANCE	(69,148)	(69,148)	(9,574)	59,574
FUND BALANCE, JULY 1, 2023	69,148	69,148	69,148	
FUND BALANCE, JUNE 30, 2024 (Note 16)	\$		59,574	59,574

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, 2024 (in thousands)

	LA COUNTY LIBRARY			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL ON BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES				
Taxes	\$ 120,692	126,104	127,173	1,069
Licenses, permits and franchises			1	1
Fines, forfeitures and penalties	375	375	584	209
Revenue from use of money and property:				
Investment income	1,200	4,756	6,714	1,958
Rents and concessions	15	15	7	(8)
Intergovernmental revenues:				
Federal		2,900	3,221	321
State	3,947	3,947	3,183	(764)
Other	130	130	149	19
Charges for services	1,728	1,728	2,718	990
Miscellaneous	584	584	3,397	2,813
TOTAL REVENUES	128,671	140,539	147,147	6,608
EXPENDITURES				
Current-Education:				
Salaries and employee benefits	133,117	133,117	109,783	23,334
Services and supplies	117,119	93,746	63,757	29,989
Other charges	1,913	4,513	4,214	299
Capital assets	1,094	1,094	301	793
TOTAL EXPENDITURES	253,243	232,470	178,055	54,415
DEFICIENCY OF REVENUES OVER EXPENDITURES	(124,572)	(91,931)	(30,908)	61,023
OTHER FINANCING SOURCES (USES)				
Sales of capital assets	13	13	1	(12)
Transfers in	52,268	51,421	44,913	(6,508)
Transfers out	(150)	(22,976)	(22,976)	
Appropriations for contingencies		(8,968)		8,968
Changes in fund balance	(6,579)	(6,579)	(4,713)	1,866
TOTAL OTHER FINANCING SOURCES (USES)	45,552	12,911	17,225	4,314
NET CHANGE IN FUND BALANCE	(79,020)	(79,020)	(13,683)	65,337
FUND BALANCE, JULY 1, 2023	79,020	79,020	79,020	
FUND BALANCE, JUNE 30, 2024 (Note 16)	\$		65,337	65,337

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, 2024 (in thousands)

	REGIONAL PARK AND OPEN SPACE DISTRICT			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL ON BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES				
Taxes	\$ 109,764	114,064	117,108	3,044
Fines, forfeitures and penalties	329	847	588	(259)
Revenue from use of money and property-				
Investment income	3,342	3,342	30,030	26,688
Charges for services			161	161
TOTAL REVENUES	113,435	118,253	147,887	29,634
EXPENDITURES				
Current-Recreation and cultural services:				
Services and supplies	22,656	18,680	8,704	9,976
Other charges	529,959	156,012	51,193	104,819
TOTAL EXPENDITURES	552,615	174,692	59,897	114,795
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(439,180)	(56,439)	87,990	144,429
OTHER FINANCING SOURCES (USES)				
Transfers in	116,951	117,469	121,561	4,092
Transfers out	(116,951)	(121,769)	(121,561)	208
Changes in fund balance	(32,310)	(410,751)	(408,922)	1,829
TOTAL OTHER FINANCING SOURCES (USES)	(32,310)	(415,051)	(408,922)	6,129
NET CHANGE IN FUND BALANCE	(471,490)	(471,490)	(320,932)	150,558
FUND BALANCE, JULY 1, 2023	471,490	471,490	471,490	
FUND BALANCE, JUNE 30, 2024 (Note 16)	\$		150,558	150,558

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, 2024 (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	\$ 20,753	20,753	78,162	57,409
Intergovernmental revenues-				
State	1,094,934	1,094,934	1,021,826	(73,108)
TOTAL REVENUES	1,115,687	1,115,687	1,099,988	(15,699)
OTHER FINANCING USES				
Transfers out	(1,080,130)	(1,153,254)	(781,814)	371,440
Changes in fund balance	(190,627)	(117,503)	(117,504)	(1)
TOTAL OTHER FINANCING USES	(1,270,757)	(1,270,757)	(899,318)	371,439
NET CHANGE IN FUND BALANCE	(155,070)	(155,070)	200,670	355,740
FUND BALANCE, JULY 1, 2023	155,070	155,070	155,070	
FUND BALANCE, JUNE 30, 2024 (Note 16)	\$		355,740	355,740

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



COUNTY OF LOS ANGELES
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2024 (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	\$ 266,061	172,855	348,888	79,510
Other	11,250	5,989	14,670	3,284
Total pooled cash and investments	<u>277,311</u>	<u>178,844</u>	<u>363,558</u>	<u>82,794</u>
Taxes receivable				
Accounts receivable - net (Note 14)	779,380	475,365	1,038,956	209,760
Interest receivable	1,442	485	1,641	380
Lease receivable (Note 9)				
Other receivables	19,166	11,517	28,183	5,277
Due from other funds (Note 15)	402,749	237,968	1,286,039	314,286
Advances to other funds (Note 15)				
Inventories	14,080	5,796	15,807	2,089
Total current assets	<u>1,494,128</u>	<u>909,975</u>	<u>2,734,184</u>	<u>614,586</u>
Noncurrent assets:				
Restricted assets (Note 4)	108,239	8,158	1,814	9,497
Lease receivable (Note 9)				
Other receivables	348,714	161,878	403,267	122,083
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	1,192,595	411,440	1,259,892	582,892
Infrastructure				
Construction in progress	490,906			69,247
Lease assets	3,223	389	988	291
Subscription assets				
Less accumulated depreciation/amortization	<u>(418,424)</u>	<u>(223,089)</u>	<u>(482,704)</u>	<u>(200,947)</u>
Total capital assets - net	<u>1,269,971</u>	<u>190,634</u>	<u>794,370</u>	<u>451,700</u>
Total noncurrent assets	<u>1,726,924</u>	<u>360,670</u>	<u>1,199,451</u>	<u>583,280</u>
TOTAL ASSETS	<u>3,221,052</u>	<u>1,270,645</u>	<u>3,933,635</u>	<u>1,197,866</u>
DEFERRED OUTFLOWS OF RESOURCES (Note 20)	<u>504,513</u>	<u>277,272</u>	<u>704,088</u>	<u>172,901</u>
LIABILITIES				
Current liabilities:				
Accounts payable	280,452	188,078	286,741	162,914
Accrued payroll	39,044	21,453	52,859	10,348
Other payables	4,638	2,291	4,139	1,295
Accrued interest payable	10,006	1,888	43	679
Due to other funds (Note 15)	428,084	254,239	1,030,673	352,553
Advances from other funds (Note 15)	4,735	2,554	6,401	1,265
Advances payable	612	101	442	1
Current portion of long-term liabilities (Note 11)	300,518	34,923	86,422	42,369
Total current liabilities	<u>1,068,089</u>	<u>505,527</u>	<u>1,467,720</u>	<u>571,424</u>
Noncurrent liabilities:				
Accrued compensated absences (Note 11)	95,399	52,870	117,848	22,495
Bonds and notes (Note 11)	456,048	71,612	14,872	207,692
Lease liability (Note 9 and 11)	1,499	148	411	108
Workers' compensation (Notes 11 and 18)	113,651	46,405	171,145	33,077
Litigation and self-insurance (Notes 11 and 18)	761	162	5,210	
Net pension liability (Notes 7 and 11)	596,627	336,909	808,414	182,508
Net OPEB liability (Notes 8 and 11)	1,126,856	629,593	1,658,832	362,570
Third party payor (Notes 11 and 14)	108,561	64,524	208,750	23,100
Total noncurrent liabilities	<u>2,499,402</u>	<u>1,202,223</u>	<u>2,985,482</u>	<u>831,550</u>
TOTAL LIABILITIES	<u>3,567,491</u>	<u>1,707,750</u>	<u>4,453,202</u>	<u>1,402,974</u>
DEFERRED INFLOWS OF RESOURCES (Note 20)	<u>452,057</u>	<u>325,944</u>	<u>689,290</u>	<u>142,586</u>
NET POSITION				
Net investment in capital assets	670,003	121,093	779,366	222,987
Restricted - Debt service	37,153	563	2,739	45,037
Unrestricted (deficit)	<u>(1,001,139)</u>	<u>(607,433)</u>	<u>(1,286,874)</u>	<u>(442,817)</u>
TOTAL NET POSITION (DEFICIT) (Note 3)	<u>\$ (293,983)</u>	<u>(485,777)</u>	<u>(504,769)</u>	<u>(174,793)</u>

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	
\$ 140,316	12,212	\$ 1,019,842	\$	37,906
3,093	187	38,473		10,303
143,409	12,399	1,058,315		48,209
939		939		
17,183	786	2,521,430		
432	38	4,418		139
	862	862		
3,764		67,907		13,046
2,584	340	2,243,966		146,552
1,444	257	1,701		
	185	37,957		11,030
169,755	14,867	5,937,495		218,976
		127,708		5,119
	18,856	18,856		
		1,035,942		
13,682	134,692	168,350		
124,527	43,818	3,615,164		281,800
1,228,087	96,755	1,324,842		
75,318	129	635,600		
		4,891		1,224
				613
(824,368)	(86,171)	(2,235,703)		(159,925)
617,246	189,223	3,513,144		123,712
617,246	208,079	4,695,650		128,831
787,001	222,946	10,633,145		347,807
		1,658,774		456,720
4,338	350	922,873		7,442
		123,704		26,235
	60	12,423		2,879
	14	12,630		341
9,799	930	2,076,278		55,511
		14,955		22,000
24		1,180		141
616	120	464,968		18,658
14,777	1,474	3,629,011		133,207
		288,612		76,428
8,201	944	759,369		10,000
		2,166		301
		364,278		58,123
250		6,383		
		1,924,458		479,257
		3,777,851		957,123
		404,935		
8,451	944	7,528,052		1,581,232
23,228	2,418	11,157,063		1,714,439
	19,718	1,629,595		312,622
608,723	188,159	2,590,331		113,223
		85,492		
155,050	12,651	(3,170,562)		(1,335,757)
\$ 763,773	200,810	\$ (494,739)	\$	(1,222,534)

ASSETS

Current assets:

Pooled cash and investments: (Notes 1 and 4)

Operating

Other

Total pooled cash and investments

Taxes receivable

Accounts receivable - net (Note 14)

Interest receivable

Lease receivable (Note 9)

Other receivables

Due from other funds (Note 15)

Advances to other funds (Note 15)

Inventories

Total current assets

Noncurrent assets:

Restricted assets (Note 4)

Lease receivable (Note 9)

Other receivables

Capital assets: (Notes 1, 5, 9 and 10)

Land and easements

Buildings and improvements, equipment, and intangible software

Infrastructure

Construction in progress

Lease assets

Subscription assets

Less accumulated depreciation/amortization

Total capital assets - net

Total noncurrent assets

TOTAL ASSETS

DEFERRED OUTFLOWS OF RESOURCES (Note 20)

LIABILITIES

Current liabilities:

Accounts payable

Accrued payroll

Other payables

Accrued interest payable

Due to other funds (Note 15)

Advances from other funds (Note 15)

Advances payable

Current portion of long-term liabilities (Note 11)

Total current liabilities

Noncurrent liabilities:

Accrued compensated absences (Note 11)

Bonds and notes (Note 11)

Lease liability (Note 9 and 11)

Workers' compensation (Notes 11 and 18)

Litigation and self-insurance (Notes 11 and 18)

Net pension liability (Notes 7 and 11)

Net OPEB liability (Notes 8 and 11)

Third party payor (Notes 11 and 14)

Total noncurrent liabilities

TOTAL LIABILITIES

DEFERRED INFLOWS OF RESOURCES (Note 20)

NET POSITION

Net investment in capital assets

Restricted - Debt service

Unrestricted (deficit)

TOTAL NET POSITION (DEFICIT) (Note 3)

COUNTY OF LOS ANGELES
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2024 (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)	\$ 1,802,919	886,032	2,122,344	439,262
Charges for services				
Other (Note 14)	65,503	26,656	86,484	7,181
TOTAL OPERATING REVENUES	1,868,422	912,688	2,208,828	446,443
OPERATING EXPENSES:				
Salaries and employee benefits	905,707	476,263	1,177,603	240,262
Services and supplies	296,927	130,818	343,794	53,412
Other professional services	408,347	213,381	570,478	82,818
Depreciation and amortization (Note 5)	30,874	12,782	32,292	18,913
TOTAL OPERATING EXPENSES	1,641,855	833,244	2,124,167	395,405
OPERATING INCOME (LOSS)	226,567	79,444	84,661	51,038
NONOPERATING REVENUES (EXPENSES):				
Taxes				
Investment income	24,768	1,824	9,547	9,177
Gain (loss) on disposal of property	(633)	(19,045)	(19,201)	(15,566)
Interest revenue				
Interest expense	(34,811)	(5,420)	(584)	(11,935)
Intergovernmental transfers expense (Note 14)	(362,770)	(191,349)	(440,566)	(173,541)
Intergovernmental revenues:				
State				
Federal				
Other				
TOTAL NONOPERATING REVENUES (EXPENSES)	(373,446)	(213,990)	(450,804)	(191,865)
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	(146,879)	(134,546)	(366,143)	(140,827)
Capital contributions	2,774	2,476	13,005	20
Transfers in (Note 15)	464,569	287,346	1,099,473	226,508
Transfers out (Note 15)	(262,987)	(56,329)	(421,589)	(244,029)
CHANGE IN NET POSITION	57,477	98,947	324,746	(158,328)
NET POSITION (DEFICIT), JULY 1, 2023	(351,460)	(584,724)	(829,515)	(16,465)
NET POSITION (DEFICIT), JUNE 30, 2024	\$ (293,983)	(485,777)	(504,769)	(174,793)

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	
\$		\$ 5,250,557	\$	OPERATING REVENUES:
101,020	4,478	105,498	788,999	Net patient service revenues (Note 14)
263	191	186,278		Charges for services
101,283	4,669	5,542,333	788,999	Other (Note 14)
				TOTAL OPERATING REVENUES
		2,799,835	632,489	OPERATING EXPENSES:
90,872	14,461	930,284	62,498	Salaries and employee benefits
3,669	2,119	1,280,812	92,337	Services and supplies
23,822	3,337	122,020	20,052	Other professional services
118,363	19,917	5,132,951	807,376	Depreciation and amortization (Note 5)
(17,080)	(15,248)	409,382	(18,377)	TOTAL OPERATING EXPENSES
				OPERATING INCOME (LOSS)
9,101		9,101		NONOPERATING REVENUES (EXPENSES):
7,794	700	53,810	1,390	Taxes
		(54,445)	686	Investment income
	11,273	11,273	3,569	Gain (loss) on disposal of property
(167)	(34)	(52,951)	(515)	Interest revenue
		(1,168,226)		Interest expense
817	40	857		Intergovernmental transfers expense (Note 14)
191	305	496		Intergovernmental revenues:
935		935		State
18,671	12,284	(1,199,150)	5,130	Federal
1,591	(2,964)	(789,768)	(13,247)	Other
176	150	18,601		TOTAL NONOPERATING REVENUES (EXPENSES)
		2,077,896	4,857	INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS
(198)	(14)	(985,146)	(3,809)	Capital contributions
1,569	(2,828)	321,583	(12,199)	Transfers in (Note 15)
762,204	203,638	(816,322)	(1,210,335)	Transfers out (Note 15)
\$ 763,773	200,810	\$ (494,739)	\$ (1,222,534)	CHANGE IN NET POSITION
				NET POSITION (DEFICIT), JULY 1, 2023
				NET POSITION (DEFICIT), JUNE 30, 2024

COUNTY OF LOS ANGELES
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2024 (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	\$ 1,475,232	776,581	1,435,353	226,509
Cash received from charges for services				
Other operating revenues	65,503	26,656	86,484	7,181
Cash received for services provided to other funds	99,399	82,391	135,515	542
Cash paid for salaries and employee benefits	(906,938)	(492,801)	(1,176,517)	(239,497)
Cash (paid) returned for services and supplies	85,135	24,613	127,347	112,801
Other operating expenses	(409,264)	(222,816)	(577,479)	(83,167)
Cash (paid) returned for services from other funds	(52,992)	(121,699)	202,200	176,902
Net cash provided by (required for) operating activities	<u>356,075</u>	<u>72,925</u>	<u>232,903</u>	<u>201,271</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Cash advances received from other funds	4,690		113,287	
Cash advances paid to other funds	(4,691)	(25)	(113,304)	(2)
Intergovernmental transfers paid	(362,770)	(191,349)	(440,566)	(173,541)
Intergovernmental receipts				
Transfers in	280,151	287,346	788,534	118,380
Transfers out	(262,987)	(56,329)	(421,589)	(244,029)
Net cash provided by (required for) noncapital financing activities	<u>(345,607)</u>	<u>39,643</u>	<u>(73,638)</u>	<u>(299,192)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Proceeds from taxes				
Capital contributions				
Proceeds from bonds and notes	223,508	3,298	1,057	26,525
Interest paid on capital borrowing	(35,720)	(5,517)	(621)	(12,351)
Interest revenue				
Principal payments on bonds and notes	(92,430)	(12,306)	(1,919)	(29,550)
Leases paid	(1,010)	(76)	(203)	(55)
Subscriptions paid				
Acquisition and construction of capital assets	(255,795)	(17,074)	(12,594)	(3,203)
Net cash required for capital and related financing activities	<u>(161,447)</u>	<u>(31,675)</u>	<u>(14,280)</u>	<u>(18,634)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment income	25,077	1,701	8,310	8,939
Net increase (decrease) in cash and cash equivalents	(125,902)	82,594	153,295	(107,616)
Cash and cash equivalents, July 1, 2023	511,452	104,408	212,077	199,907
Cash and cash equivalents, June 30, 2024	<u>\$ 385,550</u>	<u>187,002</u>	<u>365,372</u>	<u>92,291</u>

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	
\$		\$ 3,913,675	\$	CASH FLOWS FROM OPERATING ACTIVITIES
99,992	4,542	104,534	72,286	Cash received from patient services
263	191	186,278		Cash received from charges for services
		317,847	693,618	Other operating revenues
		(2,815,753)	(614,855)	Cash received for services provided to other funds
(97,811)	(15,185)	236,900	(64,958)	Cash paid for salaries and employee benefits
(3,762)	(2,119)	(1,298,607)	(92,337)	Cash (paid) returned for services and supplies
		204,411		Other operating expenses
				Cash (paid) returned for services from other funds
(1,318)	(12,571)	849,285	(6,246)	Net cash provided by (required for) operating activities
				CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES
	15	117,992		Cash advances received from other funds
(184)		(118,206)	(19)	Cash advances paid to other funds
		(1,168,226)		Intergovernmental transfers paid
1,943	345	2,288		Intergovernmental receipts
		1,474,411	4,857	Transfers in
(198)	(14)	(985,146)	(3,809)	Transfers out
1,561	346	(676,887)	1,029	Net cash provided by (required for) noncapital financing activities
				CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES
9,026		9,026		Proceeds from taxes
	150	150		Capital contributions
381		254,769	10,000	Proceeds from bonds and notes
(167)	(36)	(54,412)	(190)	Interest paid on capital borrowing
			3,569	Interest revenue
(534)	(116)	(136,855)		Principal payments on bonds and notes
		(1,344)	(252)	Leases paid
			(224)	Subscriptions paid
(20,133)	(28)	(308,827)	(24,405)	Acquisition and construction of capital assets
(11,427)	(30)	(237,493)	(11,502)	Net cash required for capital and related financing activities
				CASH FLOWS FROM INVESTING ACTIVITIES
7,697	11,959	63,683	1,409	Investment income
(3,487)	(296)	(1,412)	(15,310)	Net increase (decrease) in cash and cash equivalents
146,896	12,695	1,187,435	68,638	Cash and cash equivalents, July 1, 2023
\$ 143,409	12,399	\$ 1,186,023	\$ 53,328	Cash and cash equivalents, June 30, 2024

Continued...

COUNTY OF LOS ANGELES
STATEMENT OF CASH FLOWS - Continued
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2024 (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)	\$ 226,567	79,444	84,661	51,038
Adjustments to reconcile operating income (loss) to net cash provided by (required for) operating activities:				
Depreciation and amortization	30,874	12,782	32,292	18,913
(Increase) decrease in:				
Accounts receivable - net	25,496	(13,084)	18,399	15,451
Other receivables	(141,516)	36,810	(95,467)	(99,734)
Due from other funds	(86,826)	(53,958)	(505,065)	(127,902)
Inventories	(1,204)	1,016	404	(147)
Increase (decrease) in:				
Accounts payable	28,947	(28,381)	19,616	85,907
Accrued payroll	2,169	1,633	5,383	580
Other payables	(174)	(70)	(117)	(54)
Accrued compensated absences	6,223	4,011	10,174	577
Due to other funds	301,327	61,097	653,321	257,355
Advances payable	(36)			
Workers' compensation	2,282	1,699	4,644	1,063
Litigation and self-insurance	(4,979)	(9,435)	(7,001)	(349)
Net pension liability and related changes in deferred outflows and inflows of resources	13,515	4,328	18,078	4,553
Net OPEB liability and related changes in deferred outflows and inflows of resources	(20,186)	(27,393)	(35,464)	(5,589)
Third party payor	(26,404)	2,426	29,045	(391)
TOTAL ADJUSTMENTS	129,508	(6,519)	148,242	150,233
NET CASH PROVIDED BY (REQUIRED FOR) OPERATING ACTIVITIES	\$ 356,075	72,925	232,903	201,271
SCHEDULE OF NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:				
Contributions of capital assets	\$ 2,774	2,476	13,005	20
Loss on disposal of capital assets	(633)	(19,045)	(19,201)	(15,566)
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION:				
Pooled cash and investments	\$ 277,311	178,844	363,558	82,794
Restricted assets	108,239	8,158	1,814	9,497
TOTAL	\$ 385,550	187,002	365,372	92,291

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

\$ (17,080)	(15,248)	\$ 409,382	\$ (18,377)
23,822	3,337	122,020	20,052
(518)	112	45,856	
1	1	(299,905)	(1,509)
(511)	(49)	(774,311)	(22,825)
	350	419	(648)
(162)	(829)	105,098	(1,586)
		9,765	1,044
	2	(413)	(173)
		20,985	492
(6,777)	(247)	1,266,076	(226)
		(36)	
		9,688	1,834
(93)		(21,857)	
		40,474	14,504
		(88,632)	1,172
		4,676	
15,762	2,677	439,903	12,131
\$ (1,318)	(12,571)	\$ 849,285	\$ (6,246)

RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (REQUIRED FOR) OPERATING ACTIVITIES:

Operating income (loss)
Adjustments to reconcile operating income (loss) to net cash provided by (required for) operating activities:
Depreciation and amortization
(Increase) decrease in:
Accounts receivable - net
Other receivables
Due from other funds
Inventories
Increase (decrease) in:
Accounts payable
Accrued payroll
Other payables
Accrued compensated absences
Due to other funds
Advances payable
Workers' compensation
Litigation and self-insurance
Net pension liability and related changes in deferred outflows and inflows of resources
Net OPEB liability and related changes in deferred outflows and inflows of resources
Third party payor

TOTAL ADJUSTMENTS

NET CASH PROVIDED BY (REQUIRED FOR) OPERATING ACTIVITIES

SCHEDULE OF NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:

\$ 176		\$ 18,451	
		(54,445)	
\$ 143,409	12,399	\$ 1,058,315	\$ 48,209
		127,708	5,119
\$ 143,409	12,399	\$ 1,186,023	\$ 53,328

RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION:

Pooled cash and investments
Restricted assets

TOTAL

COUNTY OF LOS ANGELES
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2024 (in thousands)

	PENSION AND OTHER POSTEMPLOYMENT BENEFIT TRUST	INVESTMENT TRUST	CUSTODIAL	
			EXTERNAL INVESTMENT POOLS	OTHER CUSTODIAL
ASSETS				
Pooled cash and investments (Note 4)	\$ 142,381	381,747	35,688,450	1,573,731
Other investments: (Note 4)			225,653	309
Short-term investments	3,323,894			
Equity	31,569,333			
Fixed income	21,590,994			
Private equity	13,075,366			
Real estate	4,409,040			
Real assets	3,376,031			
Hedge funds	4,875,300			
Cash collateral on loaned securities	2,359,153			
Taxes receivable				1,043,734
Interest receivable	213,238	855	87,704	
Other receivables	1,321,950			475,339
Due from other governments				647
TOTAL ASSETS	86,256,680	382,602	36,001,807	3,093,760
LIABILITIES				
Accounts payable	623,751			3,570
Other payables (Note 4)	2,452,833			1,078,765
Due to other governments				81,603
TOTAL LIABILITIES	3,076,584			1,163,938
NET POSITION				
Restricted for:				
Pension	79,202,225			
OPEB	3,977,871			
Individuals, organizations and other governments		382,602	36,001,807	1,929,822
TOTAL NET POSITION	\$ 83,180,096	382,602	36,001,807	1,929,822

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, 2024 (in thousands)

	PENSION AND OTHER POSTEMPLOYMENT BENEFIT TRUST	INVESTMENT TRUST	CUSTODIAL	
			EXTERNAL INVESTMENT POOLS	OTHER CUSTODIAL
ADDITIONS				
Contributions:				
Pension and OPEB trust contributions:				
Employer	\$ 3,825,199			
Member	911,297			
Contributions to investment trust and custodial funds		79,551	67,732,030	28,140,496
Total contributions	4,736,496	79,551	67,732,030	28,140,496
Investment earnings:				
Investment income	4,080,689	24,449	1,391,530	
Net increase in the fair value of investments	3,069,544			
Securities lending income (Note 4)	134,663			
Total investment earnings	7,284,896	24,449	1,391,530	
Less - Investment expenses:				
Expense from investing activities	187,953			
Expense from securities lending activities (Note 4)	116,548			
Total net investment expense	304,501			
Net investment earnings	6,980,395	24,449	1,391,530	
Other additions				3,005,594
Miscellaneous	5,334			
TOTAL ADDITIONS	11,722,225	104,000	69,123,560	31,146,090
DEDUCTIONS				
Administrative expenses:				
Salaries and employee benefits	84,481			
Services and supplies	35,224			
Total administrative expenses	119,705			
Benefit payments	5,322,157			
Distributions from investment trust and custodial funds		225,669	66,023,866	28,116,639
Other deductions				2,915,317
Miscellaneous	43,993			
TOTAL DEDUCTIONS	5,485,855	225,669	66,023,866	31,031,956
CHANGE IN NET POSITION	6,236,370	(121,669)	3,099,694	114,134
NET POSITION, JULY 1, 2023	76,943,726	504,271	32,902,113	1,815,688
NET POSITION, JUNE 30, 2024	\$ 83,180,096	382,602	36,001,807	1,929,822

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, 2024 (in thousands)

	LOS ANGELES COUNTY DEVELOPMENT AUTHORITY	FIRST 5 LA	TOTAL
ASSETS			
Pooled cash and investments-			
Operating (Notes 1 and 4)	\$ 124,060	143,294	\$ 267,354
Other investments (Note 4)	680,517	133,816	814,333
Accounts receivable - net	25,991		25,991
Interest receivable		1,140	1,140
Lease receivable	7,040		7,040
Other receivables	44,009	11,580	55,589
Inventories	10,305		10,305
Restricted assets (Note 4)	14,470		14,470
Net pension asset	3,493		3,493
Capital assets: (Notes 1 and 5)			
Capital assets, not being depreciated/amortized	91,253	2,039	93,292
Capital assets, net of accumulated depreciation/amortization	98,643	11,233	109,876
Total capital assets	189,896	13,272	203,168
TOTAL ASSETS	1,099,781	303,102	1,402,883
DEFERRED OUTFLOWS OF RESOURCES	33,153		33,153
LIABILITIES			
Accounts payable	65,091	14,405	79,496
Other payables	13,834		13,834
Advances payable	3,652		3,652
Long-term liabilities: (Note 11)			
Due within one year	7,108	148	7,256
Due in more than one year	122,412	826	123,238
TOTAL LIABILITIES	212,097	15,379	227,476
DEFERRED INFLOWS OF RESOURCES	15,560		15,560
NET POSITION			
Net investment in capital assets	149,207	13,272	162,479
Restricted for:			
Community development	690,890		690,890
First 5 LA		274,451	274,451
Unrestricted	65,180		65,180
TOTAL NET POSITION	\$ 905,277	287,723	\$ 1,193,000

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, 2024 (in thousands)

	LOS ANGELES COUNTY DEVELOPMENT AUTHORITY	FIRST 5 LA	TOTAL
PROGRAM (EXPENSES) REVENUES:			
Expenses	\$ (924,729)	(86,800)	\$ (1,011,529)
Program revenues:			
Charges for services	37,580		37,580
Operating grants and contributions	941,033	65,646	1,006,679
Capital grants and contributions	9,260		9,260
Net program (expenses) revenues	<u>63,144</u>	<u>(21,154)</u>	<u>41,990</u>
GENERAL REVENUES:			
Investment income	26,199	16,770	42,969
Miscellaneous	389		389
Total general revenues	<u>26,588</u>	<u>16,770</u>	<u>43,358</u>
CHANGE IN NET POSITION	89,732	(4,384)	85,348
NET POSITION, JULY 1, 2023	<u>815,545</u>	<u>292,107</u>	<u>1,107,652</u>
NET POSITION, JUNE 30, 2024	<u>\$ 905,277</u>	<u>287,723</u>	<u>\$ 1,193,000</u>

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



COUNTY OF LOS ANGELES
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

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

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.

COUNTY OF LOS ANGELES
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

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.

COUNTY OF LOS ANGELES
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

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.

COUNTY OF LOS ANGELES
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

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, 2024, the restricted net position balances were \$5.788 billion and \$85.49 million for governmental activities and business-type activities, respectively. For governmental activities, \$1.144 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.

COUNTY OF LOS ANGELES
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

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.

COUNTY OF LOS ANGELES
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

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.

COUNTY OF LOS ANGELES
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

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.

COUNTY OF LOS ANGELES
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

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.

COUNTY OF LOS ANGELES
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

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 \$50.065 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, 2024. 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.

COUNTY OF LOS ANGELES
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

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 XIII A of the California State Constitution and statutory provisions by the County Assessor and State Board of Equalization. The total Fiscal Year (FY) 2023-2024 assessed valuation of the County approximated \$2.024 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 13,153 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.

COUNTY OF LOS ANGELES
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

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, five 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, 2024, the County's share of residual property tax revenues was \$469.87 million, of which \$391.44 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, 2024, 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.

COUNTY OF LOS ANGELES
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

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 because these amounts are not available for appropriation and expenditure.

Capital Assets

Capital assets, which include land and easements, capital assets, in progress, buildings and improvements, equipment, intangible assets, infrastructure, and intangible right-to-use 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.

COUNTY OF LOS ANGELES
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2024

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. In accordance with GAAP, in FY 2020-2021, the County 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 \$100,000 for buildings and improvements, \$5,000 for equipment, \$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, or the asset's useful life if there is a purchase option likely to be exercised
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

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.

COUNTY OF LOS ANGELES
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

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. 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.

COUNTY OF LOS ANGELES
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

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, 2022 rolled forward to June 30, 2023

Measurement Date - June 30, 2023

Measurement Period - July 1, 2022 to June 30, 2023

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, 2022 rolled forward to June 30, 2023

Measurement Date - June 30, 2023

Measurement Period - July 1, 2022 to June 30, 2023

COUNTY OF LOS ANGELES
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

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, 2023

Measurement Date - June 30, 2023

Measurement Period - July 1, 2022 to June 30, 2023

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 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.

COUNTY OF LOS ANGELES
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

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.

COUNTY OF LOS ANGELES
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2024

2. NEW ACCOUNTING PRONOUNCEMENTS

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

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 4-10, the requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53, are effective for reporting periods beginning after June 15, 2023. This statement did not have a material impact to the financial statements.

GASB Statement No. 100 - Statement No. 100, "Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62" enhances accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. This statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections. This statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. The requirements of this statement for changes in accounting principles apply to the implementation of a new pronouncement in absence of specific transition provisions in the new pronouncement. This statement also requires that the aggregate amount of adjustments to and restatements of beginning net position, fund balance, or fund net position, as applicable, be displayed by reporting unit in the financial statements. This statement did not have a material impact to the financial statements. We will apply the statement as appropriate in the future.

3. DEFICIT NET POSITION

The following activities/funds had a net deficit at June 30, 2024 (in thousands):

<u>Government-wide:</u>	<u>Accumulated Deficit</u>
Governmental Activities	\$ 9,952,635
Business-type Activities	494,739
 <u>Enterprise Funds:</u>	
Harbor-UCLA Medical Center	293,983
Olive View-UCLA Medical Center	485,777
Los Angeles General Medical Center	504,769
Rancho Los Amigos National Rehab Center	174,793
 <u>Internal Service Funds:</u>	
Public Works	1,226,043

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.

COUNTY OF LOS ANGELES
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

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, 2024 (in thousands):

	Pooled Cash and Investments	Other Investments	Restricted Assets		Total
			Pooled Cash and Investments	Other Investments	
Governmental Funds	\$ 17,728,823	62,549			\$ 17,791,372
Proprietary Funds	1,106,524		129,270	3,557	1,239,351
Fiduciary Funds (excluding Pension and OPEB)	37,643,928	225,962			37,869,890
Pension and OPEB Trust Funds	142,381	84,579,111			84,721,492
Discretely Presented Component Units	267,354	814,333		14,470	1,096,157
Total	\$ 56,889,010	85,681,955	129,270	18,027	\$ 142,718,262

A summary of cash and investments (by type) as of June 30, 2024 is as follows (in thousands):

Cash:	Cash and investments are reported as follows:	
County		
Imprest Cash	\$ 9,836	Governmental Funds \$ 17,791,372
Cash in Vault	208	Proprietary Funds 1,239,351
Cash in Bank	256,915	Investment Trust Fund 381,747
Deposits in Transit	13,811	Custodial Funds 37,488,143
LACDA	27,952	Pension and OPEB Trust Funds (LACERA) 84,721,492
Total Cash	<u>308,722</u>	Discretely presented component units:
		First 5 LA 277,110
		LACDA 819,047
		Total Cash and Investments \$ 142,718,262
Investments:		
In Treasury Pool	56,737,508	
In Specific Purpose Investment (SPI)	361,621	
In Other Specific Investments	311	
Held by Outside Trustees	63,954	
In LACERA	84,579,111	
In Discretely Presented Component Unit - LACDA	667,035	
Total Investments	<u>142,409,540</u>	
Total Cash and Investments	<u>\$ 142,718,262</u>	

COUNTY OF LOS ANGELES
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

4. CASH AND INVESTMENTS-Continued

County Treasurer Cash

As of June 30, 2024, the County Treasurer (Treasurer) maintained accounts in six banks. The carrying amount of the Treasurer's total deposits in financial institutions was \$256.92 million, deposits in transit were \$13.81 million, and cash in the Treasurer's vault was \$208 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 delineates the types of eligible securities and the required collateral percentage, generally at 110%. 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 portions of deposits that are 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, 2024.

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, 2024, to support the value of shares in the Pool.

COUNTY OF LOS ANGELES
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

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. Almost sixty percent (59.06%) 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 \$225.65 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 daily. 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, 2024, the total amount invested by all California local governments and special districts in LAIF was \$21.974 billion. LAIF is part of the State of California's Pooled Money Investment Account (PMIA), which as of June 30, 2024 had a balance of \$178.041 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 \$5.348 billion at June 30, 2024. Collectively, these represent 3.00% of the PMIA balance of \$178.041 billion. The SPI holdings in the LAIF investment pool as of June 30, 2024, were \$42.68 million, which were valued using a fair value factor provided by LAIF.

COUNTY OF LOS ANGELES
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

4. CASH AND INVESTMENTS-Continued

County Investment Pool-Continued

The Treasurer has the following recurring fair value measurements as of June 30, 2024 (in thousands):

<u>Pool</u>	Fair Value	Fair Value Measurement Using			External Government Investment Pools
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Commercial Paper	\$ 16,470,771	\$	\$ 16,470,771	\$	\$
Los Angeles County Securities	14,450			14,450	
Negotiable Certificates of Deposit	2,099,924		2,099,924		
U.S. Agency Securities	26,907,399		26,907,399		
U.S. Treasury Securities:					
U.S. Treasury Notes	2,178,004		2,178,004		
U.S. Treasury Bills	9,044,012		9,044,012		
Municipals	22,948		22,948		
Total Investments	<u>\$ 56,737,508</u>	<u>\$</u>	<u>\$ 56,723,058</u>	<u>\$ 14,450</u>	<u>\$</u>
<u>SPI</u>					
Local Agency Investment Fund	\$ 42,675	\$	\$	\$	\$ 42,675
Los Angeles County Securities	2,152			2,152	
U.S. Agency Securities	195,490		195,490		
U.S. Treasury Securities:					
U.S. Treasury Bills	121,304		121,304		
Total Investments	<u>\$ 361,621</u>	<u>\$</u>	<u>\$ 316,794</u>	<u>\$ 2,152</u>	<u>\$ 42,675</u>
<u>Other Specific Investments</u>					
U.S. Treasury Bills	\$ 311	\$	\$ 311	\$	\$
Total Investments	<u>\$ 311</u>	<u>\$</u>	<u>\$ 311</u>	<u>\$</u>	<u>\$</u>

COUNTY OF LOS ANGELES
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

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:

Authorized Investment Type	Maximum Maturity		Maximum Percentage of Portfolio		Maximum Investment In One Issuer		Minimum Rating	
	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	Various ⁽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%	10%	\$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.

COUNTY OF LOS ANGELES
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

4. CASH AND INVESTMENTS-Continued

County Investment Pool-Continued

A summary of investments held by the Pool at June 30, 2024 is as follows (dollars in thousands):

Pool	Fair Value	Principal	Interest Rate Range	Maturity Range	Weighted Average Maturity In Years
Commercial Paper	\$ 16,470,771	\$ 16,480,703	5.19% - 5.39%	07/01/24 - 12/20/24	0.12
Los Angeles County Securities	14,450	15,000	5.76% - 5.82%	06/30/25 - 06/30/26	1.65
Negotiable Certificates of Deposit	2,099,924	2,100,000	5.28% - 5.87%	07/01/24 - 01/17/25	0.19
Municipals	22,948	23,036	2.96%	08/01/24	0.09
U.S. Agency Securities	26,907,399	28,936,298	0.50% - 6.01%	07/01/24 - 01/05/34	3.21
U.S. Treasury Securities:					
U.S. Treasury Notes	2,178,004	2,395,446	0.63% - 1.13%	11/15/24 - 11/15/30	2.57
U.S. Treasury Bills	9,044,012	9,047,323	5.12% - 5.25%	07/02/24 - 10/22/24	0.13
Total	<u>\$ 56,737,508</u>	<u>\$ 58,997,806</u>			1.68

The unrealized loss on investments held in the Pool was \$2.260 billion as of June 30, 2024. 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, 2024 relative to the County Pool balances. A separate financial report is issued for the Pool for the year ended June 30, 2024 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, 2024 is as follows (dollars in thousands):

SPI	Fair Value	Principal	Interest Rate Range	Maturity Range	Weighted Average Maturity In Years
Local Agency Investment Fund	\$ 42,675	\$ 42,833		12/31/24	0.50
Los Angeles County Securities	2,152	2,060	5.00%	12/02/27	3.42
U.S. Agency Securities	195,490	217,409	2.00% - 5.21%	12/05/24 - 08/27/43	4.81
U.S. Treasury Notes	121,304	121,425	4.66% - 5.14%	11/07/24 - 12/26/24	0.44
Total	<u>\$ 361,621</u>	<u>\$ 383,727</u>			3.14
Other Specific Investments	Fair Value	Principal	Interest Rate Range	Maturity Range	Weighted Average Maturity In Years
U.S. Treasury Bills	\$ 311	\$ 311	5.15%	11/21/24	0.39

COUNTY OF LOS ANGELES
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

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.

The Treasury Pool maintained the weighted average maturity range of 1.0 to 4.0 years per the Pool policy. 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, 2024, is \$56.738 billion, of which 60.03% will mature in six months or less. Of the remainder, 36.07% have a maturity of more than one year. At June 30, 2024, the weighted average maturity in years for the Pool was 1.68 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, 2024, the Pool contained floating rate notes at fair value of \$14.45 million (0.03% 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, 2024, 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.

COUNTY OF LOS ANGELES
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

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), 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, 2024 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, 2024, 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, 2024 (dollars in thousands):

Issuer	Pool		SPI	
	Fair Value	% of Portfolio	Fair Value	% of Portfolio
Federal Home Loan Bank	\$ 8,485,260	14.95%	\$ 100,800	27.87%
Federal Home Loan Mortgage Corporation	7,604,010	13.40%	55,764	15.42%
Federal Farm Credit Bank	6,886,059	12.14%	38,926	10.76%
Federal National Mortgage Association	3,932,070	6.93%		

COUNTY OF LOS ANGELES
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

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, 2024:

Pool	S&P	Moody's	Fitch	% of Portfolio
Commercial Paper	Not Rated	Not Rated	Not Rated	29.03 %
Los Angeles County Securities	Not Rated	Not Rated	Not Rated	0.03 %
Municipals	AA	Not Rated	AA+	0.04 %
Negotiable Certificates of Deposits	Not Rated	Not Rated	Not Rated	3.70 %
U.S. Agency Securities	AA+	Aaa	AA+	23.98 %
	AA+	Aaa	Not Rated	7.54 %
	AA+	Aaa	F1+	0.26 %
	Not Rated	Not Rated	F1+	0.40 %
	Not Rated	Not Rated	Not Rated	9.24 %
	AA+	Not Rated	F1+	0.35 %
	AA+	WR	AA+	0.24 %
	Not Rated	Aaa	AA+	5.41 %
U.S. Treasury Securities*				19.78 %
				<u>100.00 %</u>
<u>SPI</u>				
Local Agency Investment Fund	Not Rated	Not Rated	Not Rated	11.80 %
Los Angeles County Securities	Not Rated	Not Rated	Not Rated	0.60 %
U.S. Agency Securities	AA+	Aaa	AA+	24.55 %
	AA+	Aaa	Not Rated	27.87 %
	Not Rated	Aaa	AA+	1.63 %
U.S. Treasury Securities*				33.55 %
				<u>100.00 %</u>
<u>Other Specific Investments</u>				
U.S. Treasury Securities*				100.00 %
				<u>100.00 %</u>

*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.

COUNTY OF LOS ANGELES
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

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, 2024, 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, 2024 were \$163. A total of \$71.80 million of investments held by outside trustees are invested in the Pool. In addition, the outside trustees invested \$63.95 million outside of the Pool.

The following is a summary of investments held by outside trustees as of June 30, 2024 (dollars in thousands):

	<u>Fair Value</u>	<u>Principal</u>	<u>Interest Rate Range</u>	<u>Maturity Range</u>	<u>Weighted Average Maturity (Years)</u>
U.S. Treasury Securities:					
U.S. Treasury Bonds	\$ 19,943	\$ 19,943		11/15/26 - 11/15/28	3.86
U.S. Treasury Notes	1,975	1,975	0.40% - 2.94%	11/30/24 - 05/31/26	0.11
	<u>Net Asset Value</u>				
Money Market Mutual Funds	\$ 42,036				

COUNTY OF LOS ANGELES
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

4. CASH AND INVESTMENTS-Continued

The following is a summary of the credit quality distribution and concentration of credit risk as of June 30, 2024:

<u>Other Investments</u>	<u>S&P</u>	<u>Moody's</u>	<u>Fitch</u>	<u>% of Portfolio</u>
Money Market Mutual Funds	Not Rated	Not Rated	Not Rated	65.73%
U.S. Treasury Securities *				34.27%
				<u>100.00%</u>

*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, 2024 (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, 2024, (in thousands) and are as follows:

	<u>Fair Value</u>
Cash Collateral on Loaned Securities	\$ 2,359,153
Short-term Investments	3,323,894
Domestic and International Equity	31,569,333
Fixed Income	21,590,994
Real Estate*	4,409,040
Real Assets	3,376,031
Private Equity	13,075,366
Hedge Funds	4,875,300
Total	<u>\$ 84,579,111</u>

* Refer to Note J of LACERA's ACFR for the year ended June 30, 2024, for additional discussion on special purpose entities.

The Pension and OPEB Trust Funds also had deposits with the Pool at June 30, 2024 totaling \$142.38 million.

COUNTY OF LOS ANGELES
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

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 investment assets by setting a policy that the investment office 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 and floating rate instruments in order to obtain the highest total return for the Pension plan at an acceptable level of risk within this asset class. To manage credit risk, credit guidelines have been established.

Investment Grade Bonds

Investment Grade bonds are categorized as a component of the Risk Reduction and Mitigation functional asset category. The majority of this category is invested in an indexing strategy that provides exposure to the Bloomberg U.S. Aggregate Bond Index. LACERA also invests with managers that employ a low active-risk "core bond" approach. Investment guidelines require that managers invest predominantly in sectors represented in their benchmark index. As a result, these 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.

COUNTY OF LOS ANGELES
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

4. CASH AND INVESTMENTS-Continued

LACERA Investment Portfolio-Continued

Credit Quality Ratings

The following is a schedule as of June 30, 2024 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 \$8.66 million are excluded from this presentation.

Credit Quality Ratings of Investments in Fixed Income Securities - Pension Plan
As of June 30, 2024
(dollars in thousands)

Quality Ratings	U.S. Treasuries	U.S. Govt. Agencies	Municipals	Corporate and Asset-Backed Securities	Pooled Investment	Non U.S. Fixed Income	Private Placement Fixed Income	Total	Percentage of Portfolio
Aaa	\$ 6,052,414	823,751		118,170	1,604,320	581	51,304	\$ 8,650,540	43.59 %
Aa			3,871	30,128	80,320	1,145	18,601	134,065	0.67 %
A				264,037	396,844	28,953	40,083	729,917	3.68 %
Baa				306,056	394,010	24,568	42,838	767,472	3.87 %
Ba				102,453	17,297	17,154	202,448	339,352	1.71 %
B				486,583		52,435	286,620	825,638	4.16 %
Caa				91,324		4,536	108,068	203,928	1.03 %
Ca				1,808		600	3,580	5,988	0.03 %
C				693		80		773	0.00 %
Not Rated		420		203,108	7,805,688	48,092	131,615	8,188,923	41.26 %
Total Investment in Fixed Income Securities - Pension Plan	\$ 6,052,414	824,171	3,871	1,604,360	10,298,479	178,144	885,157	\$19,846,596	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.

COUNTY OF LOS ANGELES
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

4. CASH AND INVESTMENTS-Continued

LACERA Investment Portfolio-Continued

Credit Quality Ratings of Investments in Fixed Income Securities - OPEB Trust
As of June 30, 2024 (dollars in thousands)

Quality Ratings	U.S. Treasuries	U.S. Govt. Agencies	Municipals	Corporate and Asset- Backed Securities	Pooled Investments	Non-U.S. Fixed Income	Private Placement Fixed Income	Total	Percentage of Portfolio
Aaa	\$ 633,286	\$ 113,312	\$	\$ 9,229	\$	\$ 4,742	\$	\$ 760,569	43.82 %
Aa			1,314	5,023		3,156		9,493	0.55 %
A			587	41,662		8,941		51,190	2.95 %
Baa				44,722		8,647	3,314	56,683	3.26 %
Ba				93,585		14,526	81,048	189,159	10.90 %
B				167,408		9,874	104,345	281,627	16.23 %
Caa				16,187		1,301	32,682	50,170	2.89 %
Ca				311			1,187	1,498	0.08 %
C							20	20	0.00 %
Not Rated		64	73	25,762	294,517	11,247	3,618	335,281	19.32 %
Total Investment in Fixed Income Securities - OPEB Trust	\$ 633,286	\$ 113,376	\$ 1,974	\$ 403,889	\$ 294,517	\$ 62,434	\$ 226,214	\$ 1,735,690	100.00 %

Note: Pooled Investments included with the Not Rated Quality represents investments in commingled funds.

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.

COUNTY OF LOS ANGELES
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

4. CASH AND INVESTMENTS-Continued

LACERA Investment Portfolio-Continued

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.

On March 31, 2024, LACERA sold 17 private equity limited partnership interests, which were valued at \$1.221 billion to three separate buyers. The buyer will remit payments for these partnership interests to LACERA at the end of an 18-month deferral period on September 30, 2025. To estimate the fair value of these transactions, LACERA discounted the future payments to net present value utilizing a 5.00% discount rate, which included the current swap rate plus an appropriate spread, to arrive at the long-term Notes Receivable-Sale of Investments balance of \$1.149 billion. LACERA determined the fair value of these payments applying judgment and considering factors such as general market conditions and the time value of money. LACERA contemplated other elements of the transactions, including each buyer's respective risk of default, which did not impact the fair value for this reporting period.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss that can occur when there is a concentration of exposure to a single or small number of debt issuers versus having exposure to a relatively more diversified pool of debt issuers. For diversification purposes, all investment grade and liquid credit portfolios limit the exposure to a single issuer. This limitation 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, 2024, LACERA did not hold any investments in any one debt 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.

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.

COUNTY OF LOS ANGELES
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

4. CASH AND INVESTMENTS-Continued

LACERA Investment Portfolio-Continued

Interest Rate Risk-Continued

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. Deviations from any of the portfolio structure guidelines are monitored as part of LACERA's compliance review process.

The Duration in Fixed Income Securities - Pension Plan schedule for the year ended June 30, 2024 presents the duration by investment type. Whole loan mortgages included in the Pension Plan Portfolio of \$8.66 million are excluded from this presentation.

Duration in Fixed Income Securities - Pension Plan
As of June 30, 2024
(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	\$ 6,052,414	10.81
U.S. Government Agency	824,171	4.41
Municipal / Revenue Bonds	3,871	14.03
Subtotal U.S. Treasuries, U.S. Government Agency, and Municipal Instruments	6,880,456	
Corporate Bonds and Credit Securities:		
Asset-Backed Securities	178,877	2.19
Corporate and Other Credit	1,425,483	2.73
Pooled Funds	10,298,479	1.51
Subtotal Corporate Bonds and Credit Securities	11,902,839	
Non-U.S. Fixed Income	178,144	1.97
Private Placement Fixed Income	885,157	2.98
Subtotal Non-U.S. and Private Placement Securities	1,063,301	
Total Fixed Income Securities - Pension Plan	\$ 19,846,596	

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%.

COUNTY OF LOS ANGELES
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

4. CASH AND INVESTMENTS-Continued

LACERA Investment Portfolio-Continued

Duration in Fixed Income Securities - OPEB Trust

As of June 30, 2024 (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	\$ 633,286	8.84
U.S. Government Agency	113,376	4.94
Municipal / Revenue Bonds	1,974	9.72
Subtotal U.S. Treasuries Instruments	748,636	
Corporate Bonds and Credit Securities:		
Asset-Backed Securities	5,513	3.20
Corporate and Other Credit	398,376	2.07
Pooled Funds	294,517	N/A
Subtotal Corporate Bonds and Credit Securities	698,406	
Non-U.S. Fixed Income	62,434	2.69
Private Placement Fixed Income	226,214	3.21
Subtotal Non-U.S. and Private Placement Securities	288,648	
Total Fixed Income Securities - OPEB Trust	\$ 1,735,690	

*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 schedules represent 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.

COUNTY OF LOS ANGELES
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

4. CASH AND INVESTMENTS-Continued

LACERA Investment Portfolio-Continued

Non-U.S. Investment Securities at Fair Value - Pension Plan
As of June 30, 2024
(in thousands)

Currency	Equity	Fixed Income	Foreign Currency	Real Estate	Real Assets	Private Equity Investments	Forward Contracts	Total
AFRICA								
South African Rand	\$ 84,344		161				\$	84,505
AMERICAS								
Brazilian Real	106,481		1,124					107,605
Canadian Dollar	898,571	1,712	8,448		152,310		588	1,061,629
Chilean Peso	7,996		194					8,190
Colombian Peso	2,106		105					2,211
Mexican Peso	39,695		969					40,664
ASIA								
Australian Dollar	437,024		766			15,699	(5,222)	448,267
Chinese Renminbi	65,275		3,138					68,413
Hong Kong Dollar	557,649		2,548				(29)	560,168
Indonesian Rupiah	47,328		1,680					49,008
Japanese Yen	1,343,462		10,973				46,401	1,400,836
Malaysian Ringgit	43,802		801					44,603
New Zealand Dollar	9,822		304				(33)	10,093
Pakistan Rupee			29					29
Philippine Peso	12,954		193					13,147
Singapore Dollar	86,614		464				347	87,425
South Korean Won	278,007		1,701					279,708
Taiwan Dollar	447,679		1,600					449,279
Thai Baht	37,123		603					37,726
EUROPE								
British Pound Sterling	1,320,543	12,885	6,712	54		249,139	1,240	1,590,573
Czech Republic Koruna	3,286		130					3,416
Danish Krone	295,161		430				1,347	296,938
Euro	2,466,836	34,770	14,508	290,417	355,378	867,790	11,638	4,041,337
Hungarian Forint	7,697		263					7,960
Norwegian Krone	75,500		774				(298)	75,976
Polish Zloty	38,938		1,222					40,160
Russian Ruble			1,978					1,978
Swedish Krona	223,745		689				(569)	223,865
Swiss Franc	614,346		1,045				(412)	614,979
MIDDLE EAST								
Egyptian Pound	3,320		128					3,448
Israeli New Shekel	38,411		1,020				421	39,852
Kuwaiti Dinar	25,521		484					26,005
Qatari Rial	30,699		407					31,106
Saudi Riyal	6,469							6,469
Turkish Lira	32,771		647					33,418
UAE Dirham	41,894		1,038					42,932
Total Investment Securities								
Subject to Foreign Currency								
Risk - Pension Plan								
	\$ 9,731,069	49,367	67,276	290,471	507,688	1,132,628	55,419	\$11,833,918

COUNTY OF LOS ANGELES
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

4. CASH AND INVESTMENTS-Continued

LACERA Investment Portfolio-Continued

Non-U.S. Investment Securities at Fair Value - OPEB Trust
As of June 30, 2024
(in thousands)

Currency	Equity	Fixed Income	Foreign Currency	Real Assets	Total
AMERICAS					
Canadian Dollar	\$ 47,141		145		\$ 47,286
ASIA					
Australian Dollar	31,856		106		31,962
Hong Kong Dollar	7,270		184		7,454
Japanese Yen	99,563		535		100,098
New Zealand Dollar	1,147		10		1,157
Singapore Dollar	5,545		27		5,572
EUROPE					
British Pound Sterling	60,236		274		60,510
Danish Krone	15,623		69		15,692
Euro	126,606	479	528	8,715	136,328
Norwegian Krone	3,440		254		3,694
Swedish Krona	14,769		64		14,833
Swiss Franc	36,679		142		36,821
MIDDLE EAST					
Israeli New Shekel	2,582		6		2,588
Total Investment Securities Subject to Foreign Currency Risk - OPEB Trust					
	\$ 452,457	479	2,344	8,715	\$ 463,995

Securities Lending Program

The BOI policies authorize LACERA to participate in a securities lending program. LACERA generates income by lending securities that it owns to market participants such as brokers and dealers ("borrowers"). In return for lending securities, LACERA receives collateral, either in the form of cash or other securities. When cash collateral is received, LACERA pays the borrower interest on the cash and invests it 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 securities. At the end of the loan, the borrower returns the securities and LACERA returns the collateral. In addition, either party to the transaction can terminate a loan on demand.

Bank is the sole manager of LACERA's custodian and the lending agent for LACERA's securities lending program. The amount of collateral LACERA receives is based on the market value of the security loaned and depends on the type of security: 105% of market value for non-U.S. securities and 102% on U.S. securities are the minimum amounts of collateral received.

State Street Global Advisors invests the cash collateral received from the lending program. The collateral is invested in short-term highly liquid instruments. 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, LACERA returns a portion of the collateral. Earnings generated in excess of the interest paid to the borrowers represent net investment income to LACERA.

COUNTY OF LOS ANGELES
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

4. CASH AND INVESTMENTS-Continued

LACERA Investment Portfolio-Continued

Securities Lending Program-Continued

Under the terms of the lending agreement, the lending agent provides indemnification against borrower default. In the event a borrower does not return securities on loan, the terms of the lending agreement entitle LACERA to terminate the loan and use the collateral to purchase a like amount of “replacement securities”. 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.

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, 2024.

As of June 30, 2024, the fair value of securities on loan was \$7.972 billion, with a value of cash collateral received of \$2.359 billion, which is included in Other payables on the financial statements, and non-cash collateral of \$6.086 billion. LACERA’s investment income, net of expenses from securities lending, was \$18.12 million for the year ended June 30, 2024.

Securities Lending
As of June 30, 2024
(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	\$ 2,042,727	\$ 1,058,414	\$ 1,060,711	\$ 1,650	103.82 %
U.S. Fixed Income	5,460,388	1,139,561	4,685,295	(55,248)	105.66 %
Non-U.S. Equity	469,192	161,178	340,324	(781)	106.72 %
Total	<u>\$ 7,972,307</u>	<u>\$ 2,359,153</u>	<u>\$ 6,086,330</u>	<u>\$ (54,379)</u>	

(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.

COUNTY OF LOS ANGELES
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

4. CASH AND INVESTMENTS-Continued

LACERA Investment Portfolio-Continued

Hedge Funds

LACERA's Investment Policy Statement establishes the portfolio framework 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 investment program as of June 30, 2024 is as follows:

- In the core hedge funds portfolio, LACERA is invested in nine direct hedge fund managers and one hedge fund-of-funds manager.
- LACERA is invested in a total of ten hedge fund emerging managers in the hedge funds emerging manager program. Stable Asset Management, LACERA's discretionary separate account manager for the hedge funds emerging manager program, selected three new emerging managers during FY 2023-2024.
- LACERA continues to maintain 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 FY 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, 2024 was \$4.875 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.

Fair Value

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.

COUNTY OF LOS ANGELES
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

4. CASH AND INVESTMENTS-Continued

LACERA Investment Portfolio-Continued

Fair Value-Continued

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 the 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.

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.

COUNTY OF LOS ANGELES
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

4. CASH AND INVESTMENTS-Continued

LACERA Investment Portfolio-Continued

Fair Value-Continued

Investments and Derivative Instruments Measured at Fair Value - Pension Plan
As of June 30, 2024
(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	\$ 178,877	\$	\$ 178,877	\$
Corporate and Other Credit	1,425,484		1,365,945	59,539
Municipal/Revenue Bonds	3,871		3,871	
Non-U.S. Fixed Income	178,144		147,184	30,960
Private Placement Fixed Income	885,157		876,344	8,813
U.S. Government Agency	824,171		824,171	
U.S. Treasuries	6,052,414		6,052,414	
Whole Loan Mortgages	8,661			8,661
Total Fixed Income Securities	<u>9,556,779</u>		<u>9,448,806</u>	<u>107,973</u>
Equity Securities				
Non-U.S. Equity	10,463,610	10,457,776	1,091	4,743
Pooled Investments	473,278	473,278		
U.S. Equity	17,962,579	17,925,521	7,247	29,811
Total Equity Securities	<u>28,899,467</u>	<u>28,856,575</u>	<u>8,338</u>	<u>34,554</u>
Collateral from Securities Lending	2,359,152		2,359,152	
Total Investments by Fair Value Level	<u>\$ 40,815,398</u>	<u>\$ 28,856,575</u>	<u>\$ 11,816,296</u>	<u>\$ 142,527</u>
Investments Measured at NAV				
Fixed Income	\$ 10,298,479			
Equity	559,458			
Hedge Funds	4,875,300			
Private Equity	13,057,192			
Real Estate	4,406,609			
Real Assets	3,359,137			
Total Investments Measured at NAV	<u>36,556,175</u>			
Total Investments	<u>\$ 77,371,573</u>			
Derivatives				
Foreign Exchange Contracts	\$ 55,419	\$	\$ 55,419	\$
Foreign Equity Derivatives	543		543	
U.S. Equity Derivatives	2,728		2,728	
U.S. Fixed Income Derivatives	46		46	
Total Derivatives	<u>\$ 58,736</u>	<u>\$ 3,317</u>	<u>\$ 55,419</u>	<u>\$</u>

COUNTY OF LOS ANGELES
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

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, 2024
(dollars in thousands)

	Fair Value	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Fixed Income Funds ⁽¹⁾	\$ 10,298,479	\$ 617,178	Daily, Monthly or Not Eligible	1-60 days or N/A
Commingled Equity Funds ⁽²⁾	559,458		Annual or Not Eligible	1-90 days or N/A
Hedge Funds ⁽³⁾	4,875,300		Monthly, Quarterly, Semi-Annual, Annual; Self-Liquidating	5-180 days
Private Equity ⁽⁴⁾	13,057,192	5,273,126	Not Eligible	N/A
Real Estate ⁽⁴⁾	4,406,609	1,514,021	Quarterly or Not Eligible	30 days+ or N/A
Real Assets ⁽⁴⁾	3,359,137	1,896,738	Not Eligible	N/A
Total Investments Measured at the NAV	<u>\$ 36,556,175</u>			

(1) Fixed Income Funds: 22 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 65% of assets are available for redemption within 12 months; these funds provide daily, monthly or quarterly liquidity. Approximately 35% 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 18 current funds and 1 fund of funds. Hedge Fund investments are valued at NAV per share. When considering liquidity terms of the current funds, 75% of the fund assets are available for redemption within 12 months; these funds provide 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 25% 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 278 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 eligible for redemption. The Real Assets portfolio consists of 29 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 25 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 28 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. 6 out of 28 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.

COUNTY OF LOS ANGELES
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

4. CASH AND INVESTMENTS-Continued

LACERA Investment Portfolio-Continued

Fair Value-Continued

Investments Measured at Fair Value - OPEB Trust
As of June 30, 2024
(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	\$ 5,513	\$	\$ 5,513	\$
Private Placement Fixed Income	226,213		226,213	
Corporate and Other Credit	398,371		398,065	306
Municipal / Revenue Bonds	1,974		1,974	
Non-U.S. Fixed Income	62,434		62,434	
Pooled Investments	20,365	20,365		
U.S. Government Agency	113,376		113,376	
U.S. Treasuries	633,286		633,286	
Total Fixed Income Securities	<u>1,461,532</u>	<u>20,365</u>	<u>1,440,861</u>	<u>306</u>
Equity Securities				
Non-U.S. Equity	479,762	479,762		
Pooled Investments	188,244	188,244		
U.S. Equity	1,439,130	1,439,129	1	
Total Equity Securities	<u>2,107,136</u>	<u>2,107,135</u>	<u>1</u>	
Total Investments by Fair Value Level	<u>\$ 3,568,668</u>	<u>\$ 2,127,500</u>	<u>\$ 1,440,862</u>	<u>\$ 306</u>
Investments Measured at Net Asset Value (NAV)				
Fixed Income	\$ 274,152			
Private Equity	18,175			
Real Estate	2,431			
Real Assets	16,894			
Total Investments Measured at NAV	<u>311,652</u>			
Total Investments	<u>\$ 3,880,320</u>			
Derivatives				
U.S. Fixed Income Derivatives	\$ 5	\$ 5	\$	\$
Foreign Equity Derivatives	2	2		
Total Derivatives	<u>\$ 7</u>	<u>\$ 7</u>	<u>\$</u>	<u>\$</u>

COUNTY OF LOS ANGELES
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

4. CASH AND INVESTMENTS-Continued

LACERA Investment Portfolio-Continued

Fair Value-Continued

Investments Measured at Net Asset Value - OPEB Trust
As of June 30, 2024
(dollars in thousands)

<u>Investment by Fair Value Level</u>	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency (If Currently Eligible)</u>	<u>Redemption Notice Period</u>
<u>Fixed Income Securities</u>				
Fixed Income Funds ⁽¹⁾	\$ 274,152	\$ 95,856	Daily, Monthly, or Not Eligible	1-60 days or N/A
Private Equity ⁽²⁾	18,175	117,098	Not Eligible	N/A
Real Estate ⁽³⁾	2,431	67,395	Not Eligible	N/A
Real Assets ⁽⁴⁾	<u>16,894</u>	96,508	Not Eligible	N/A
Total Investments Measured at NAV ⁽¹⁾	<u>\$ 311,652</u>			

(1) Fixed Income Funds: The portfolio consists of 9 fixed income funds value at the NAV of units held at the end of the period based on the fair value of underlying investments. Approximately 95% of assets are available for redemption within 12 months. Approximately 5% of the fund assets are not eligible for redemption due to contractual limitations.

(2) Private Equity: 7 private equity funds are valued at NAV. Due to contractual limitations, non of the funds are eligible for redemption.

(3) Real Estate: The Real Estate portfolio is composed of 1 fund. Due to contractual limitations, the fund is not eligible for redemption.

(4) Real Assets: The Real Assets portfolio consists of 5 funds. Due to contractual limitations, none of the funds are eligible for redemption.

COUNTY OF LOS ANGELES
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

5. CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2024 is as follows (in thousands):

<u>Governmental Activities</u>	<u>Balance July 1, 2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2024</u>
Capital assets, not being depreciated/ amortized:				
Land	\$ 2,572,121	1,911		\$ 2,574,032
Easements	5,074,796	23,249		5,098,045
Software in progress	81,278	41,395	(2,435)	120,238
Construction in progress-buildings and improvements	1,452,844	387,294	(185,151)	1,654,987
Construction in progress-infrastructure	759,965	209,313	(53,431)	915,847
Subscription assets in progress	8,250	14,961	(9,392)	13,819
Subtotal	<u>9,949,254</u>	<u>678,123</u>	<u>(250,409)</u>	<u>10,376,968</u>
Capital assets, being depreciated/amortized:				
Buildings and improvements	7,006,509	242,589	(7,757)	7,241,341
Equipment	1,901,542	185,539	(87,899)	1,999,182
Software	608,122	1,430	(12,619)	596,933
Infrastructure	8,207,619	52,735		8,260,354
Lease land	10,137		(9,082)	1,055
Lease buildings and improvements	1,749,598	148,703	(63,955)	1,834,346
Lease equipment	17,397	294	(611)	17,080
Subscription assets	108,590	40,173		148,763
Subtotal	<u>19,609,514</u>	<u>671,463</u>	<u>(181,923)</u>	<u>20,099,054</u>
Less accumulated depreciation/amortization for:				
Buildings and improvements	(2,757,257)	(164,418)	2,396	(2,919,279)
Equipment	(1,446,454)	(152,636)	82,690	(1,516,400)
Software	(443,681)	(32,838)	12,619	(463,900)
Infrastructure	(4,928,259)	(146,986)		(5,075,245)
Lease land	(7,118)	(2,345)	9,082	(381)
Lease buildings and improvements	(240,227)	(141,947)	33,350	(348,824)
Lease equipment	(4,736)	(3,469)	611	(7,594)
Subscription assets	(21,651)	(29,718)		(51,369)
Subtotal	<u>(9,849,383)</u>	<u>(674,357)</u>	<u>140,748</u>	<u>(10,382,992)</u>
Total capital assets, being depreciated/ amortized, net	<u>9,760,131</u>	<u>(2,894)</u>	<u>(41,175)</u>	<u>9,716,062</u>
Governmental activities capital assets, net	<u>\$19,709,385</u>	<u>675,229</u>	<u>(291,584)</u>	<u>\$ 20,093,030</u>

COUNTY OF LOS ANGELES
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

5. CAPITAL ASSETS-Continued

<u>Business-type Activities</u>	<u>Balance July 1, 2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2024</u>
Capital assets, not being depreciated/ amortized:				
Land	\$ 134,932			\$ 134,932
Easements	33,242	176		33,418
Construction in progress-buildings and improvements	515,477	248,161	(203,484)	560,154
Construction in progress- infrastructure	59,092	19,930	(3,576)	75,446
Subtotal	<u>742,743</u>	<u>268,267</u>	<u>(207,060)</u>	<u>803,950</u>
Capital assets, being depreciated/ amortized:				
Buildings and improvements	2,950,168	217,043	(51,728)	3,115,483
Equipment	454,126	42,088	(55,455)	440,759
Software	58,922			58,922
Infrastructure	1,321,540	3,302		1,324,842
Lease buildings and improvements		2,801		2,801
Lease equipment	2,090			2,090
Subtotal	<u>4,786,846</u>	<u>265,234</u>	<u>(107,183)</u>	<u>4,944,897</u>
Less accumulated depreciation/ amortization for:				
Buildings and improvements	(1,058,081)	(63,234)	3,119	(1,118,196)
Equipment	(310,017)	(31,573)	53,191	(288,399)
Software	(56,752)	(1,433)		(58,185)
Infrastructure	(744,639)	(24,381)		(769,020)
Lease buildings and improvements		(985)		(985)
Lease equipment	(504)	(414)		(918)
Subtotal	<u>(2,169,993)</u>	<u>(122,020)</u>	<u>56,310</u>	<u>(2,235,703)</u>
Total capital assets, being depreciated/ amortized, net	<u>2,616,853</u>	<u>143,214</u>	<u>(50,873)</u>	<u>2,709,194</u>
Business-type activities capital assets, net	<u>3,359,596</u>	<u>411,481</u>	<u>(257,933)</u>	<u>3,513,144</u>
Total capital assets, net	<u>\$ 23,068,981</u>	<u>1,086,710</u>	<u>(549,517)</u>	<u>\$ 23,606,174</u>

COUNTY OF LOS ANGELES
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2024

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	\$ 83,191
Public protection	243,725
Public ways and facilities	86,900
Health and sanitation	113,963
Public assistance	73,645
Education	6,305
Recreation and cultural services	46,576
Capital assets held by the County's internal service funds are charged to the various functions based on their usage of the assets	20,052
Total depreciation/amortization expense, governmental activities	<u>\$ 674,357</u>

Business-type activities:

Hospitals	\$ 94,861
Waterworks	23,822
Aviation	3,337
Total depreciation/amortization expense, business-type activities	<u>\$ 122,020</u>

COUNTY OF LOS ANGELES
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

5. CAPITAL ASSETS-Continued

Discretely Presented Component Units

LACDA

Capital assets activity for the LACDA component unit for the year ended June 30, 2024, was as follows (in thousands):

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024
Capital assets, not being depreciated/ amortized:				
Land	\$ 85,343		(4,098)	\$ 81,245
Construction in progress-buildings and improvements	6,178	6,170	(2,340)	10,008
Subtotal	<u>91,521</u>	<u>6,170</u>	<u>(6,438)</u>	<u>91,253</u>
Capital assets, being depreciated/amortized:				
Buildings and improvements	271,935	11,440	(7,565)	275,810
Equipment	9,025	675	(337)	9,363
Software	1,025			1,025
Lease equipment	260	107	(260)	107
Subscription assets	3,079	4,545	(1,262)	6,362
Subtotal	<u>285,324</u>	<u>16,767</u>	<u>(9,424)</u>	<u>292,667</u>
Less accumulated depreciation/amortization for:				
Buildings and improvements	(182,886)	(7,339)	6,596	(183,629)
Equipment	(7,985)	(425)	327	(8,083)
Software	(436)	(102)		(538)
Lease equipment	(187)	(73)	254	(6)
Subscription assets	(1,334)	(1,686)	1,252	(1,768)
Subtotal	<u>(192,828)</u>	<u>(9,625)</u>	<u>8,429</u>	<u>(194,024)</u>
Total capital assets being depreciated/ amortized, net	92,496	7,142	(995)	98,643
LACDA capital assets, net	<u>\$ 184,017</u>	<u>13,312</u>	<u>(7,433)</u>	<u>\$ 189,896</u>

COUNTY OF LOS ANGELES
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

5. CAPITAL ASSETS-Continued

First 5 LA

Capital assets activity for the First 5 LA component unit for the year ended June 30, 2024, was as follows (in thousands):

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024
Capital assets, not being depreciated-				
Land	\$ 2,039			\$ 2,039
Capital assets, being depreciated:				
Buildings and improvements	15,822	148		15,970
Equipment	3,237	97		3,334
Subtotal	<u>19,059</u>	<u>245</u>		<u>19,304</u>
Less accumulated depreciation for:				
Buildings and improvements	(4,570)	(359)		(4,929)
Equipment	(3,063)	(79)		(3,142)
Subtotal	<u>(7,633)</u>	<u>(438)</u>		<u>(8,071)</u>
Total capital assets being depreciated, net	<u>11,426</u>	<u>(193)</u>		<u>11,233</u>
First 5 LA capital assets, net	<u>\$ 13,465</u>	<u>(193)</u>		<u>\$ 13,272</u>

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.

COUNTY OF LOS ANGELES
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

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, 2024, the present value of the installment payments under contract is estimated to be \$82.58 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 3 to 15 years as of June 30, 2024. The FY 2023-2024 total monthly installment payments are approximately \$815,000. 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 \$21.73 million as of June 30, 2024.

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.

COUNTY OF LOS ANGELES
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2024

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 2023-2024:

July 1, 2023 - September 15, 2023	A	B	C	D	E	G
General Members	31.11%	24.13%	21.23%	22.75%	24.30%	22.66%
Safety Members	39.93%	34.79%	27.91%			
September 16, 2023 - June 30, 2024	A	B	C	D	E	G
General Members	31.52%	25.79%	22.45%	24.16%	25.74%	23.96%
Safety Members	42.18%	36.31%	29.48%			

The rates were determined by the actuarial valuations performed as of June 30, 2022. The investment rate of return assumption used in the valuation performed as of June 30, 2022 remained at 7.00%. The employer contribution rates used in FY 2023-2024, beginning September 16, 2023, increased from 0.41% to 2.25% over the rates used in FY 2022-2023 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 2023-2024, 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 \$2.411 billion.

COUNTY OF LOS ANGELES
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

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, 2024, the County reported a liability of \$14.074 billion for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022, 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, 2023, the County's proportionate share was 96.28%, which was a decrease of (0.19)% from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the County recognized pension expense of \$386.50 million which is reported as \$346.03 million for governmental activities and \$40.47 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, 2024, 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	\$	\$ 100,005
Change in assumptions		2,340,769
Change in experience	5,720	1,598,001
Change in proportion and differences between County contributions and proportionate share of contributions	281,397	287,374
Contributions made subsequent to measurement date		2,410,853
Total	<u>\$ 287,117</u>	<u>\$ 6,737,002</u>

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 7 years as of June 30, 2023.

COUNTY OF LOS ANGELES
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

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):

<u>Year Ending June 30:</u>	<u>Deferred Outflows/(Inflows) of Resources</u>
2024	\$ 818,952
2025	(92,112)
2026	2,081,272
2027	726,290
2028	289,791
Thereafter	214,839

Deferred outflows of \$2.411 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, 2024, the Pension Plan's fiduciary net position increased approximately \$5.350 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 \$4.245 billion from interest and service costs, resulted in a decrease in net pension liability from \$14.618 billion to \$13.513 billion. The County's proportionate share of the Pension Plan's net pension liability was 96.28% as of June 30, 2023 and is historically above 96%.

Actuarial Assumptions

Valuation Timing	June 30, 2022, rolled forward to June 30, 2023
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	7.15%, 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-2021 Ultimate Projection Scale. See June 30, 2022 actuarial valuation for details. It can be found at www.LACERA.com .
Experience Study	Covers the 3 year period ended June 30, 2022.

COUNTY OF LOS ANGELES
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

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, 2023:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Rate of Return (After Expected 2.75% Inflation Rate) (Geometric)
Growth	53.00%	6.20 %
Global Equity	32.00 %	5.00 %
Private Equity	17.00 %	7.00 %
Non-Core Private Real Estate	4.00 %	6.50 %
Credit	11.00%	3.10 %
Liquid Credit	4.00 %	2.20 %
Illiquid Credit	7.00 %	3.30 %
Real Assets and Inflation Hedges	17.00%	3.70 %
Core Private Real Estate	6.00 %	3.20 %
Natural Resources and Commodities	3.00 %	3.90 %
Infrastructure	5.00 %	4.90 %
TIPS	3.00 %	0.10 %
Risk Reduction and Mitigation	19.00%	1.10 %
Investment Grade Bonds	7.00 %	0.20 %
Diversified Hedge Fund Portfolio	6.00 %	2.10 %
Long-Term Government Bonds	5.00 %	0.70 %
Cash Equivalents	1.00 %	(0.80)%

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.

COUNTY OF LOS ANGELES
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2024

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	\$ 25,362,576	\$ 14,073,963	\$ 4,716,228

Pension Plan Fiduciary Net Position

Detailed information about pension plan fiduciary net position as of June 30, 2023 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, 2024, 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, 2024, were \$323.45 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, 2024, 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, 2024, were \$88.12 million.

COUNTY OF LOS ANGELES
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

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, 2024, were \$9.87 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, 2023.

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 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.

COUNTY OF LOS ANGELES
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

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.

COUNTY OF LOS ANGELES
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

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

	2023	
	Medical	Dental/ Vision
Retired Participants		
Retired Members and Survivors	55,359	57,271
Spouses and Dependents	28,274	32,699
Total Retired	83,633	89,970
Inactive Members - Vested	9,612	9,612
Active Members - Vested	75,388	75,388
Total Membership Eligible for Benefits	168,633	174,970

COUNTY OF LOS ANGELES
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

8. OTHER POSTEMPLOYMENT BENEFITS-Continued

Retiree Healthcare-Continued

Employees Covered by Benefit Terms-Continued

Death Benefits

	2023
Retired with Eligibility for Death Benefits	63,152
Active Members - Vested	9,612
Inactive Members - Vested	75,388
Total Membership Eligible for Benefits	148,152

Contributions

The current funding policy requires the County to contribute on a pay-as-you-go basis. During FY 2023-2024, the County made payments to LACERA totaling \$760.61 million for retiree healthcare benefits. Included in this amount was \$101.48 million for Medicare Part B reimbursements and \$9.39 million in death benefits. Additionally, \$50.26 million was paid by member participants. During FY 2023-2024, the County also contributed \$503.39 million in excess of the pay-as-you-go amounts.

Net OPEB Liability

At June 30, 2024, the County reported a net RHC OPEB liability of \$23.914 billion. The net RHC OPEB liability was measured as of June 30, 2023, and the total RHC OPEB liability used to calculate the net RHC OPEB liability was determined by an actuarial valuation as July 1, 2022 projected forward to the measurement date.

COUNTY OF LOS ANGELES
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

8. OTHER POSTEMPLOYMENT BENEFITS-Continued

Retiree Healthcare-Continued

Actuarial Methods and Assumptions

Valuation Timing	July 1, 2022, rolled forward to June 30, 2023
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, 2022 actuarial valuation of retirement benefits. It can be found at: www.LACERA.com .
Mortality	Various rates based on the Pub-2010 mortality tables and using the MP-2021 Ultimate Projection Scale for expected future mortality improvement.
Experience Study	Covers the three year period ended June 30, 2023.
Discount Rate	5.04%
Long-term expected rate of return, net of investment expenses	6.00%
20 Year Tax-Exempt Municipal Bond Yield	3.65%

Healthcare Cost Trend rates:

	<u>Initial Year</u>	<u>Ultimate</u>
LACERA Medical Under 65	7.60%	4.20%
LACERA Medical Over 65	8.80%	4.20%
Part B Premiums	11.20%	4.10%
Dental/Vision	2.60%	3.70%
Weighted Average Trend	8.31%	4.16%

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, 2023.

COUNTY OF LOS ANGELES
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

8. OTHER POSTEMPLOYMENT BENEFITS-Continued

Retiree Healthcare-Continued

Investments-Continued

<u>Asset Class</u>	<u>Target Allocation</u>
Growth	47.50%
Global Equity	45.00 %
Private Equity	2.50 %
Credit	19.00%
Liquid Credit	16.50 %
Illiquid Credit	2.50 %
Risk Reduction and Mitigation	13.50%
Cash Equivalents	2.00 %
Investment Grade Bonds	9.00 %
Long-term Government Bonds	2.50 %
Real Assets and Inflation Hedges	20.00%
Real Estate	9.00 %
Natural Resources	1.00 %
Commodities	3.00 %
Infrastructure	1.00 %
TIPS	6.00 %

Money-Weighted Rate of Return

As of the measurement date, June 30, 2023, 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, 2022, the annual money-weighted rate of return was also 6.00%.

Discount Rate

GAAP 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 3.65% as of June 30, 2023. For 2023, the long-term expected rate of return of 6.00% was applied to projected benefit payments from 2023 to 2063. 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, 2023 was 5.04%, an increase of 0.19% from the rate as of June 30, 2022.

COUNTY OF LOS ANGELES
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

8. OTHER POSTEMPLOYMENT BENEFITS-Continued

Retiree Healthcare-Continued

Changes in the Net OPEB Liability (in thousands)

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)
Changes in Net OPEB Liability			
Balance as of June 30, 2022	\$ 25,778,695	2,327,435	\$ 23,451,260
Service cost	853,253		853,253
Interest on Total OPEB Liability	1,274,585		1,274,585
Effect of economic/demographic gains or losses	(689,452)		(689,452)
Effect of assumption changes or inputs	418,154		418,154
Benefit payments	(712,101)	(712,101)	
Employer contributions		1,163,076	(1,163,076)
Net investment income		240,868	(240,868)
Administrative expenses		(9,952)	9,952
Balance as of June 30, 2023	<u>\$ 26,923,134</u>	<u>3,009,326</u>	<u>\$ 23,913,808</u>

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 5.04%, 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 (4.04%) or 1-percentage point higher (6.04%) than the current rate (in thousands):

	1% Decrease (4.04%)	Discount Rate (5.04%)	1% Increase (6.04%)
Net RHC OPEB Liability	\$ 28,471,567	\$ 23,913,808	\$ 20,249,503

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

The following represents the County's net RHC OPEB liability, as well as what the County's 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 Rates	1% Increase
Net RHC OPEB Liability	\$ 19,585,963	\$ 23,913,808	\$ 29,510,571

COUNTY OF LOS ANGELES
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

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, 2024, the County recognized negative OPEB expense of \$(188.57) million which is reported as \$(100.19) million for governmental activities and \$(88.38) 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, 2024, 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	\$	\$ 63,150
Change of assumptions	5,992,124	2,716,959
Change in experience	1,408,944	215,354
Change in proportion and differences between contributions and the proportionate share of contributions	1,106,397	1,106,397
Contributions made subsequent to measurement date		1,264,001
Total	\$ 8,507,465	\$ 5,365,861

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 rational 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, 2023. 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):

<u>Year ending June 30:</u>	Deferred Outflows/(Inflows) of Resources
2025	\$ (901,321)
2026	(915,865)
2027	(661,363)
2028	(397,367)
2029	(641,539)
Thereafter	(888,150)

Deferred outflows of resources of \$1.264 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.

COUNTY OF LOS ANGELES
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

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.

COUNTY OF LOS ANGELES
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

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% per 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.

COUNTY OF LOS ANGELES
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2024

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, 2023, the following employees were covered by the benefit terms:

LTD Income and Survivor Benefit Plans:

Inactive employees or beneficiaries currently receiving benefit payments	2,295
Inactive employees entitled to but not yet receiving benefit payments	0
Active employees	80,078

LTD Health Plans

Inactive employees or beneficiaries currently receiving benefit payments	380
Inactive employees entitled to but not yet receiving benefit payments	0
Active employees	77,102

Total LTD OPEB Liability

At June 30, 2024, the County reported a total LTD OPEB liability of \$1.212 billion. The total LTD OPEB liability was determined by an actuarial valuation as of June 30, 2023.

COUNTY OF LOS ANGELES
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

8. OTHER POSTEMPLOYMENT BENEFITS-Continued

Long-Term Disability-Continued

Actuarial Methods and Assumptions

Valuation Timing	June 30, 2023
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, 2022 RHC OPEB Program's actuarial valuation report which can be found at www.LACERA.com .
Mortality	Various rates based on the Pub-2010 mortality tables and using the MP-2021 Ultimate Projection Scale for expected future mortality improvement.
Discount Rate	Equal to the municipal bond rate based on the 20-year Bond Buyer GO index (municipal bond rate), which was 3.54% as of June 30, 2022, and 3.65% as of June 30, 2023.

Healthcare Cost Trend rates:

Year	Rate (pre Medicare/ post Medicare)	Year	Rate (pre Medicare/ post Medicare)
2023-2024	8.50%/3.70%	2031-2032	4.90%/4.90%
2024-2025	7.60%/8.80%	2032-2033	4.80%/4.80%
2025-2026	6.30%/7.30%	2042-2043	4.50%/4.50%
2026-2027	5.70%/6.00%	2052-2053	4.50%/4.50%
2027-2028	5.30%/5.40%	2062-2063	4.60%/4.60%
2028-2029	5.20%/5.20%	2072-2073	4.20%/4.20%
2029-2030	5.10%/5.10%	2082+	0.000042%
2030-2031	5.00%/5.00%		

COUNTY OF LOS ANGELES
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

8. OTHER POSTEMPLOYMENT BENEFITS-Continued

Long-Term Disability-Continued

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

Total LTD OPEB Liability at 6/30/2022	\$	1,289,325
Service cost		55,362
Interest		46,487
Differences between expected and actual experience		(80,333)
Changes of assumptions or other inputs		(35,491)
Benefit payments		(63,487)
Net Changes		(77,462)
Total LTD OPEB Liability at 6/30/2023	\$	1,211,863

Changes of assumptions or other inputs reflect a change in the discount rate from 3.54% as of June 30, 2022 to 3.65% as of June 30, 2023.

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 3.65%, 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 (2.65%) or 1-percentage point higher (4.65%) than the current rate (in thousands):

	1% Decrease (2.65%)	Discount Rate (3.65%)	1% Increase (4.65%)
Total LTD OPEB Liability	\$ 1,341,676	\$ 1,211,863	\$ 1,094,610

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 Rates	1% Increase
Total LTD OPEB Liability	\$ 1,198,462	\$ 1,211,863	\$ 1,228,426

COUNTY OF LOS ANGELES
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

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, 2024, the County recognized LTD OPEB expense of \$27.98 million which is reported as \$28.23 million for governmental activities and \$(251) thousand 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, 2024, 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	\$ 103,543	\$ 89,832
Change of assumptions	280,300	178,926
Change in proportionate share	97,957	97,957
Total	\$ 481,800	\$ 366,715

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 11 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):

<u>Year Ending June 30:</u>	Deferred Outflows/(Inflows) of Resources
2025	\$ (10,378)
2026	(10,378)
2027	(10,378)
2028	(10,378)
2029	(10,378)
Thereafter	(63,195)

COUNTY OF LOS ANGELES
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

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):

	<u>RHC OPEB</u>	<u>LTD OPEB</u>	<u>Total</u>
Net RHC OPEB Liability	\$ 23,913,808		\$ 23,913,808
Total LTD OPEB Liability		1,211,863	1,211,863
Total OPEB Liability	23,913,808	1,211,863	25,125,671
Deferred Outflows of Resources	5,365,861	366,715	5,732,576
Deferred Inflows of Resources	8,507,465	481,800	8,989,265
OPEB Expense	(188,571)	27,982	(160,589)

9. LEASES

Lease Liabilities

The County has entered into various leases as a lessee. These leases vary in nature, substance, and 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. Leases are 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.

COUNTY OF LOS ANGELES
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

9. LEASES-Continued

Lease Liabilities-Continued

The following is a schedule of future minimum lease payments for the lease liabilities as of June 30, 2024 (in thousands):

Year Ending June 30	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2025	\$ 119,375	\$ 46,525	\$ 1,022	\$ 111
2026	120,403	42,948	885	74
2027	114,558	39,408	788	39
2028	110,390	36,028	420	14
2029	103,849	32,748	73	
2030-2034	401,216	122,448		
2035-2039	274,387	72,406		
2040-2044	160,635	39,041		
2045-2049	89,694	18,764		
2050-2054	43,625	8,944		
2055-2059	33,201	2,499		
2060-2064	3,348	89		
2065-2068	168	8		
Total	<u>\$ 1,574,849</u>	<u>\$ 461,856</u>	<u>\$ 3,188</u>	<u>\$ 238</u>

Rent expenses related to leases for governmental activities were \$119.58 million and \$921 thousand for business-type activities, for the year ended June 30, 2024. Variable payments not previously included in the measurement of the lease liability were \$15.70 million for the year ended June 30, 2024.

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, 2024, (in thousands):

	Governmental Activities	Business-type Activities
Lease land	\$ 1,055	\$
Lease buildings and improvements	1,834,346	2,801
Lease equipment	17,080	2,090
Lease asset accumulated amortization	(356,799)	(1,903)
Total	<u>\$ 1,495,682</u>	<u>\$ 2,988</u>

COUNTY OF LOS ANGELES
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

9. LEASES-Continued

Lease Receivables

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 90 years, regional parks leases covering remaining periods from 2 to 54 years, roads leases with remaining periods of 33 years, and the MLK Hospital lease with a remaining period of 60 years are all accounted for in the General Fund. The Flood Control District leases cover remaining periods ranging from 11 to 66 years and are accounted for in the Flood Control District Fund. The airport leases cover remaining periods from 7 to 35 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 \$771.5 million. The carrying value of the capital assets associated with the regional parks, roads, MLK Hospital, and County airports leases is not determinable.

COUNTY OF LOS ANGELES
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

9. LEASES-Continued

Lease Receivables-Continued

The following is a schedule of future minimum lease payment receipts on non-cancelable leases as of June 30, 2024 (in thousands):

Year Ending June 30,	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2025	\$ 34,438	\$ 36,060	\$ 862	\$ 354
2026	34,929	35,416	878	338
2027	34,821	34,770	895	321
2028	33,177	34,150	911	305
2029	33,585	33,546	928	288
2030-2034	177,919	157,947	3,734	1,206
2035-2039	189,908	140,655	3,014	920
2040-2044	194,409	122,277	3,277	631
2045-2049	193,027	104,008	2,685	353
2050-2054	205,194	84,769	1,551	150
2055-2059	205,549	64,655	983	46
2060-2064	167,335	44,832		
2065-2069	101,043	31,484		
2070-2074	81,350	23,605		
2075-2079	88,716	15,857		
2080-2084	87,403	7,416		
2085-2089	10,650	2,754		
2090-2094	3,476	1,933		
2095-2099	4,308	1,241		
2100-2104	3,022	367		
2105-2109	559	75		
2110-2114	528	22		
Total	\$ 1,885,346	\$ 977,839	\$ 19,718	\$ 4,912

The following is a schedule of lease payment income for leases for the year ended June 30, 2024 (in thousands):

	Governmental Activities	Business-type Activities
Minimum lease payments	\$ 34,005	\$ 847
Variable lease payments	40,806	2,353
Total	\$ 74,811	\$ 3,200

COUNTY OF LOS ANGELES
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2024

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, 2024 is \$36.06 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. SBITA leases are presented in the financial statements and accompanying footnotes in accordance with GASB 96. SBITA leases are 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, 2024 (in thousands):

Year Ending June 30,	Governmental Activities	
	Principal	Interest
2025	\$ 22,843	\$ 3,470
2026	17,439	2,621
2027	9,072	1,817
2028	8,449	1,406
2029	6,892	1,039
2030-2034	18,702	1,482
2035-2038	550	14
Total	\$ 83,947	\$ 11,849

COUNTY OF LOS ANGELES
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

10. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS-Continued

SBITA variable payments not included in the measurement of the subscription liability for governmental activities were \$89.96 million for the year ended June 30, 2024. 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, 2024, (in thousands):

	Governmental Activities
Subscription asset	\$ 148,763
Subscription asset accumulated amortization	(51,369)
Total	\$ 97,394

The development in progress for SBITAs that are not yet in production as of June 30, 2024 is \$13.82 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, 2024
NPC BANS, 5.82% to 5.83%	\$ 15,000	\$ 15,000
Public Buildings Bonds and Notes, 0.32% to 7.62%	2,066,006	2,003,757
Los Angeles County Securitization Corporation Tobacco Settlement Asset-Backed Bonds, 0.71% to 5.35%	349,584	332,895
Marina del Rey Loans, 4.50% to 4.70%	23,500	6,781
Lease Revenue Obligation Notes, 2.70% to 5.55%	205,589	205,589
Total	\$ 2,659,679	\$ 2,564,022

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, 2024
Public Buildings Bonds and Notes, 2.00% to 7.62%	\$ 820,783	\$ 773,090
Lease Revenue Obligation Notes, 2.70% to 5.55%	254,387	254,387
Waterworks District Loans, 1.40% to 2.28%	12,619	8,522
Aviation Loan, 2.95%	2,000	1,064
Total	\$ 1,089,789	\$ 1,037,063

COUNTY OF LOS ANGELES
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

11. LONG-TERM OBLIGATIONS-Continued

Public Buildings 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 2023-2024, the County did not issue new bonds.

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

<u>Year Ending June 30,</u>	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 52,336	\$ 85,403	\$ 21,688	\$ 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	63,783	72,824	26,312	36,101
2030-2034	336,597	310,382	152,633	151,999
2035-2039	366,054	215,935	194,746	94,539
2040-2044	361,246	118,205	138,724	32,819
2045-2049	267,115	46,816	63,195	11,663
2050-2052	128,636	6,547	19,448	595
Subtotal	1,749,162	<u>\$ 1,094,283</u>	688,441	<u>\$ 488,207</u>
Add: Unamortized bond premiums	<u>254,595</u>		<u>84,649</u>	
Total public building bonds	<u>\$ 2,003,757</u>		<u>\$ 773,090</u>	

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 2024 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.

COUNTY OF LOS ANGELES
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

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:

Year Ending June 30,	Governmental Activities	
	Principal	Interest
2025	\$ 6,240	\$ 8,827
2026	6,445	8,515
2027	6,775	8,192
2028	7,070	7,854
2029	7,220	7,500
2030-2034	36,910	31,990
2035-2039	40,385	23,714
2040-2044	39,520	15,489
2045-2049	50,935	7,819
2050-2054		
2055	83,629	446,441
Subtotal	285,129	566,341
Add: Accretions	19,533	(19,533)
Add: Unamortized bond premiums	28,233	
Total tobacco settlement asset-backed bonds	\$ 332,895	\$ 546,808

Notes, Loans, and Lease Revenue Obligation Notes

Notes from Direct Placements

BANs are issued by LAC-CAL to provide interim financing for equipment purchases. BANs are purchased by the County Treasury Pool and are payable within three years of their initial issuance date from the proceeds of long-term bonds or other available funds. The repayment of BANs is secured by lease agreements between the County and LAC-CAL and a pledge of the acquired equipment. During FY 2023-2024, LACCAL, an Internal Service Fund, issued additional BANs in the amount of \$10.00 million as reflected in governmental activities. As of June 30, 2024, the note balance is \$15.00 million for governmental activities only.

COUNTY OF LOS ANGELES
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

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, 2024, the balance is \$6.78 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, 2024, 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, 2024, the balance is \$4.88 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 2023-2024, the County did not obtain any additional airport development loans. As of June 30, 2024, the balance is \$1.06 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 2023-2024, the County drew down \$381 thousand in loans. As of June 30, 2024, the balance is \$3.64 million for business-type activities.

COUNTY OF LOS ANGELES
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

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 cost 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 with 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 LOCs had an original termination date of April 30, 2024, but were extended to July 18, 2024.

The aggregate maximum principal amount of the four LOCs is \$600.00 million, which consists of \$100.00 million of Series A (BMO Bank, as successor by merger to 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, 2024, \$459.98 million of LRON issued under the program were outstanding, including \$80.00 million of Series A, \$112.13 million of Series B, \$167.85 million of Series C, and \$100.00 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 2023-2024, the County reissued \$135.46 million for governmental activities and \$115.48 million for business-type activities, representing the total amounts outstanding at the beginning of the year. These reissues, along with new County LRON of \$70.53 million for governmental activities and \$341.91 million for business-type activities, totaling \$412.44 million, and redemptions of \$400 thousand for governmental activities and \$203.00 million for business-type activities, totaling \$203.40 million, are reflected as notes payable. The total outstanding LRON as of June 30, 2024 is \$459.98 million, which is reported as \$205.59 million for governmental activities and \$254.39 million for business-type activities. The average interest rate on CP Notes issued in FY 2023-2024 was 3.26%.

COUNTY OF LOS ANGELES
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

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 Waterworks District Loans, Aviation Loan and LRON for business-type activities are as follows (in thousands):

Year Ending June 30	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2025	\$ 211,828	\$ 305	\$ 254,828	\$ 138
2026	11,295	249	672	181
2027	1,354	191	687	166
2028	1,414	130	703	150
2029	1,479	67	719	134
2030-2034			3,543	422
2035-2039			878	165
2040-2044			651	118
2045-2049			698	70
2050-2053			594	20
Total notes, loans, and LRON	<u>\$ 227,370</u>	<u>\$ 942</u>	<u>\$ 263,973</u>	<u>\$ 1,564</u>

Financed Purchase Obligations-Direct Borrowings

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

Year Ending June 30	Governmental Activities	
	Principal	Interest
2025	\$ 2,906	\$ 255
2026	2,687	199
2027	2,667	147
2028	2,616	96
2029	2,350	50
2030-2031	2,346	18
Total financed purchase obligations	<u>\$ 15,572</u>	<u>\$ 765</u>

COUNTY OF LOS ANGELES
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

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):

Debt Type	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
Public Buildings Bonds	\$ 1,749,162	\$ 1,094,283	\$ 688,441	\$ 488,207
Tobacco settlement asset-backed bonds	285,129	566,341		
Notes, Loans, and LRON from direct borrowings and placements	227,370	942	263,973	1,564
Subtotal	2,261,661	\$ 1,661,566	952,414	\$ 489,771
Add: Accretions	19,533	(19,533)		
Unamortized premiums on bonds payable	282,828		84,649	
Total bonds and notes	<u>\$ 2,564,022</u>	<u>\$ 1,642,033</u>	<u>\$ 1,037,063</u>	

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, including bonds, 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. Debt should 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, 2024, there were no outstanding bonds considered defeased.

COUNTY OF LOS ANGELES
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

11. LONG-TERM OBLIGATIONS-Continued

Changes in Long-term Liabilities

The following is a summary of long-term liabilities and corresponding activity for the year ended June 30, 2024 (in thousands):

	Balance July 1, 2023	Additions/ Accretions	Transfers/ Maturities	Balance June 30, 2024	Due Within One Year
Governmental activities:					
Bonds payable	\$ 2,098,840		64,549	\$ 2,034,291	\$ 58,576
Notes, loans, and LRON from direct borrowings and placements	143,434	205,589	136,653	212,370	206,828
	<u>2,242,274</u>	<u>205,589</u>	<u>201,202</u>	<u>2,246,661</u>	<u>265,404</u>
ISF bonds payable and notes from direct placements	5,000	10,000		15,000	5,000
Total bonds payable, notes, loans and LRON	2,247,274	215,589	201,202	2,261,661	270,404
Interest accretion on capital appreciation bonds payable	14,227	5,306		19,533	
Unamortized premium on bonds payable	289,086		6,258	282,828	8,607
Other long-term liabilities:					
Lease liability (Note 9)	1,578,192	148,997	152,340	1,574,849	119,375
Subscription liability (Note 10)	85,925	26,054	28,032	83,947	22,843
Financed purchase obligations	22,750		7,178	15,572	2,906
Accrued compensated absences	2,174,321	234,941	150,613	2,258,649	137,493
Workers' compensation (Note 18)	3,111,957	857,102	680,168	3,288,891	662,712
Litigation and self-insurance (Note 18)	3,732,163	732,668	120,533	4,344,298	147,087
Pollution remediation obligation (Note 19)	37,166	20,753	2,783	55,136	1,751
Net pension liability (Note 7)	11,382,441	767,064		12,149,505	
Net OPEB liability (Note 8)	20,994,604	353,216		21,347,820	
Third party payor	332,521	224,620	207,611	349,530	215,895
Total governmental activities	<u>\$ 46,002,627</u>	<u>3,586,310</u>	<u>1,556,718</u>	<u>\$ 48,032,219</u>	<u>\$ 1,589,073</u>
Business-type activities:					
Bonds payable	\$ 709,169		20,728	\$ 688,441	\$ 21,688
Add: Unamortized premium on bonds payable	85,405		756	84,649	1,178
Notes, loans, and LRON from direct borrowings and placements	125,331	254,769	116,127	263,973	254,828
Total bonds payable, notes, loans and LRON	919,905	254,769	137,611	1,037,063	277,694
Other long-term liabilities:					
Lease liability (Note 9)	1,731	2,801	1,344	3,188	1,022
Accrued compensated absences	283,868	39,349	18,364	304,853	16,241
Workers' compensation (Note 18)	392,276	47,467	37,779	401,964	37,686
Litigation and self-insurance (Note 18)	34,050	57	21,914	12,193	5,810
Net pension liability (Note 7)	1,778,119	146,339		1,924,458	
Net OPEB liability (Note 8)	3,745,981	31,870		3,777,851	
Third party payor (Note 14)	526,774	129,541	124,865	531,450	126,515
Total business-type activities	<u>\$ 7,682,704</u>	<u>652,193</u>	<u>341,877</u>	<u>\$ 7,993,020</u>	<u>\$ 464,968</u>

COUNTY OF LOS ANGELES
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

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 2023-2024, thereby increasing liabilities for bonds by \$5.31 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, 2024, were as follows (in thousands):

	Balance July 1, 2023	Additions	Maturities	Balance June 30, 2024	Due Within One Year
<u>LACDA</u>					
<u>Governmental activities:</u>					
Bonds payable	\$ 31,105		675	\$ 30,430	\$ 705
Unamortized premium on bonds payable	3,608		42	3,566	
Notes from direct borrowing	13,446		1,398	12,048	1,102
Compensated absences	1,932	1,930	1,690	2,172	1,954
Lease liability	76	71	81	66	13
Subscription liability	1,292	4,326	1,546	4,072	1,403
Claims payable	6,914	4,014	4,014	6,914	691
Net pension liability	39,316	6,828	5,359	40,785	
Net OPEB liability	1,277		1,277		
Total governmental activities	<u>\$ 98,966</u>	<u>17,169</u>	<u>16,082</u>	<u>\$ 100,053</u>	<u>\$ 5,868</u>
<u>Business-type activities:</u>					
Subscription liability	\$ 243	218	116	\$ 345	\$ 124
Notes from direct borrowing	2,200			2,200	
Compensated absences	1,358	1,088	1,206	1,240	1,116
Net pension liability	24,741	4,316	3,375	25,682	
Net OPEB liability	202		202		
Total business-type activities	<u>\$ 28,744</u>	<u>5,622</u>	<u>4,899</u>	<u>\$ 29,467</u>	<u>\$ 1,240</u>
Total long-term obligations-LACDA	<u>\$ 127,710</u>	<u>22,791</u>	<u>20,981</u>	<u>\$ 129,520</u>	<u>\$ 7,108</u>
<u>First 5 LA</u>					
Compensated absences	\$ 1,005	684	715	\$ 974	\$ 148
Total long-term obligations-First 5 LA	<u>\$ 1,005</u>	<u>684</u>	<u>715</u>	<u>\$ 974</u>	<u>\$ 148</u>
Total long-term obligations-Discretely presented component units	<u>\$ 128,715</u>	<u>23,475</u>	<u>21,696</u>	<u>\$ 130,494</u>	<u>\$ 7,256</u>

COUNTY OF LOS ANGELES
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

12. SHORT-TERM DEBT

On July 1, 2023, the County issued \$700.00 million of short-term Tax and Revenue Anticipation Notes at an effective interest rate of 3.14%. 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 2023. The notes matured and were redeemed on June 28, 2024.

13. CONDUIT DEBT OBLIGATIONS

Community Facilities and Improvement District Bonds

As of June 30, 2024, various community facilities and improvement districts established by the County had outstanding special tax bonds payable totaling \$63.00 million and limited obligation improvement bonds totaling \$544 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, 2024.

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, 2024, the amount of redevelopment refunding bonds outstanding was \$372.66 million.

COUNTY OF LOS ANGELES
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

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 historical reporting, 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.

COUNTY OF LOS ANGELES
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

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 2023-2024 were as follows (in thousands):

	GPP Revenues	Intergovernmental Transfers Expense
Harbor-UCLA Medical Center	\$ 389,836	\$ 195,380
Olive View-UCLA Medical Center	186,112	97,494
Los Angeles General Medical Center	460,454	264,911
Rancho Los Amigos National Rehab Center	25,306	10,333
Total	\$ 1,061,708	\$ 568,118

The General Fund received \$764.11 million for GPP and paid \$335.92 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:

COUNTY OF LOS ANGELES
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

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 funds services provided by former Whole Person Care Pilot Lead Entities until the services transition to managed care coverage under CalAIM. This funding started January 1, 2022, and ended on October 1, 2024. The County must provide local matching funds in the form of an IGT, based on the number of eligible services, to receive reimbursement from the California Department of Health Care Services (DHCS).

- Capacity and Infrastructure Transition, Expansion and Development (CITED) Initiative

PATH provides direct funding to support the transition, expansion, and development of Enhanced Care Management and Community Support services. Funds are made available from DHCS directly to recipients in several rounds, with the first round being up to \$100 million statewide. DHS applied for funds in Round 1 and was authorized for \$8.59 million gross in February 2023. DHS applied for Round 2 funds and was awarded \$4.00 million gross in October 2023. In Round 3, DHS was awarded \$6.70 million gross in August 2024 and was asked to provide an IGT for the non-federal share as the funds were awarded from excess Whole Person Care Mitigation Funds (from bullet one above). Total funds received out of the awarded amounts is contingent on DHS making the approved expenditures.

- Justice-Involved Capacity Building Program

Starting in 2023, DHCS made PATH funding available to support DHS pre-release capacity building activities to support the ability to aid claiming certain health services provided in jail 90 days before release. CMS authorized payment for these services in a waiver amendment that was approved January 26, 2023. DHS is working with DHCS to determine how much funding will be available for pre-release capacity building.

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. It aims to improve care coordination and address the physical, behavioral health, and social needs of Medi-Cal beneficiaries with the highest costs and most complex needs. ECM is designed to replace similar services that were previously provided under Whole Person Care and Health Homes Program. DHS has contracted with LA Care Health Plan (LA Care) and Health Net Community Solutions, Inc. (Health Net) to provide ECM services to certain high-need members assigned to DHS for primary care. Beginning in January 2024, DHS also contracted with Molina Healthcare California (Molina) to serve this population.

In FY 2023-2024, an estimated \$3.91 million of ECM revenues were recorded as part of net patient service revenues.

The General Fund received an estimated \$2.96 million for ECM, which were recorded as "Charges for Services" revenue on the governmental funds statement.

COUNTY OF LOS ANGELES
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2024

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, unstable or unsafe housing, and food insecurity. CS focuses on meeting the specific medical and social needs of the high-risk clients, with the goal of reducing utilization of higher-cost services. These 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 as of January 2022: recuperative care, housing navigation, tenancy sustaining services, personal care, and housing deposit assistance. Additional services for newly eligible populations are scheduled to roll out through 2024. The General Fund recorded an estimated \$61.58 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 2023-2024, Program Year 2010-2011 is still pending State's final reconciliation.

Disproportionate Share Hospital Program

In FY 2023-2024, the DHCS completed their final reconciliation of the Disproportionate Share Hospital Program (DSH) for Year 2014-2015. DSH revenues and related IGTs recorded in FY 2023-2024 are as follows (in thousands):

	<u>DSH Revenues</u>	<u>Intergovernmental Transfers</u>
Harbor-UCLA Medical Center	\$ (5,572)	\$ (7,729)
Olive View-UCLA Medical Center	2,486	
Rancho Los Amigos National Rehab Center	1	
Total	<u>\$ (3,085)</u>	<u>\$ (7,729)</u>

COUNTY OF LOS ANGELES
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

14. HOSPITAL AND OTHER PROGRAM REVENUES-Continued

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 2023-2024, an estimated \$189.65 million of SPD revenues were recorded as part of net patient service revenues.

The General Fund received \$39.32 million for SPD, which were recorded as "Charges for Services" revenue on the governmental funds statement.

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 Poverty Level. The current Federal Medical Assistance Percentage (FMAP) for the MCE Program is 90.00%.

The County contracts with LA Care, Health Net, and as of January 1, 2024, Molina to provide services for their Medi-Cal managed care members. During FY 2023-2024, LA Care and Health Net paid the County managed care capitation payments based on the CY 2023 contract rates, while Molina paid contracted rates effective January 2024.

In FY 2023-2024, 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	\$ 356,279	\$
MCRS - MCE	249,580	51,105
Total	\$ 605,859	\$ 51,105

The General Fund received \$70.50 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 rolling productions of documents responsive to the CID, with the latest production in April 2024. DOJ's last contact to the County about this matter occurred in May 2024. Potential penalties are contingent on a number of factors and too speculative to reasonably estimate at this time.

COUNTY OF LOS ANGELES
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

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 52.50% match which incorporates a 2.50% increase in the FFP rate as authorized by the Families First Coronavirus Response Act (FFCRA). For FY 2023-2024, an estimated \$192.53 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 \$48.91 million were recognized and recorded as part of net patient service revenue during FY 2023-2024.

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 2023-2024, CBRC revenues were \$170.05 million for the enterprise funds and were recorded as net patient services revenue.

As of June 30, 2024, the County estimated that approximately \$16.42 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 \$35.07 million for CBRC, which was recorded as "Charges for Services" revenue on the governmental funds statement. As of June 30, 2024, the County estimated that approximately \$14.17 million of CBRC accounts receivable would not be collectible within 12 months.

Medi-Cal Cost Report Settlements

In FY 2023-2024, the County recognized final inpatient hospital FFS settlements of \$0.63 million related to the FY 2014-2015. In addition, the County received CBRC audit settlements of \$42.24 million related to FY 2021-2022 for hospitals only. The County's appeal of certain CBRC audit adjustments at various levels to the Office of Administrative Appeals have been favorably resolved resulting in \$4.51 million of final settlement revenues.

The State is in the process of auditing the FY 2020-2021 and FY 2021-2022 non-hospital CBRC and FY 2022-2023 hospital cost reports. Settlements are expected by the 4th quarter of FY 2024-2025.

COUNTY OF LOS ANGELES
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 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 2023-2024, 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	\$ 68,741	\$ 13,570
Olive View-UCLA Medical Center	32,362	7,447
Los Angeles General Medical Center	125,647	25,561
Rancho Los Amigos National Rehab Center	2,650	479
Total	<u>\$ 229,400</u>	<u>\$ 47,057</u>

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 2024. 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.

COUNTY OF LOS ANGELES
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2024

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 2023-2024, including prior year over/under realization, were as follows (in thousands):

	<u>MCRS Revenues</u>	<u>Intergovernmental Transfers Expense</u>
Harbor-UCLA Medical Center	\$ 75,835	\$ 49,993
Olive View-UCLA Medical Center	65,337	38,910
Rancho Los Amigos National Rehab Center	223,477	140,354
Total	<u>\$ 364,649</u>	<u>\$ 229,257</u>

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.

COUNTY OF LOS ANGELES
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

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 2023-2024 are as follows (in thousands):

	EPP Revenues	Intergovernmental Transfers Expense
Harbor-UCLA Medical Center	\$ 299,604	\$ 86,426
Olive View-UCLA Medical Center	138,703	38,855
Los Angeles General Medical Center	312,479	94,682
Rancho Los Amigos National Rehab Center	19,992	6,544
Total	<u>\$ 770,778</u>	<u>\$ 226,507</u>

The General Fund received \$180.74 million for EPP and paid \$52.80 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 2023-2024 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	\$ 176,405	\$ 24,092
Olive View-UCLA Medical Center	70,517	8,643
Los Angeles General Medical Center	141,038	16,283
Rancho Los Amigos National Rehab Center	35,149	4,893
Total	<u>\$ 423,109</u>	<u>\$ 53,911</u>

The General Fund received \$33.79 million for QIP and paid \$3.95 million of related IGTs, which were recorded as "Intergovernmental Revenues - Federal" and "Health and Sanitation" expenditures, respectively, on the governmental funds statement.

COUNTY OF LOS ANGELES
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

14. HOSPITAL AND OTHER PROGRAM REVENUES-Continued

Third Party Payor Liability

The County's Hospitals reported third party payor liabilities of \$531.45 million (see Note 11) as of June 30, 2024, as reported on the statement of net position for proprietary funds. The current liabilities for amounts due within one year are \$126.52 million.

The noncurrent liabilities for third party payors related to enterprise funds are \$404.93 million. The primary programs associated with third party payors liabilities include DSH (\$62.60 million), Medi-Cal (\$54.39 million), SNCP (\$24.36 million), Medicare (\$29.05 million), SPD (\$66.33 million), MCE (\$97.33 million), AB 915 (\$30.69 million), In-home Supportive Services (IHSS) (\$28.54 million), Medi-Cal Physician SPA (\$9.57 million), and other miscellaneous programs (\$2.07 million).

Accounts Receivable-Net

The following is a summary, by hospital, of accounts receivable and allowances for uncollectible amounts as of June 30, 2024 (in thousands):

	H-UCLA	OV-UCLA	Los Angeles General	Rancho	Total
Accounts receivable	\$ 3,753,314	2,136,458	4,716,199	860,707	\$ 11,466,678
Less: Allowance for uncollectible amounts	2,973,934	1,661,093	3,677,243	650,947	8,963,217
Accounts receivable - net	<u>\$ 779,380</u>	<u>475,365</u>	<u>1,038,956</u>	<u>209,760</u>	<u>\$ 2,503,461</u>

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' 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, 2024 was \$526.47 million. The total amount of such charity care provided by the hospitals for the year ended June 30, 2024 is as follows (in thousands):

Charity care at established rates	\$ 1,286,976
GPP reimbursements	177,005
Other reimbursements	(6,689)
Charges forgone	<u>\$ 1,116,660</u>

COUNTY OF LOS ANGELES
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

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 2023-2024, 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 2023-2024 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 2022-2023, the State did not withhold any of the County's Health Realignment funds. Based on updated revenues realized for FY 2022-2023 services in FY 2023-2024, the projected redirection amount remains at \$0.00.

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 2023-2024, the projected redirection amount remains at \$0.00.

Martin Luther King, Jr. Community Hospital

The County and the University of California (UC), with the State, 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, 2024, the 30-year loan has an outstanding balance of \$35.71 million. In May 2023, MLK-LA drew down \$20 million from the revolving line of credit. On November 21, 2023, the County unanimously approved a motion to defer the interest and principal payment for three years. On June 11, 2024, the County approved a revised maturity date of May 13, 2028. As of June 30, 2024, the outstanding balance under the revolving loan was \$20.00 million. In addition, the DHS has committed to make ongoing annual payments of \$18.00 million for indigent care support, and up to \$50.00 million in annual 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 \$650.88 million as of June 30, 2024 and is reflected in governmental activities and the governmental funds.

COUNTY OF LOS ANGELES
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

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, 2024.

COUNTY OF LOS ANGELES
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

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, 2024 are as follows (in thousands):

Receivable Fund	Payable Fund	Amount
General Fund	Fire Protection District	\$ 23,080
	Flood Control District	2,487
	LA County Library	6,274
	Regional Park and Open Space District	3,225
	Mental Health Services Act	360,866
	Nonmajor Governmental Funds	243,842
	Harbor-UCLA Medical Center	132,458
	Olive View-UCLA Medical Center	66,433
	Los Angeles General Medical Center	241,857
	Rancho Los Amigos Nat'l Rehab Center	40,368
	Waterworks	812
	Nonmajor Aviation	42
	Internal Service Funds	10,937
		<u>1,132,681</u>
Fire Protection District	General Fund	1,260
	Nonmajor Governmental Funds	105
	Internal Service Funds	2
	<u>1,367</u>	
Flood Control District	General Fund	8,786
	Nonmajor Governmental Funds	2,564
	Waterworks	433
	Nonmajor Aviation	35
	Internal Service Funds	20,896
	<u>32,714</u>	
LA County Library	General Fund	12,810
	Nonmajor Governmental Funds	146
	<u>12,956</u>	

COUNTY OF LOS ANGELES
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

15. INTERFUND TRANSACTIONS-Continued

Interfund Receivables/Payables-Continued

Receivable Fund	Payable Fund	Amount
Regional Park and Open Space District	General Fund	\$ 4
Nonmajor Governmental Funds	General Fund	8,987
	Fire Protection District	851
	Flood Control District	29
	LA County Library	4
	Nonmajor Governmental Funds	14,880
	Harbor-UCLA Medical Center	2,366
	Waterworks	1
	Internal Service Funds	21,018
		<u>48,136</u>
Harbor-UCLA Medical Center	General Fund	48,210
	Nonmajor Governmental Funds	58,692
	Olive View-UCLA Medical Center	2,485
	Los Angeles General Medical Center	292,939
	Rancho Los Amigos Nat'l Rehab Center	423
		<u>402,749</u>
Olive View-UCLA Medical Center	General Fund	31,571
	Fire Protection District	62
	Nonmajor Governmental Funds	21,323
	Harbor-UCLA Medical Center	277
	Los Angeles General Medical Center	184,608
	Rancho Los Amigos Nat'l Rehab Center	127
		<u>237,968</u>
Los Angeles General Medical Center	General Fund	456,859
	Fire Protection District	35
	Nonmajor Governmental Funds	41,742
	Harbor-UCLA Medical Center	292,160
	Olive View-UCLA Medical Center	183,675
	Rancho Los Amigos Nat'l Rehab Center	311,568
		<u>1,286,039</u>

COUNTY OF LOS ANGELES
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

15. INTERFUND TRANSACTIONS-Continued

Interfund Receivables/Payables-Continued

Receivable Fund	Payable Fund	Amount
Rancho Los Amigos Nat'l Rehab Center	General Fund	\$ 3,343
	Harbor-UCLA Medical Center	196
	Olive View-UCLA Medical Center	14
	Los Angeles General Medical Center	310,733
		<u>314,286</u>
Waterworks	General Fund	203
	Internal Service Funds	2,381
		<u>2,584</u>
Nonmajor Aviation	General Fund	55
	Fire Protection District	8
	Internal Service Funds	277
		<u>340</u>
Internal Service Funds	General Fund	47,156
	Fire Protection District	322
	Flood Control District	41,386
	Nonmajor Governmental Funds	45,420
	Harbor-UCLA Medical Center	627
	Olive View-UCLA Medical Center	1,632
	Los Angeles General Medical Center	536
	Rancho Los Amigos Nat'l Rehab Center	67
	Waterworks	8,553
	Nonmajor Aviation	853
	<u>146,552</u>	
Total Interfund Receivables/Payables		<u>\$ 3,618,376</u>

Interfund Transfers

Transfers were made during the year from the General Fund to subsidize the operations of the LA County Library and the four 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.

COUNTY OF LOS ANGELES
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

15. INTERFUND TRANSACTIONS-Continued

Interfund Transfers-Continued

Interfund transfers to/from other funds for the year ended June 30, 2024 are as follows (in thousands):

Transfer From	Transfer To	Amount
General Fund	Fire Protection District	\$ 50,721
	LA County Library	43,881
	Nonmajor Governmental Funds	157,037
	Harbor-UCLA Medical Center	310,285
	Olive View-UCLA Medical Center	109,987
	Los Angeles General Medical Center	442,137
	Rancho Los Amigos Nat'l Rehab Center	92,013
	Internal Service Funds	235
		<u>1,206,296</u>
Fire Protection District	General Fund	143
	Nonmajor Governmental Funds	13,936
		<u>14,079</u>
Flood Control District	General Fund	7,500
	Internal Service Funds	4,000
		<u>11,500</u>
LA County Library	General Fund	150
	Nonmajor Governmental Funds	23,618
		<u>23,768</u>
Mental Health Services Act	General Fund	<u>781,814</u>
Nonmajor Governmental Funds	General Fund	492,236
	Fire Protection District	4,563
	LA County Library	1,032
	Nonmajor Governmental Funds	30,031
	Harbor-UCLA Medical Center	67,515
	Olive View-UCLA Medical Center	40,220
	Los Angeles General Medical Center	100,934
	Rancho Los Amigos Nat'l Rehab Center	4,719
Internal Service Funds	410	
		<u>741,660</u>
Harbor-UCLA Medical Center	Nonmajor Governmental Funds	252
	Los Angeles General Medical Center	262,518
	Rancho Los Amigos Nat'l Rehab Center	217
		<u>262,987</u>

COUNTY OF LOS ANGELES
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

15. INTERFUND TRANSACTIONS-Continued

Interfund Transfers-Continued

Transfer From	Transfer To	Amount
Olive View-UCLA Medical Center	Los Angeles General Medical Center	\$ 56,263
	Rancho Los Amigos Nat'l Rehab Center	66
		<u>56,329</u>
Los Angeles General Medical Center	General Fund	73,039
	Nonmajor Governmental Funds	1
	Harbor-UCLA Medical Center	82,789
	Olive View-UCLA Medical Center	136,267
	Rancho Los Amigos Nat'l Rehab Center	129,493
		<u>421,589</u>
Rancho Los Amigos Nat'l Rehab Center	Nonmajor Governmental Funds	1,556
	Harbor-UCLA Medical Center	3,980
	Olive View-UCLA Medical Center	872
	Los Angeles General Medical Center	237,621
		<u>244,029</u>
Waterworks Enterprise Funds	Internal Service Funds	<u>198</u>
Nonmajor Aviation Funds	Internal Service Funds	<u>14</u>
Internal Service Funds	Nonmajor Governmental Funds	<u>3,809</u>
Total Interfund Transfers		<u><u>\$ 3,768,072</u></u>

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.

COUNTY OF LOS ANGELES
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

15. INTERFUND TRANSACTIONS-Continued

Interfund Advances-Continued

Advances from/to other funds at June 30, 2024 are as follows (in thousands):

Receivable Fund	Payable Fund	Amount
General Fund	Harbor-UCLA Medical Center	\$ 4,735
	Olive View-UCLA Medical Center	2,554
	Los Angeles General Medical Center	6,401
	Rancho Los Amigos Nat'l Rehab Center	1,265
	Internal Service Funds	2,851
		17,806
Flood Control District	Internal Service Funds	6,141
Nonmajor Governmental Funds	Internal Service Funds	11,307
Waterworks	Internal Service Funds	1,444
Nonmajor Aviation	Internal Service Funds	257
Total Interfund Advances		\$ 36,955

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.

COUNTY OF LOS ANGELES
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

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, 2024.

COUNTY OF LOS ANGELES
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

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	\$ 4,216,065	\$ 75,436	\$ 59,574	\$ 65,337	\$ 150,558	\$ 355,740
Budgetary fund balances	<u>3,774,570</u>	<u>197,814</u>	<u>229,289</u>	<u>109,574</u>	<u>670,836</u>	<u>1,268,163</u>
Subtotal	<u>7,990,635</u>	<u>273,250</u>	<u>288,863</u>	<u>174,911</u>	<u>821,394</u>	<u>1,623,903</u>
Adjustments:						
Accrual of estimated liability for litigation and self-insurance claims	353,007	2,371		651		
Accrual of compensated absences	118,228					
Unamortized balance of sale of tobacco settlement revenue	(175,088)					
Change in revenue accruals	(848,542)	(31,875)	(18,932)	(9,415)	(30,880)	(75,178)
Change in OPEB Custodial Fund	254,469	15,397		2,256		
Subtotal	<u>(297,926)</u>	<u>(14,107)</u>	<u>(18,932)</u>	<u>(6,508)</u>	<u>(30,880)</u>	<u>(75,178)</u>
Fund balance - GAAP basis	<u>\$ 7,692,709</u>	<u>\$ 259,143</u>	<u>\$269,931</u>	<u>\$168,403</u>	<u>\$ 790,514</u>	<u>\$1,548,725</u>

17. OTHER COMMITMENTS AND CONTINGENCIES

Construction and Other Significant Commitments

At June 30, 2024, there were contractual commitments of approximately \$16.19 million for various governmental construction projects and approximately \$907.44 million for various hospital construction projects that were financed by bonds and lease revenue obligation notes.

LACERA Capital Commitments

At June 30, 2024, LACERA had outstanding capital commitments to various investment managers, approximating \$9.700 billion.

COUNTY OF LOS ANGELES
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

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, 2024, the encumbrance balances for the governmental funds (in thousands) are reported as follows:

	<u>Restricted</u>	<u>Committed</u>	<u>Assigned</u>	<u>Total</u>
General Fund	\$		1,343,813	\$ 1,343,813
Fire Protection District	54,502			54,502
Flood Control District	104,421			104,421
LA County Library			20,934	20,934
Regional Park and Open Space District	94,123			94,123
Nonmajor Governmental Funds	197,321	17,742		215,063
Total Encumbrances	<u>\$ 450,367</u>	<u>17,742</u>	<u>1,364,747</u>	<u>\$ 1,832,856</u>

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 National Opioid 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). The County will also receive a portion of the Mallinckrodt Bankruptcy funds (NOAT II) as determined by the Mallinckrodt Statewide Abatement Agreement. California elected to distribute the majority of NOAT II funds to cities and counties for opioid remediation activities at the local level. Cities and counties (otherwise known as Local Governments) will receive funding from the trust annually for up to eight years.

The 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 \$22.62 million in FY 2023-2024 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.

COUNTY OF LOS ANGELES
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

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 2021-2022, FY 2022-2023 or FY 2023-2024.

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, 2024 was approximately \$3.691 billion. This amount is undiscounted and is based on an actuarial study of the County's self-insured program as of June 30, 2024. Approximately \$175.33 million of the total liabilities pertain to salary continuation payments and other related costs mandated by the State Labor Code.

As of June 30, 2024, the County's estimate of these liabilities is \$8.047 billion. Changes in the reported liability since July 1, 2023 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
<u>2022-2023</u>				
Workers' Compensation	\$ 3,400,463	760,369	(656,599)	\$ 3,504,233
Other	613,918	3,410,854	(258,559)	3,766,213
Total	<u>\$ 4,014,381</u>	<u>4,171,223</u>	<u>(915,158)</u>	<u>\$ 7,270,446</u>
<u>2023-2024</u>				
Workers' Compensation	\$ 3,504,233	904,569	(717,947)	\$ 3,690,855
Other	3,766,213	732,725	(142,447)	4,356,491
Total	<u>\$ 7,270,446</u>	<u>1,637,294</u>	<u>(860,394)</u>	<u>\$ 8,047,346</u>

In addition to the above estimated liabilities, the County has determined that claims seeking damages of approximately \$322.93 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.

COUNTY OF LOS ANGELES
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

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, 2024, the County's estimated pollution remediation obligation totaled \$55.14 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, 2024 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.

COUNTY OF LOS ANGELES
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

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	\$ 6,220		\$ 6,220
Pension	5,829,749	907,253	6,737,002
OPEB	4,981,055	751,521	5,732,576
Total government-wide deferred outflows of resources	<u>\$ 10,817,024</u>	<u>1,658,774</u>	<u>\$ 12,475,798</u>
Deferred inflows of resources:			
Unamortized gain on refunding of debt	\$ 10,595	10,270	\$ 20,865
Public-private partnerships	82,577		82,577
Leases	1,885,346	19,718	1,905,064
Pension	225,190	61,927	287,117
OPEB	7,451,585	1,537,680	8,989,265
Total government-wide deferred inflows of resources	<u>\$ 9,655,293</u>	<u>1,629,595</u>	<u>\$ 11,284,888</u>

Proprietary Funds

Statement of Net Position (in thousands):

	H-UCLA	OV-UCLA	LA GEN	Rancho	Aviation	Total	ISF Funds
Deferred outflows of resources:							
Pension	\$ 280,913	158,626	380,245	87,469		\$ 907,253	\$ 231,082
OPEB	223,600	118,646	323,843	85,432		751,521	225,638
Total proprietary funds deferred outflows of resources	<u>\$ 504,513</u>	<u>277,272</u>	<u>704,088</u>	<u>172,901</u>		<u>\$ 1,658,774</u>	<u>\$ 456,720</u>
Deferred inflows of resources:							
Unamortized gain on refunding of debt	\$ 10,270					\$ 10,270	\$
Leases					19,718	19,718	
Pension	16,741	19,276	22,648	3,262		61,927	2,588
OPEB	425,046	306,668	666,642	139,324		1,537,680	310,034
Total proprietary funds deferred inflows of resources	<u>\$ 452,057</u>	<u>325,944</u>	<u>689,290</u>	<u>142,586</u>	<u>19,718</u>	<u>\$ 1,629,595</u>	<u>\$ 312,622</u>

COUNTY OF LOS ANGELES
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

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, 2024 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 that are not available 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	\$					175,088	\$ 175,088
Deferred inflows of resources:							
Tobacco settlement revenues	\$ 175,088						\$ 175,088
Leases	1,846,351		34,055			4,940	1,885,346
Property tax revenues	205,455	42,060	10,640	6,336	1,455	15,903	281,849
Other long-term receivables	235,309	12,952					248,261
Total governmental funds deferred inflows of resources	<u>\$2,462,203</u>	<u>55,012</u>	<u>44,695</u>	<u>6,336</u>	<u>1,455</u>	<u>20,843</u>	<u>\$2,590,544</u>

COUNTY OF LOS ANGELES
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

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, 2024 (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	\$ 142,429	\$ 12,173	\$ 1,101	\$ 8	\$	\$	\$ 1
Long-term receivables	151,324						84,577
Permanent fund principal							2,180
Total Nonspendable	<u>293,753</u>	<u>12,173</u>	<u>1,101</u>	<u>8</u>			<u>86,758</u>
Restricted for:							
Purpose of fund		246,970	268,731	88,616	790,514	1,548,725	2,508,640
Purpose of utility users tax	84,392						
Sheriff Pitchess landfill	2,262						
La Alameda project	2,000						
Capital projects							52,847
Debt service							263,064
Total Restricted	<u>88,654</u>	<u>246,970</u>	<u>268,731</u>	<u>88,616</u>	<u>790,514</u>	<u>1,548,725</u>	<u>2,824,551</u>
Committed to:							
Purpose of fund							80,020
Capital projects and extraordinary maintenance	72,689						89,752
Affordable housing	4,027						
American Rescue Plan-enabled capital programs	209,400						
Board budget policies and priorities	8,693						
Budget uncertainties	95,838						
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	1,200						
Health services-tobacco settlement	175,616						
Alternatives to incarceration-facilities and programs	130,373						
Information technology enhancements	56,758						
Library services	1,496						

COUNTY OF LOS ANGELES
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

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 remittance processing and mailroom equipment	500						
TTC unsecured property tax system	50,769						
Youth justice reimagined development	31,393						
Woolsey fire recovery efforts	23,864						
Total Committed	1,070,313						169,772
Assigned to:							
Purpose of fund			99	79,779			154,763
Future purchases	1,345,188						
Capital projects							49,192
Total Assigned	1,345,188		99	79,779			203,955
Unassigned	4,894,801						
Total Fund Balances	\$7,692,709	\$ 259,143	\$269,931	\$168,403	\$790,514	\$1,548,725	\$ 3,285,036

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.

COUNTY OF LOS ANGELES
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

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 \$978.56 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. The significant outstanding funding is described below.

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 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. 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 2023-2024, the County recorded \$713.09 million as revenue on the fund and government-wide financial statements and \$459.94 million is reported as advances payable.

COUNTY OF LOS ANGELES
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

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

American Rescue Plan Act of 2021-Continued

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 2023-2024, the County recorded \$258 thousand as revenue on the fund and government-wide financial statements, and \$3.07 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
ARP	\$ 713,090	\$ 459,940
LATCF	258	3,070
Total	\$ 713,348	\$ 463,010

23. SUBSEQUENT EVENTS

Tax and Revenue Anticipation Notes (TRANS)

On July 1, 2024, the County issued \$700.00 million in FY 2024-2025 TRANS, which will mature on June 30, 2025. The TRANS are collateralized by taxes and other revenues attributable to FY 2024-2025 and were issued in the form of Fixed Rate Notes at an effective interest rate of 3.25%.

Lease Revenue Obligation Notes from Direct Borrowings

On July 1, 2024, four Letter of Credit (LOC) and Reimbursement Agreements were entered into between LACCAL and four separate banks to replace the four LOC and Reimbursement Agreements that had an original termination date of April 30, 2024 and were extended to July 18, 2024. The aggregate maximum principal amount of the four LOCs is \$750.00 million, which consists of \$200.00 million of Series A (Bank of Montreal), \$100.00 million of Series B (U.S. Bank), \$350.00 million of Series C (Bank of America), and \$100.00 million of Series D (Sumitomo Mitsui Banking Corporation). The LOCs were established for a 5-year term with an initial expiration date of July 31, 2029.

COUNTY OF LOS ANGELES
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

23. SUBSEQUENT EVENTS-Continued

Los Angeles County Facilities 2, Inc. (LACF2) Lease Revenue Bonds, Series 2024A (Tax-Exempt) and Series 2024B (Federally Taxable) – Vermont Corridor Site 2

LACF2 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 December 3, 2021 and replicates the financing model of Vermont Corridor Site 1, the Vermont Corridor County Administration Building and parking structure. On August 22, 2024, LACF2 issued \$212.14 million of lease revenue bonds, which includes \$205.91 million in tax-exempt lease revenue bonds (2024A), maturing from 2029-2057, with yields ranging from 2.43% to 3.83%, and \$6.23 million in federally taxable lease revenue bonds (2024B), maturing in 2029, with a yield of 4.54%. Proceeds from the sale of the bonds plus the associated premium of \$28.48 million for 2024A will be used to finance Vermont Corridor Site 2, a County administrative office building by renovating and expanding the vacated former Department of Mental Health headquarters and demolishing the vacated former Workforce Development, Aging, and Community Services headquarters and parking structure.

Public Works Financing Authority (PWFA) - Lease Revenue Bonds, 2024 Series H

On September 5, 2024, PWFA issued \$569.27 million of lease revenue bonds (2024 Series H), with an associated premium of \$76.93 million and released funds with respect to prior bonds that were refunded of \$5.45 million, resulting in proceeds of \$651.65 million. These bonds are maturing from 2024 to 2053, with yields from 2.32% to 4.14%. Proceeds of \$433.01 million will be used to finance Phase I Projects for the Harbor-UCLA Medical Center Replacement Project, \$131.68 million was used to refund the PWFA's Lease Revenue Bonds, 2015 Series A, \$85.25 million was used to refinance LRON previously issued by the County for the Phase I Projects for the Harbor-UCLA Medical Center Replacement Project, and \$1.71 million of the proceeds covered the cost of issuance.

County of Los Angeles Community Facilities District No. 2021-01 (Valencia-Facilities) (Improvement Area No. 2) Special Tax Bonds, Series 2024

On September 11, 2024, the County of Los Angeles Community Facilities District No. 2021-01 (Valencia-Facilities) issued Improvement Area No. 2 Special Tax Bonds, Series 2024, totaling \$27.14 million. Proceeds from the sale of the bonds plus an associated premium of \$1.60 million will be used to implement significant public infrastructure and facilities in Improvement Area No. 2, an unincorporated portion of the County within a long-term master-planned community in the Valencia area. These bonds are maturing from 2026 to 2054, with yields from 2.74% to 4.38%. The debt service will be paid from the special tax which has been authorized to be levied within Improvement Area No. 2, where a portion will be used to fund costs of the County to administer the District.

Lease Revenue Commercial Paper Obligation Notes (LRON)

On September 6, 2024, the County redeemed \$85.25 million of tax-exempt LRON using a portion of the proceeds from 2024 Series H.

On October 4, 2024, the County issued an additional \$3.00 million in tax-exempt LRON with an interest of 3.0%. 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.

COUNTY OF LOS ANGELES
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

23. SUBSEQUENT EVENTS-Continued

Acquisition of the Gas Company Tower

On November 6, 2024, the Board authorized the County to execute the Purchase and Sale Agreement for the Gas Company Tower for \$200.00 million, plus an amount not to exceed \$5.00 million for closing costs. The Gas Company Tower acquisition includes an approximately 1.5 million-square-foot, 54-story commercial office building located at 555 West 5th Street, Los Angeles and airspace parcels located at 350 South Figueroa Street and 333 South Flower Street, Los Angeles.

Measure A - Homeless Services and Affordable Housing Ordinance

On November 5, 2024, the voters of Los Angeles County successfully passed Measure A - Homeless Services and Affordable Housing Ordinance. This measure authorizes the implementation of a permanent one-half cent sales tax to reduce and prevent homelessness, as well as to provide mental health and addiction treatment, and affordable housing. Additionally, this measure repeals the one-quarter cent sales tax enacted by Measure H in 2017, which would have otherwise expired in 2027. This will impact the nonmajor special revenue fund Homeless and Housing Measure H. Measure A is projected to generate approximately \$1.076 billion annually.

Measure E - Consolidated Fire Protection District of Los Angeles County Emergency Response and Infrastructure Ordinance

On November 5, 2024, the voters of Los Angeles County successfully passed Measure E - Consolidated Fire Protection District of Los Angeles County Emergency Response and Infrastructure Ordinance. This measure will levy 6 cents per square foot of certain parcel improvements and is estimated to generate \$152 million annually to support the Fire Protection District emergency response and infrastructure costs.

Measure G - Los Angeles County Government Structure, Ethics, and Accountability Charter Amendment

On November 5, 2024, the voters of Los Angeles County successfully passed Measure G - Los Angeles County Government Structure, Ethics, and Accountability Charter Amendment. This measure will change the County's governance structure and increase the Board of Supervisors from 5 to 9 members after the 2030 census, change the County's Chief Executive Office from an appointed to elected position by 2028, create an independent ethics commission by 2026, establish a nonpartisan Legislative Analyst, and update certain County policies. Measure G fiscal impact is not yet determinable.

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 Ten Fiscal Years¹
(Dollar amounts in thousands)

	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014
Pension Plan's fiduciary net position as percentage of total pension liability	83.480 %	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	\$14,073,963	\$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	96.281 %	96.472 %	96.415 %	96.268 %	96.223 %	96.169 %	96.119 %	96.170 %	96.081 %	95.897 %
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	\$6,672,228
County's proportionate share of the collective net pension liability as a percentage of its covered payroll	155.511 %	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 Ten Fiscal Years²
(Dollar amounts in thousands)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially Determined Contribution (ADC)	\$2,410,853	\$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	2,410,853	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	\$0
Covered payroll	\$9,450,058	\$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	25.512 %	24.487 %	24.235 %	22.269 %	20.686 %	19.986 %	19.216 %	17.768 %	19.892 %	20.688 %

(1) Reflects data as of the measurement date.

(2) Reflects data as of the reporting date.

COUNTY OF LOS ANGELES
REQUIRED SUPPLEMENTARY INFORMATION
(Unaudited)

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 Ten Fiscal Years ^{1,2,3}
(Dollar amounts in thousands)

	06/30/2023	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	853,253	1,024,895	1,166,558	967,482	779,965
Interest on Total OPEB Liability	1,274,585	1,217,398	1,147,426	1,250,934	1,197,607
Effect of economic/demographic gains or losses	(689,452)	(168,643)	323,030	(432,634)	
Effect of assumption changes or inputs	418,154	(3,365,579)	(3,729,953)	2,346,920	2,356,270
Benefit payments	(712,101)	(689,511)	(664,932)	(631,917)	(601,985)
Net change in Total OPEB Liability	1,144,439	(1,981,440)	(1,757,871)	3,500,785	1,527,114
Total OPEB Liability, beginning	25,778,695	27,760,135	29,518,006	26,017,221	24,490,107
Total OPEB liability, ending (a)	26,923,134	25,778,695	27,760,135	29,518,006	26,017,221
Fiduciary Net Position					
Employer contributions	1,163,076	1,071,024	1,031,058	886,821	840,965
Net Investment income	240,868	(280,358)	437,417	5,918	59,606
Benefit payments	(712,101)	(689,511)	(664,932)	(631,917)	(601,985)
Administrative expenses	(9,952)	(9,534)	(9,127)	(8,830)	(8,601)
Net change in plan Fiduciary Net Position	681,891	91,621	794,416	251,992	289,985
Fiduciary Net Position, beginning	2,327,435	2,235,814	1,441,398	1,189,406	899,421
Fiduciary Net Position, ending (b)	3,009,326	2,327,435	2,235,814	1,441,398	1,189,406
Net OPEB Liability, ending = (a) - (b)	<u>\$23,913,808</u>	<u>\$23,451,260</u>	<u>\$25,524,321</u>	<u>\$28,076,608</u>	<u>\$24,827,815</u>
Fiduciary Net Position as a % of Total OPEB Liability	<u>11.18 %</u>	<u>9.03 %</u>	<u>8.05 %</u>	<u>4.88 %</u>	<u>4.57 %</u>
Covered-employee payroll ⁴	<u>\$10,332,418</u>	<u>\$9,864,653</u>	<u>\$9,653,678</u>	<u>\$9,404,208</u>	<u>\$9,071,329</u>
Net OPEB Liability as a % of covered employee payroll	<u>231.44 %</u>	<u>237.73 %</u>	<u>264.40 %</u>	<u>298.55 %</u>	<u>273.70 %</u>

Notes to Schedule:

Changes of benefit terms: No changes to benefit terms

Changes of Assumptions:

The discount rate increased from 4.85% as of June 30, 2022 to 5.04% as of June 30, 2023.

- (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 five years of data.
- (4) Contributions to the plan are not based on a measure of pay. Therefore, covered-employee payroll is used.

**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)

	2024	2023	2022	2021	2020	2019	2018
Actuarially Determined Contribution (ADC)	\$ 1,540,000	\$ 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	1,264,001	1,154,487	1,064,859	1,025,851	880,949	787,366	679,872
Contribution Deficiency (excess)	<u>\$ 275,999</u>	<u>\$ 405,113</u>	<u>\$ 373,041</u>	<u>\$ 482,549</u>	<u>\$ 601,251</u>	<u>\$ 762,134</u>	<u>\$ 1,221,128</u>
Covered-employee payroll ³	\$ 10,785,762	\$ 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	11.719%	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.

(3) Contributions to the plan are not based on a measure of pay. Therefore, covered-employee payroll is used.

Actuarial Methods and Assumptions

Valuation Timing	July 1, 2022, rolled forward to June 30, 2023
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, 2022 actuarial valuation of retirement benefits. It can be found at www.LACERA.com .
Mortality	Various rates based on the Pub-2010 mortality tables and using the MP-2021 Ultimate Projection Scale for expected future mortality improvement.
Experience Study	Covers the three year period ended June 30, 2023.
Discount Rate	5.04
Long-term expected rate of return, net of investment expenses	6.00%
20 Year Tax-Exempt Municipal Bond Yield	3.65%

COUNTY OF LOS ANGELES
REQUIRED SUPPLEMENTARY INFORMATION
(Unaudited)

Schedule of Changes in the Total LTD OPEB Liability and Related Ratios
Last Ten Fiscal Years¹
(Dollar amounts in thousands)

	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017
Total OPEB Liability							
Service cost	\$ 55,362	\$ 68,827	\$ 62,563	\$ 47,316	\$ 41,832	\$ 43,162	\$ 49,068
Interest	46,487	32,594	29,275	38,779	41,028	38,818	33,546
Differences between expected and actual experience	(80,333)	(512)	111,863	8,067	(55,159)	1,111	589
Changes of assumptions or other inputs	(35,491)	(218,398)	37,166	170,346	78,190	(43,574)	(106,200)
Benefit payments	(63,487)	(66,425)	(59,149)	(66,671)	(60,451)	(64,313)	(63,430)
Net Change in Total OPEB Liability	(77,462)	(183,914)	181,718	197,837	45,440	(24,796)	(86,427)
Total LTD OPEB Liability - beginning	1,289,325	1,473,239	1,291,521	1,093,684	1,048,244	1,073,040	1,159,467
Total LTD OPEB Liability - ending	<u>\$ 1,211,863</u>	<u>\$ 1,289,325</u>	<u>\$ 1,473,239</u>	<u>\$ 1,291,521</u>	<u>\$ 1,093,684</u>	<u>\$ 1,048,244</u>	<u>\$ 1,073,040</u>
Covered-employee payroll	\$10,332,418	\$ 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	11.729 %	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 %
As of June 30, 2023	3.65 %

(1) Historical information is required only for measurement periods for which GASB 75 is applicable. Eventually, 10 years of data will be shown.

COUNTY OF LOS ANGELES
REQUIRED SUPPLEMENTARY INFORMATION
(Unaudited)

Total LTD OPEB Liability
Notes to Required Supplementary Information

Changes of benefit terms

None

Changes of assumptions

The discount rate increased from 3.54% as of June 30, 2023 to 3.65% as of June 30, 2024.

No assets are accumulated in a trust that meets the criteria in GASB 75, paragraph 4 to pay related benefits.



COUNTY OF LOS ANGELES
MAJOR GOVERNMENTAL FUND
GENERAL FUND

GENERAL FUND

The General Fund is the general operating fund of the County. It is used to account for and report all financial resources not accounted for and reported in another fund. Revenues are derived from Taxes; Licenses, permits and franchises; Fines, forfeitures and penalties; Revenue from use of money and property; Intergovernmental revenues; Charges for services and Miscellaneous. Expenditures are expended for functions of General government; Public protection; Public ways and facilities; Health and sanitation; Public assistance; Education; Recreation and cultural services; Debt service and Capital outlay.

COUNTY OF LOS ANGELES
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL ON BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2024 (in thousands)

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL ON BUDGETARY BASIS	VARIANCE FROM FINAL BUDGET POSITIVE (NEGATIVE)
GENERAL GOVERNMENT:				
Salaries and employee benefits	\$ 1,507,317	1,480,363	1,300,643	179,720
Services and supplies	3,134,164	3,110,853	1,258,321	1,852,532
Other charges	205,189	231,576	188,438	43,138
Capital assets	18,904	22,988	19,835	3,153
Intrafund transfers	(1,023,133)	(1,024,024)	(887,544)	(136,480)
TOTAL GENERAL GOVERNMENT	3,842,441	3,821,756	1,879,693	1,942,063
PUBLIC PROTECTION:				
Salaries and employee benefits	5,811,478	5,835,878	5,685,364	150,514
Services and supplies	1,140,266	1,395,439	1,174,638	220,801
Other charges	385,036	446,503	433,618	12,885
Capital assets	38,344	50,809	48,316	2,493
Intrafund transfers	(166,821)	(175,725)	(156,306)	(19,419)
TOTAL PUBLIC PROTECTION	7,208,303	7,552,904	7,185,630	367,274
HEALTH AND SANITATION:				
Salaries and employee benefits	3,121,300	3,059,451	2,794,232	265,219
Services and supplies	5,435,893	5,539,210	4,783,464	755,746
Other charges	574,364	799,481	695,629	103,852
Capital assets	37,942	35,512	28,532	6,980
Intrafund transfers	(625,340)	(631,048)	(510,563)	(120,485)
TOTAL HEALTH AND SANITATION	8,544,159	8,802,606	7,791,294	1,011,312
PUBLIC ASSISTANCE:				
Salaries and employee benefits	3,346,309	3,346,760	3,251,676	95,084
Services and supplies	1,893,901	1,792,347	1,389,624	402,723
Other charges	4,882,258	5,008,034	4,546,764	461,270
Capital assets	7,947	9,677	5,511	4,166
Intrafund transfers	(155,803)	(155,803)	(95,985)	(59,818)
TOTAL PUBLIC ASSISTANCE	9,974,612	10,001,015	9,097,590	903,425
RECREATION AND CULTURAL SERVICES:				
Salaries and employee benefits	250,541	238,966	234,430	4,536
Services and supplies	242,319	249,904	236,029	13,875
Other charges	46,529	50,878	46,928	3,950
Capital assets	5,841	5,748	2,280	3,468
Intrafund transfers	(1,007)	(1,007)	(3,370)	2,363
TOTAL RECREATION AND CULTURAL SERVICES	544,223	544,489	516,297	28,192
DEBT SERVICE-				
Interest	22,701	22,701	22,701	
CAPITAL OUTLAY	1,701,042	2,115,294	443,447	1,671,847
TOTAL GENERAL FUND	\$ 31,837,481	32,860,765	26,936,652	5,924,113



NONMAJOR GOVERNMENTAL FUNDS

COUNTY OF LOS ANGELES
NONMAJOR GOVERNMENTAL FUNDS
NONMAJOR SPECIAL REVENUE FUNDS

The nonmajor Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

ROAD FUND

The Road Fund is used to account for the maintenance and construction of streets, roads, highways, and bridges. Revenues consist primarily of the County's share of State highway users' taxes as supplemented by federal funds, vehicle code fines, and charges for services provided to cities.

OTHER STREETS, HIGHWAYS, ROADS AND BRIDGES FUNDS

The Other Streets, Highways, Roads and Bridges Funds: Article 3-Bikeway, Off-Street Parking, Proposition C Local Return, Proposition C Local Return Capital Reserve, Special Road Districts, Construction Fee Districts, Transit Operations, Paratransit Operations, Measure M and Measure R Local Returns are used to account for transportation and road related services or functions. Revenues are derived from local sales tax revenue, parking meter receipts, Districts' share of the countywide tax levy, State and other intergovernmental revenues, and service charges to parking lots.

STREET LIGHTING DISTRICTS FUNDS

The Street Lighting Districts Funds are used to account for the installation and maintenance of street lighting systems. Revenues are derived primarily from the countywide tax levy and benefit assessments.

GARBAGE DISPOSAL DISTRICTS FUNDS

The Garbage Disposal Districts Funds are used to account for the provisions of the Health and Safety Code to provide garbage and refuse collection and disposal services within the boundaries of each District. Revenues are mostly from charges for services and property taxes.

SEWER MAINTENANCE DISTRICTS FUNDS

The Sewer Maintenance Districts Funds are used to account for the Health and Safety Code for the administration, maintenance, operation and repair of sanitary sewers, appurtenances, pumping plants, sewer treatment plants and related services. These Districts are financed through sewer service charges.

HEALTH SERVICES MEASURE B FUND

The Health Services Measure B Fund is used to account for a countywide system of Trauma Centers and Emergency Medical Services, for bioterrorism preparedness and response, and for related administrative costs. Revenues are derived primarily from a voter-approved special tax.

Continued...

COUNTY OF LOS ANGELES
NONMAJOR GOVERNMENTAL FUNDS
NONMAJOR SPECIAL REVENUE FUNDS

HEALTH AND SANITATION FUNDS

The Health and Sanitation Funds: Hospital Services, Physician Services, Statham Alcohol, Alcohol and Drug Problem, Proposition 36, Driving Under the Influence, AIDS Education, Air Quality Improvement, Bicycle Safety Helmet, Hazardous Waste Enforcement, Mission Canyon Closure, Solid Waste Management Funds, Cancer Patient Welfare, SoCal Gas Settlement, and EMS Vehicle Replacement are used to account for the cost of emergency services for the indigent, County alcoholism programs and services, AIDS education, air quality improvements, bicycle safety, hazardous waste enforcement, solid waste management, cancer patient services, lead paint abatement, a health study on the long-term effects of exposure to natural gas, and replacement of vehicles. Revenues are from patient collections, court fines, State-assessed vehicle fees, penalties assessed for hazardous waste violations, sanitation services, and legal settlement funds. The Lead Paint Settlement fund provides for residential lead paint hazard remediation and mitigation services throughout the County to prevent lead poisoning of children. Revenues are from legal settlement funds. The Opioid Settlement fund provides for opioid remediation activities and revenues are from legal settlement funds. The Juul Settlement fund provides for nicotine and vaping remediation activities and revenues are from legal settlement funds.

SAFE, CLEAN WATER PROGRAM MEASURE W FUNDS

The Safe, Clean Water Program Measure W Funds are used to account for programs and projects to increase stormwater and urban runoff capture and reduce stormwater and urban runoff pollution, including projects and programs providing a water supply benefit, water quality benefit, and community investment benefit. Revenues are derived primarily from a voter-approved special tax.

OTHER PUBLIC PROTECTION FUNDS

The Other Public Protection Funds: Jail Store, Inmate Welfare, Narcotic Enforcement, Vehicle Theft Prevention, Countywide Warrant System, Sheriff's Processing Fees, Training and Automation, Automated Fingerprint Identification System, DNA Identification Fund, District Attorney Asset Forfeiture, Fire Department Developer Fees, Forest Mitigation, Information Systems Advisory Body, Drug Abuse Gang Diversion, Jury Operations Improvement, Dependency Court Facilities, Small Claims Advisor Program, and Fire Department Helicopter and Vehicle Accumulative Capital Outlay are used to account for certain services and supplies to inmates, to supplement the cost of various law enforcement, prosecutorial investigation, fire protection activities, and to finance vehicle and helicopter replacement, facilities improvement, equipment maintenance and automated systems. Child Seat Restraint Loaner is used to account for the operation of a child restraint low-cost purchase and loan program. Fish and Game is used to account for the preservation and propagation of fish and wildlife. Revenues are derived from sale of minor supplies, fines related to controlled substance convictions, benefit assessments, forfeiture of assets used in connection with transportation or possession of a controlled substance, court fines and revenues, and local fish and game fines. Probation Community Corrections Performance Incentives fund is used to account for the improvement of public safety outcomes at the community level utilizing evidence-based services geared towards maintaining offenders within the community. Revenues are derived principally from State revenues. Probation Juvenile Justice Crime Prevention Act Fund is used to account for programs and services for community-level prevention, intervention, supervision, and treatment strategies that target high-risk neighborhoods serving probationers and at-risk youth through the collaborative efforts of

Continued...

COUNTY OF LOS ANGELES
NONMAJOR GOVERNMENTAL FUNDS
NONMAJOR SPECIAL REVENUE FUNDS

governmental agencies and community-based organizations. Revenues are derived principally from State revenues. Probation Juvenile Justice Realignment Block Grant Fund is used to account for programs and services for the custody, treatment, and supervision of youth. The Consumer Protection Settlement Fund is used to account for the County's consumer protection, enforcement, and education programs. Revenues are derived from settlements from businesses that engage in unfair businesses practices. The Sativa Water System Fund is used to account for the operation and maintenance of the former Sativa Water District's accounting and budgetary activities. Revenues are derived from charges for services and contributions from the County.

PUBLIC ASSISTANCE FUNDS

The Public Assistance Funds: Child Abuse/Neglect Prevention Program, Alternate Dispute Resolution Program, Alcohol and Drug Abuse Education Program, Domestic Violence Program, and Linkages Support Program are used to account for a variety of public assistance services. The programs are financed from special fees collected for birth certificates, marriage licenses, confidential marriage certificates, court fines for driving under the influence of alcohol or drugs, and disabled parking violation assessments.

HOMELESS AND HOUSING MEASURE H FUND

The Homeless and Housing Measure H Fund is used to account for providing homeless prevention programming for families and individuals; expanding rapid re-housing; developing interim/bridge housing for those exiting institutions; increasing employment opportunities for homeless adults via social and/or subsidized employment; expanding the Jail In Reach Program; providing services and rental subsidies for permanent supportive housing; implementing a coordinated countywide outreach and engagement system; establishing a decriminalization policy and first responders training to effectively address homeless encampments and unsheltered homeless individuals; enhancing the emergency shelter system; preserving and promoting the development of affordable housing for homeless families and individuals; and implementing other strategies and efforts that seek to coordinate a seamless homeless services system to better combat homelessness among single adults, families, and youth. Revenues are derived primarily from a voter-approved local sales tax.

RECREATION FUNDS

The Recreation Funds: Golf Course, Park Improvement, Recreation and Development, Tesoro Adobe Park, San Gabriel Canyon, and Ford Theatres are used to account for the maintenance and improvements to County parks and golf courses, public recreation areas, and Ford Theatres. Civic Art Special fund and Public Art in Private Development fund are used to account for civic art projects. The Off-Highway Vehicle fund is used to account for the development, construction, operation, and maintenance of off-highway vehicle recreation facilities. Revenues are derived from a percentage of golf course green fees, vehicle entrance fees collected from the regional parks, and a percentage of the design and construction costs.

Continued...

COUNTY OF LOS ANGELES
NONMAJOR GOVERNMENTAL FUNDS
NONMAJOR SPECIAL REVENUE FUNDS

COURTHOUSE TEMPORARY CONSTRUCTION FUND

The Courthouse Temporary Construction Fund is used to temporarily account for monies ultimately to be used for various courthouse construction projects. Revenues are derived principally from surcharges included in fines for criminal convictions.

CRIMINAL JUSTICE TEMPORARY CONSTRUCTION FUND

The Criminal Justice Temporary Construction Fund is used to temporarily account for monies ultimately to be used for the improvement of criminal justice facilities and automated information systems. Revenues are derived principally from surcharges on criminal fines.

REGISTRAR-RECORDER IMPROVEMENT FUNDS

The Registrar-Recorder Improvement Funds: Modernization and Improvement, Micrographics, Social Security Truncation, Vitals and Health Statistics, Restrictive Covenant Modification Program, and Multi-County e-Recording Project funds are used to account for the improvement of Registrar-Recorder automated information systems. Revenues are derived principally from recording and filing fees.

OTHER SPECIAL REVENUE FUNDS

The Other Special Revenue Funds: Information Technology Infrastructure and the Accumulative Capital Outlay (ACO) are used to account for the replacement of motor vehicles, printing, information technology, and communications equipment. Asset Development Implementation fund is used to account for short to intermediate financing for County asset development activities. Productivity Investment is used to account for the start-up and incidental costs associated with productivity improvement projects. The Cable TV Franchise fund is used to account for cable-related activities. Civic Center Employee parking is used to account for providing parking services and alternative means of transportation for County employees. County Library Developer Fees are used to account for the acquisition of land, construct library facilities, and purchase equipment and library materials. Various funds are used to account for resources that are legally restricted and the principal and earnings may be used for purposes that support general government and education.

COUNTY OF LOS ANGELES
NONMAJOR GOVERNMENTAL FUNDS
NONMAJOR DEBT SERVICE FUNDS

The nonmajor Debt Service Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

Public Buildings Funds

The Los Angeles County Public Works Financing Authority, Los Angeles County Regional Financing Authority, and Public Buildings Funds receive their funds primarily from long-term debt proceeds and the General Fund in the form of operating transfers.

2010 Multiple Capital Projects I - Series A
2010 Multiple Capital Projects I - Series B
2015 Multiple Capital Projects - Series A
Lease Revenue Refunding Bonds, 2015 Series B
Lease Revenue Refunding Bonds, 2015 Series C
Lease Revenue Bonds, 2016 Series D
Lease Revenue Bonds, Series 2018A (LACF)
Lease Revenue Bonds, Series 2018B (LACF)
Lease Revenue Bonds, 2019 Series E-1
Lease Revenue Bonds, 2019 Series E-2
Lease Revenue Bonds, 2020 Series A
Lease Revenue Bonds, 2021 Series F
Lease Revenue Refunding Bonds, 2022 Series G
Lease Revenue Refunding Bonds, Series 2022
Lease Revenue Obligation Notes

Los Angeles County Securitization Corporation Fund

The Los Angeles County Securitization Corporation receives funding primarily from the collection of the County's future tobacco settlement payments and from long-term debt proceeds secured by the County's Tobacco Assets.

Continued...

COUNTY OF LOS ANGELES
NONMAJOR GOVERNMENTAL FUNDS
NONMAJOR CAPITAL PROJECTS FUNDS

The nonmajor Capital Projects Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Accumulative Capital Outlay Funds

Accumulative Capital Outlay Funds are used to account for specific capital projects in accordance with Government Code Section 53731.

Improvement District Fund

Improvement District Fund is used to account for the projects financed by contributions from property owners.

Public Buildings Funds

Public Buildings Funds are used to account for capital projects financed by bonds, lease revenue obligation notes, and operating transfers.

Gap Loan Fund

Gap Loan Fund is used to account for the County's proceeds from sale of "Gap Loan" receivables that are restricted for capital spending purposes.

COUNTY OF LOS ANGELES
NONMAJOR GOVERNMENTAL FUNDS
NONMAJOR PERMANENT FUNDS

Nonmajor Permanent Funds are used to account for and report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support various County programs.

COUNTY OF LOS ANGELES
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS - SUMMARY
 JUNE 30, 2024 (in thousands)

	SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS	CAPITAL PROJECTS FUNDS	PERMANENT FUNDS	TOTAL NONMAJOR GOVERNMENTAL FUNDS
ASSETS					
Pooled cash and investments:					
Operating	\$ 3,016,470	35,984	204,530	2,176	\$ 3,259,160
Other	61,464		699	8	62,171
Total pooled cash and investments	<u>3,077,934</u>	<u>35,984</u>	<u>205,229</u>	<u>2,184</u>	<u>3,321,331</u>
Other investments		51,729	8,555		60,284
Taxes receivable	24,298				24,298
Interest receivable	8,287	263	523	6	9,079
Lease receivable	4,940				4,940
Other receivables	250,395		101		250,496
Due from other funds	39,468		8,668		48,136
Advances to other funds	11,307				11,307
Inventories	1				1
TOTAL ASSETS	<u>3,416,630</u>	<u>87,976</u>	<u>223,076</u>	<u>2,190</u>	<u>3,729,872</u>
DEFERRED OUTFLOWS OF RESOURCES		<u>175,088</u>			<u>175,088</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 3,416,630</u>	<u>263,064</u>	<u>223,076</u>	<u>2,190</u>	<u>\$ 3,904,960</u>
LIABILITIES					
Accounts payable	\$ 106,062		2,198		\$ 108,260
Accrued payroll	109				109
Due to other funds	399,660		29,044	10	428,714
Advances payable	61,709		43		61,752
Third party payor	246				246
TOTAL LIABILITIES	<u>567,786</u>		<u>31,285</u>	<u>10</u>	<u>599,081</u>
DEFERRED INFLOWS OF RESOURCES	<u>20,843</u>				<u>20,843</u>
FUND BALANCES					
Nonspendable	84,578			2,180	86,758
Restricted	2,508,640	263,064	52,847		2,824,551
Committed	80,020		89,752		169,772
Assigned	154,763		49,192		203,955
TOTAL FUND BALANCES	<u>2,828,001</u>	<u>263,064</u>	<u>191,791</u>	<u>2,180</u>	<u>3,285,036</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 3,416,630</u>	<u>263,064</u>	<u>223,076</u>	<u>2,190</u>	<u>\$ 3,904,960</u>

COUNTY OF LOS ANGELES
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS - SUMMARY
 FOR THE YEAR ENDED JUNE 30, 2024 (in thousands)

	SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS	CAPITAL PROJECTS FUNDS	PERMANENT FUNDS	TOTAL NONMAJOR GOVERNMENTAL FUNDS
REVENUES					
Taxes	\$ 1,021,125				\$ 1,021,125
Licenses, permits and franchises	26,127				26,127
Fines, forfeitures and penalties	33,984				33,984
Revenue from use of money and property:					
Investment income	127,078	3,315	7,403	105	137,901
Rents and concessions	46,834				46,834
Lease revenue	283				283
Royalties	4				4
Intergovernmental revenues:					
Federal	13,988				13,988
State	497,099				497,099
Other	15,604				15,604
Charges for services	431,280		8,700		439,980
Miscellaneous	73,515	22,565	1,263		97,343
TOTAL REVENUES	2,286,921	25,880	17,366	105	2,330,272
EXPENDITURES					
Current:					
General government	13,011			34	13,045
Public protection	302,624				302,624
Public ways and facilities	551,752				551,752
Health and sanitation	230,668				230,668
Public assistance	248,042				248,042
Education	2,047				2,047
Recreation and cultural services	11,658				11,658
Debt service:					
Principal		200,018			200,018
Interest and other charges		109,920			109,920
Capital outlay			82,757		82,757
TOTAL EXPENDITURES	1,359,802	309,938	82,757	34	1,752,531
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	927,119	(284,058)	(65,391)	71	577,741
OTHER FINANCING SOURCES (USES)					
Transfers in	46,122	156,739	27,379		230,240
Transfers out	(725,182)	(14,877)	(1,601)		(741,660)
Issuance of debt		135,067	70,522		205,589
Sales of capital assets	252				252
TOTAL OTHER FINANCING SOURCES (USES)	(678,808)	276,929	96,300		(305,579)
NET CHANGE IN FUND BALANCES	248,311	(7,129)	30,909	71	272,162
FUND BALANCES, JULY 1, 2023	2,579,690	270,193	160,882	2,109	3,012,874
FUND BALANCES, JUNE 30, 2024	\$ 2,828,001	263,064	191,791	2,180	\$ 3,285,036



COUNTY OF LOS ANGELES
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE
 JUNE 30, 2024 (in thousands)

	Streets, Highways, Roads and Bridges		Street Lighting Districts	Garbage Disposal Districts	Sewer Maintenance Districts	Health Services Measure B
	Road	Other				
ASSETS						
Pooled cash and investments:						
Operating	\$ 59,123	313,221	126,402	63,454	33,914	234,839
Other	27,021	8,915	804	549	511	3,604
Total pooled cash and investments	86,144	322,136	127,206	64,003	34,425	238,443
Taxes receivable		519	1,960	1,287	820	10,006
Interest receivable	376	864	354	196	101	652
Lease receivable	4,940					
Other receivables	38,179	12,465	92	930	928	
Due from other funds	27,267	1,414	3,346	184	1,281	
Advances to other funds	7,829	1,125	186		1,170	
Inventories	1					
TOTAL ASSETS	\$ 164,736	338,523	133,144	66,600	38,725	249,101
LIABILITIES						
Accounts payable	\$ 5,335	6,109	2,355	4,363	79	6,364
Accrued payroll						
Due to other funds	33,079	13,800	3,623	2,551	6,736	145,815
Advances payable	45,231	10,743	1,384			
Third party payor	246					
TOTAL LIABILITIES	83,891	30,652	7,362	6,914	6,815	152,179
DEFERRED INFLOWS OF RESOURCES	4,940	348	1,302	1,441	690	6,035
FUND BALANCES						
Nonspendable	1					
Restricted	75,904	307,523	124,480	58,245	31,220	90,887
Committed						
Assigned						
TOTAL FUND BALANCES	75,905	307,523	124,480	58,245	31,220	90,887
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 164,736	338,523	133,144	66,600	38,725	249,101

Health and Sanitation	Safe, Clean Water Program Measure W	Other Public Protection	Public Assistance	Homeless and Housing Measure H	Recreation	
						ASSETS
						Pooled cash and investments:
\$ 182,211	587,895	663,912	15,491	456,304	85,709	Operating
1,985	4,359	7,224	436	1,991	1,769	Other
<u>184,196</u>	<u>592,254</u>	<u>671,136</u>	<u>15,927</u>	<u>458,295</u>	<u>87,478</u>	Total pooled cash and investments
30	9,676					Taxes receivable
514	1,536	1,366	9	1,653	202	Interest receivable
						Lease receivable
9,790		145	513	186,385	843	Other receivables
4,214	327	194			534	Due from other funds
774	223					Advances to other funds
						Inventories
<u>\$ 199,518</u>	<u>604,016</u>	<u>672,841</u>	<u>16,449</u>	<u>646,333</u>	<u>89,057</u>	TOTAL ASSETS
						LIABILITIES
\$ 8,996	22,184	13,610	329	28,311	1,543	Accounts payable
						Accrued payroll
12,078	7,288	64,217	370	82,390	15,819	Due to other funds
4,351						Advances payable
						Third party payor
<u>25,425</u>	<u>29,472</u>	<u>77,827</u>	<u>699</u>	<u>110,701</u>	<u>17,362</u>	TOTAL LIABILITIES
<u>39</u>	<u>6,048</u>					DEFERRED INFLOWS OF RESOURCES
						FUND BALANCES
		173		84,404		Nonspendable
173,393	568,496	507,633	15,750	451,228	34,781	Restricted
		71,061				Committed
661		16,147			36,914	Assigned
<u>174,054</u>	<u>568,496</u>	<u>595,014</u>	<u>15,750</u>	<u>535,632</u>	<u>71,695</u>	TOTAL FUND BALANCES
<u>\$ 199,518</u>	<u>604,016</u>	<u>672,841</u>	<u>16,449</u>	<u>646,333</u>	<u>89,057</u>	TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES

Continued...

COUNTY OF LOS ANGELES
 COMBINING BALANCE SHEET - Continued
 NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE
 JUNE 30, 2024 (in thousands)

	Courthouse Temporary Construction	Criminal Justice Temporary Construction	Registrar- Recorder Improvement	Other Special Revenue	Total
ASSETS					
Pooled cash and investments:					
Operating	\$ 24,899	44,552	22,896	101,648	\$ 3,016,470
Other	730	618	651	297	61,464
Total pooled cash and investments	<u>25,629</u>	<u>45,170</u>	<u>23,547</u>	<u>101,945</u>	<u>3,077,934</u>
Taxes receivable					24,298
Interest receivable	108	149		207	8,287
Lease receivable					4,940
Other receivables			125		250,395
Due from other funds				707	39,468
Advances to other funds					11,307
Inventories					1
TOTAL ASSETS	<u>\$ 25,737</u>	<u>45,319</u>	<u>23,672</u>	<u>102,859</u>	<u>\$ 3,416,630</u>
LIABILITIES					
Accounts payable	\$	6,010		474	\$ 106,062
Accrued payroll				109	109
Due to other funds	676	2,132	370	8,716	399,660
Advances payable					61,709
Third party payor					246
TOTAL LIABILITIES	<u>676</u>	<u>8,142</u>	<u>370</u>	<u>9,299</u>	<u>567,786</u>
DEFERRED INFLOWS OF RESOURCES					<u>20,843</u>
FUND BALANCES					
Nonspendable					84,578
Restricted	25,061	17,607	23,302	3,130	2,508,640
Committed				8,959	80,020
Assigned		19,570		81,471	154,763
TOTAL FUND BALANCES	<u>25,061</u>	<u>37,177</u>	<u>23,302</u>	<u>93,560</u>	<u>2,828,001</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 25,737</u>	<u>45,319</u>	<u>23,672</u>	<u>102,859</u>	<u>\$ 3,416,630</u>



COUNTY OF LOS ANGELES
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE
 FOR THE YEAR ENDED JUNE 30, 2024 (in thousands)

	Streets, Highways, Roads and Bridges		Street Lighting Districts	Garbage Disposal Districts	Sewer Maintenance Districts	Health Services Measure B
	Road	Other				
REVENUES						
Taxes	\$ 9,374	95,466	32,845	9,793		333,818
Licenses, permits and franchises	5,511					
Fines, forfeitures and penalties		29	123	223	157	960
Revenue from use of money and property:						
Investment income	9,196	13,653	5,367	3,237	1,943	8,324
Rents and concessions	113	79	4			
Lease revenue	283					
Royalties						
Intergovernmental revenues:						
Federal	6,367	7,614			7	
State	330,581	2,528	116	33	749	
Other	364	13,626	221		41	
Charges for services	21,411	2,907	3,515	21,800	38,588	
Miscellaneous	1,388	1,655	1		4	101
TOTAL REVENUES	384,588	137,557	42,192	35,086	41,489	343,203
EXPENDITURES						
Current:						
General government						
Public protection						
Public ways and facilities	421,711	103,471	26,570			
Health and sanitation				37,349	43,159	65,246
Public assistance						
Education						
Recreation and cultural services						
TOTAL EXPENDITURES	421,711	103,471	26,570	37,349	43,159	65,246
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(37,123)	34,086	15,622	(2,263)	(1,670)	277,957
OTHER FINANCING SOURCES (USES)						
Transfers in	4,206					
Transfers out		(52)	(7)			(267,727)
Sales of capital assets	31	2				
TOTAL OTHER FINANCING SOURCES (USES)	4,237	(50)	(7)			(267,727)
NET CHANGE IN FUND BALANCES	(32,886)	34,036	15,615	(2,263)	(1,670)	10,230
FUND BALANCES, JULY 1, 2023	108,791	273,487	108,865	60,508	32,890	80,657
FUND BALANCES, JUNE 30, 2024	\$ 75,905	307,523	124,480	58,245	31,220	90,887

Health and Sanitation	Safe, Clean Water Program Measure W	Other Public Protection	Public Assistance	Homeless and Housing Measure H	Recreation	
				538,242		REVENUES
\$						Taxes
15,518			1,096		1,178	Licenses, permits and franchises
10,698	850	2,986	1,769			Fines, forfeitures and penalties
						Revenue from use of money and property:
8,584	20,845	23,825	123	21,577	3,274	Investment income
		21,620			18,248	Rents and concessions
						Lease revenue
						Royalties
						Intergovernmental revenues:
						Federal
2,038		160,937			115	State
1,352						Other
23,085	279,785	18,938	5,391		4,360	Charges for services
48,329	1	18,535	69	33	3,388	Miscellaneous
<u>109,604</u>	<u>301,481</u>	<u>246,841</u>	<u>8,448</u>	<u>559,852</u>	<u>30,563</u>	TOTAL REVENUES
						EXPENDITURES
						Current:
						General government
	177,949	92,352				Public protection
						Public ways and facilities
84,914						Health and sanitation
			5,779	242,263		Public assistance
						Education
					11,658	Recreation and cultural services
<u>84,914</u>	<u>177,949</u>	<u>92,352</u>	<u>5,779</u>	<u>242,263</u>	<u>11,658</u>	TOTAL EXPENDITURES
<u>24,690</u>	<u>123,532</u>	<u>154,489</u>	<u>2,669</u>	<u>317,589</u>	<u>18,905</u>	EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES
						OTHER FINANCING SOURCES (USES)
		24,288			779	Transfers in
(11,096)	(17,555)	(154,593)	(326)	(221,451)	(15,598)	Transfers out
		17				Sales of capital assets
<u>(11,096)</u>	<u>(17,555)</u>	<u>(130,288)</u>	<u>(326)</u>	<u>(221,451)</u>	<u>(14,819)</u>	TOTAL OTHER FINANCING SOURCES (USES)
13,594	105,977	24,201	2,343	96,138	4,086	NET CHANGE IN FUND BALANCES
<u>160,460</u>	<u>462,519</u>	<u>570,813</u>	<u>13,407</u>	<u>439,494</u>	<u>67,609</u>	FUND BALANCES, JULY 1, 2023
<u>\$ 174,054</u>	<u>568,496</u>	<u>595,014</u>	<u>15,750</u>	<u>535,632</u>	<u>71,695</u>	FUND BALANCES, JUNE 30, 2024

Continued...

COUNTY OF LOS ANGELES
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-Continued
 NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE
 FOR THE YEAR ENDED JUNE 30, 2024 (in thousands)

	Courthouse Temporary Construction	Criminal Justice Temporary Construction	Registrar- Recorder Improvement	Other Special Revenue	Total
REVENUES					
Taxes	\$			1,587	\$ 1,021,125
Licenses, permits and franchises				2,824	26,127
Fines, forfeitures and penalties	7,679	8,510			33,984
Revenue from use of money and property:					
Investment income	1,135	2,791		3,204	127,078
Rents and concessions				6,770	46,834
Lease revenue					283
Royalties				4	4
Intergovernmental revenues:					
Federal					13,988
State				2	497,099
Other					15,604
Charges for services			9,859	1,641	431,280
Miscellaneous				11	73,515
TOTAL REVENUES	8,814	11,301	9,859	16,043	2,286,921
EXPENDITURES					
Current:					
General government				13,011	13,011
Public protection	678	31,645			302,624
Public ways and facilities					551,752
Health and sanitation					230,668
Public assistance					248,042
Education				2,047	2,047
Recreation and cultural services					11,658
TOTAL EXPENDITURES	678	31,645		15,058	1,359,802
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	8,136	(20,344)	9,859	985	927,119
OTHER FINANCING SOURCES (USES)					
Transfers in	5,227			11,622	46,122
Transfers out	(14,716)		(11,116)	(10,945)	(725,182)
Sales of capital assets				202	252
TOTAL OTHER FINANCING SOURCES (USES)	(9,489)		(11,116)	879	(678,808)
NET CHANGE IN FUND BALANCES	(1,353)	(20,344)	(1,257)	1,864	248,311
FUND BALANCES, JULY 1, 2023	26,414	57,521	24,559	91,696	2,579,690
FUND BALANCES, JUNE 30, 2024	\$ 25,061	37,177	23,302	93,560	\$ 2,828,001

COUNTY OF LOS ANGELES
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL ON BUDGETARY BASIS
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE
FOR THE YEAR ENDED JUNE 30, 2024 (in thousands)

	TOTALS			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL ON BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES				
Taxes	\$ 1,008,298	1,011,636	1,021,352	9,716
Licenses, permits and franchises	25,607	25,607	26,127	520
Fines, forfeitures and penalties	37,047	37,047	33,984	(3,063)
Revenue from use of money and property:				
Investment income	23,085	28,439	108,369	79,930
Rents and concessions	43,197	45,363	47,117	1,754
Royalties	4	4	4	
Intergovernmental revenues:				
Federal	38,177	38,177	13,988	(24,189)
State	491,764	491,764	497,099	5,335
Other	24,626	24,626	15,604	(9,022)
Charges for services	443,740	442,610	431,672	(10,938)
Miscellaneous	41,456	43,228	73,515	30,287
TOTAL REVENUES	2,177,001	2,188,501	2,268,831	80,330
EXPENDITURES				
Current:				
General government	58,186	49,572	13,447	36,125
Public protection	1,258,101	1,259,746	325,334	934,412
Public ways and facilities	865,851	914,232	551,586	362,646
Health and sanitation	348,323	374,281	239,352	134,929
Public assistance	282,530	283,891	245,634	38,257
Education	10,096	10,096	2,047	8,049
Recreation and cultural services	52,041	53,609	12,204	41,405
TOTAL EXPENDITURES	2,875,128	2,945,427	1,389,604	1,555,823
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(698,127)	(756,926)	879,227	1,636,153
OTHER FINANCING SOURCES (USES)				
Sales of capital assets	565	565	252	(313)
Transfers in	330,012	337,823	329,984	(7,839)
Transfers out	(1,309,159)	(1,323,831)	(994,328)	329,503
Appropriations for contingencies	(201,551)	(178,287)		178,287
Changes in fund balances	(198,319)	(155,923)	(185,255)	(29,332)
TOTAL OTHER FINANCING SOURCES (USES)	(1,378,452)	(1,319,653)	(849,347)	470,306
NET CHANGE IN FUND BALANCES	(2,076,579)	(2,076,579)	29,880	2,106,459
FUND BALANCES, JULY 1, 2023	2,076,579	2,076,579	2,076,579	
FUND BALANCES, JUNE 30, 2024	\$		2,106,459	2,106,459

Continued...

COUNTY OF LOS ANGELES
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL ON BUDGETARY BASIS
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE
FOR THE YEAR ENDED JUNE 30, 2024 (in thousands)

	ROAD			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL ON BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES				
Taxes	\$ 7,546	9,374	9,374	
Licenses, permits and franchises	7,032	7,032	5,511	(1,521)
Revenue from use of money and property:				
Investment income	1,871	1,980	5,927	3,947
Rents and concessions	160	160	396	236
Intergovernmental revenues:				
Federal	17,767	17,767	6,367	(11,400)
State	332,317	332,317	330,581	(1,736)
Other	780	780	364	(416)
Charges for services	20,879	20,879	21,411	532
Miscellaneous	78	78	1,388	1,310
TOTAL REVENUES	388,430	390,367	381,319	(9,048)
EXPENDITURES				
Current-Public ways and facilities:				
Services and supplies	356,976	408,993	391,147	17,846
Other charges	20,000	15,000	10,654	4,346
Capital assets	3,772	3,772	1,368	2,404
Capital outlay	20,863	21,863	17,317	4,546
TOTAL EXPENDITURES	401,611	449,628	420,486	29,142
DEFICIENCY OF REVENUES OVER EXPENDITURES	(13,181)	(59,261)	(39,167)	20,094
OTHER FINANCING SOURCES (USES)				
Sales of capital assets			31	31
Transfers in	5,316	5,316	4,206	(1,110)
Transfers out	(13,865)	(4,865)		4,865
Appropriations for contingencies		(1,937)		1,937
Changes in fund balance	1	39,018	63,613	24,595
TOTAL OTHER FINANCING SOURCES (USES)	(8,548)	37,532	67,850	30,318
NET CHANGE IN FUND BALANCE	(21,729)	(21,729)	28,683	50,412
FUND BALANCE, JULY 1, 2023	21,729	21,729	21,729	
FUND BALANCE, JUNE 30, 2024	\$		50,412	50,412

Continued....

COUNTY OF LOS ANGELES
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL ON BUDGETARY BASIS
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE
FOR THE YEAR ENDED JUNE 30, 2024 (in thousands)

	OTHER STREETS, HIGHWAYS, ROADS, AND BRIDGES			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL ON BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES				
Taxes	\$ 90,292	90,624	95,487	4,863
Fines, forfeitures and penalties	30	30	29	(1)
Revenue from use of money and property:				
Investment income	2,767	2,799	12,193	9,394
Rents and concessions	106	106	79	(27)
Intergovernmental revenues:				
Federal	20,410	20,410	7,614	(12,796)
State	2,678	2,678	2,528	(150)
Other	21,629	21,629	13,626	(8,003)
Charges for services	11,790	11,790	2,907	(8,883)
Miscellaneous	130	130	1,655	1,525
TOTAL REVENUES	149,832	150,196	136,118	(14,078)
EXPENDITURES				
Current-Public ways and facilities:				
Services and supplies	292,792	293,156	95,275	197,881
Other charges	9,472	9,472	3,450	6,022
Capital assets	6,950	6,950		6,950
Capital outlay	73,638	73,638	8,927	64,711
TOTAL EXPENDITURES	382,852	383,216	107,652	275,564
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(233,020)	(233,020)	28,466	261,486
OTHER FINANCING SOURCES (USES)				
Sales of capital assets			2	2
Transfers out	(457)	(457)	(52)	405
Changes in fund balance	(19)	(19)	8,199	8,218
TOTAL OTHER FINANCING SOURCES (USES)	(476)	(476)	8,149	8,625
NET CHANGE IN FUND BALANCE	(233,496)	(233,496)	36,615	270,111
FUND BALANCE, JULY 1, 2023	233,496	233,496	233,496	
FUND BALANCE, JUNE 30, 2024	\$		270,111	270,111

Continued...

COUNTY OF LOS ANGELES
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL ON BUDGETARY BASIS
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE
FOR THE YEAR ENDED JUNE 30, 2024 (in thousands)

	STREET LIGHTING DISTRICTS			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL ON BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES				
Taxes	\$ 33,052	33,052	32,914	(138)
Fines, forfeitures and penalties	114	114	123	9
Revenue from use of money and property:				
Investment income	1,190	1,190	4,823	3,633
Rents and Concessions			4	4
Intergovernmental revenues:				
State	120	120	116	(4)
Other	354	354	221	(133)
Charges for services	3,633	3,633	3,515	(118)
Miscellaneous			1	1
TOTAL REVENUES	38,463	38,463	41,717	3,254
EXPENDITURES				
Current-Public ways and facilities:				
Services and supplies	79,897	79,897	23,420	56,477
Other charges	81	81	28	53
Capital assets	10	10		10
Capital outlay	1,400	1,400		1,400
TOTAL EXPENDITURES	81,388	81,388	23,448	57,940
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(42,925)	(42,925)	18,269	61,194
OTHER FINANCING SOURCES (USES)				
Transfers in	3,176	3,176	3,146	(30)
Transfers out	(3,387)	(3,387)	(3,153)	234
Changes in fund balance	(3,067)	(3,067)	(2,840)	227
TOTAL OTHER FINANCING SOURCES (USES)	(3,278)	(3,278)	(2,847)	431
NET CHANGE IN FUND BALANCE	(46,203)	(46,203)	15,422	61,625
FUND BALANCE, JULY 1, 2023	46,203	46,203	46,203	
FUND BALANCE, JUNE 30, 2024			\$ 61,625	61,625

Continued...

COUNTY OF LOS ANGELES
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL ON BUDGETARY BASIS
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE
FOR THE YEAR ENDED JUNE 30, 2024 (in thousands)

	GARBAGE DISPOSAL DISTRICTS			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL ON BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES				
Taxes	\$ 9,851	9,851	9,797	(54)
Fines, forfeitures and penalties	225	225	223	(2)
Revenue from use of money and property-				
Investment income	752	752	2,542	1,790
Intergovernmental revenues-				
State	34	34	33	(1)
Charges for services	22,089	22,089	21,870	(219)
TOTAL REVENUES	32,951	32,951	34,465	1,514
EXPENDITURES				
Current-Health and sanitation-				
Services and supplies	55,573	55,573	35,446	20,127
TOTAL EXPENDITURES	55,573	55,573	35,446	20,127
DEFICIENCY OF REVENUES OVER EXPENDITURES	(22,622)	(22,622)	(981)	21,641
OTHER FINANCING SOURCES				
Changes in fund balance	10,068	10,068	10,710	642
TOTAL OTHER FINANCING SOURCES	10,068	10,068	10,710	642
NET CHANGE IN FUND BALANCE	(12,554)	(12,554)	9,729	22,283
FUND BALANCE, JULY 1, 2023	12,554	12,554	12,554	
FUND BALANCE, JUNE 30, 2024	\$		22,283	22,283

COUNTY OF LOS ANGELES
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL ON BUDGETARY BASIS
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE
FOR THE YEAR ENDED JUNE 30, 2024 (in thousands)

	SEWER MAINTENANCE DISTRICTS			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL ON BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES				
Fines, forfeitures and penalties	\$ 192	192	157	(35)
Revenue from use of money and property-				
Investment income	445	445	1,372	927
Intergovernmental revenues:				
Federal			7	7
State			749	749
Other	41	41	41	
Charges for services	38,120	38,120	38,762	642
Miscellaneous			4	4
TOTAL REVENUES	38,798	38,798	41,092	2,294
EXPENDITURES				
Current-Health and sanitation:				
Services and supplies	68,607	68,607	44,104	24,503
Other charges	1,000	1,000	21	979
Capital outlay	1,000	1,000		1,000
TOTAL EXPENDITURES	70,607	70,607	44,125	26,482
DEFICIENCY OF REVENUES OVER EXPENDITURES	(31,809)	(31,809)	(3,033)	28,776
OTHER FINANCING SOURCES				
Changes in fund balance	1	1	506	505
TOTAL OTHER FINANCING SOURCES	1	1	506	505
NET CHANGE IN FUND BALANCE	(31,808)	(31,808)	(2,527)	29,281
FUND BALANCE, JULY 1, 2023	31,808	31,808	31,808	
FUND BALANCE, JUNE 30, 2024	\$		29,281	29,281

Continued...

COUNTY OF LOS ANGELES
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL ON BUDGETARY BASIS
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE
FOR THE YEAR ENDED JUNE 30, 2024 (in thousands)

	HEALTH SERVICES MEASURE B			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL ON BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES				
Taxes	\$ 332,773	333,951	333,951	
Fines, forfeitures and penalties	807	807	960	153
Revenue from use of money and property-				
Investment income	1,404	6,617	6,334	(283)
Miscellaneous			101	101
TOTAL REVENUES	334,984	341,375	341,346	(29)
EXPENDITURES				
Current-Health and sanitation:				
Services and supplies	28,422	47,971	31,931	16,040
Other charges	55,820	62,229	40,116	22,113
TOTAL EXPENDITURES	84,242	110,200	72,047	38,153
EXCESS OF REVENUES OVER EXPENDITURES	250,742	231,175	269,299	38,124
OTHER FINANCING SOURCES (USES)				
Transfers out	(268,468)	(270,414)	(267,727)	2,687
Appropriations for contingencies	(34,037)	(12,524)		12,524
Changes in fund balance			272	272
TOTAL OTHER FINANCING SOURCES (USES)	(302,505)	(282,938)	(267,455)	15,483
NET CHANGE IN FUND BALANCE	(51,763)	(51,763)	1,844	53,607
FUND BALANCE, JULY 1, 2023	51,763	51,763	51,763	
FUND BALANCE, JUNE 30, 2024	\$		53,607	53,607

Continued...

COUNTY OF LOS ANGELES
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL ON BUDGETARY BASIS
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE
FOR THE YEAR ENDED JUNE 30, 2024 (in thousands)

	HEALTH AND SANITATION			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL ON BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES				
Licenses, permits and franchises	\$ 13,625	13,625	15,518	1,893
Fines, forfeitures and penalties	13,226	13,226	10,698	(2,528)
Revenue from use of money and property-				
Investment income	3,212	3,212	7,482	4,270
Intergovernmental revenues:				
State	1,266	1,266	2,038	772
Other	1,822	1,822	1,352	(470)
Charges for services	34,133	34,133	23,085	(11,048)
Miscellaneous	35,345	35,345	48,329	12,984
TOTAL REVENUES	102,629	102,629	108,502	5,873
EXPENDITURES				
Current-Health and sanitation:				
Services and supplies	116,054	105,330	55,487	49,843
Other charges	20,886	31,673	31,604	69
Capital assets	961	898	643	255
TOTAL EXPENDITURES	137,901	137,901	87,734	50,167
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(35,272)	(35,272)	20,768	56,040
OTHER FINANCING SOURCES (USES)				
Transfers out	(23,441)	(23,441)	(11,096)	12,345
Appropriations for contingencies	(74,242)	(74,242)		74,242
Changes in fund balance	(701)	(701)	1,347	2,048
TOTAL OTHER FINANCING SOURCES (USES)	(98,384)	(98,384)	(9,749)	88,635
NET CHANGE IN FUND BALANCE	(133,656)	(133,656)	11,019	144,675
FUND BALANCE, JULY 1, 2023	133,656	133,656	133,656	
FUND BALANCE, JUNE 30, 2024	\$		144,675	144,675

Continued...

COUNTY OF LOS ANGELES
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL ON BUDGETARY BASIS
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE
FOR THE YEAR ENDED JUNE 30, 2024 (in thousands)

	SAFE, CLEAN WATER PROGRAM MEASURE W			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL ON BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES				
Fines, forfeitures and penalties	\$ 502	502	850	348
Revenue from use of money and property-				
Investment income	4,423	4,423	20,752	16,329
Charges for services	280,600	280,600	279,933	(667)
Miscellaneous			1	1
TOTAL REVENUES	285,525	285,525	301,536	16,011
EXPENDITURES				
Current-Public Protection:				
Services and supplies	125,029	125,329	27,111	98,218
Other charges	609,449	602,524	159,042	443,482
TOTAL EXPENDITURES	734,478	727,853	186,153	541,700
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(448,953)	(442,328)	115,383	557,711
OTHER FINANCING SOURCES (USES)				
Transfers in	286,550	286,550	280,716	(5,834)
Transfers out	(304,086)	(310,711)	(298,271)	12,440
Changes in fund balance	(2)	(2)	8,832	8,834
TOTAL OTHER FINANCING SOURCES (USES)	(17,538)	(24,163)	(8,723)	15,440
NET CHANGE IN FUND BALANCE	(466,491)	(466,491)	106,660	573,151
FUND BALANCE, JULY 1, 2023	466,491	466,491	466,491	
FUND BALANCE, JUNE 30, 2024	\$		573,151	573,151

Continued...

COUNTY OF LOS ANGELES
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL ON BUDGETARY BASIS
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE
FOR THE YEAR ENDED JUNE 30, 2024 (in thousands)

	OTHER PUBLIC PROTECTION			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL ON BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES				
Fines, forfeitures and penalties	\$ 3,867	3,867	2,986	(881)
Revenue from use of money and property:				
Investment income	4,845	4,845	18,875	14,030
Rents and concessions	18,764	18,764	21,620	2,856
Intergovernmental revenues-				
State	155,219	155,219	160,937	5,718
Charges for services	11,629	10,499	18,938	8,439
Miscellaneous	4,510	4,510	18,535	14,025
TOTAL REVENUES	198,834	197,704	241,891	44,187
EXPENDITURES				
Current-Public protection:				
Services and supplies	351,549	352,076	69,601	282,475
Other charges	1,800	1,654	1,043	611
Capital assets	66,520	69,001	21,498	47,503
Capital outlay	530	710		710
TOTAL EXPENDITURES	420,399	423,441	92,142	331,299
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(221,565)	(225,737)	149,749	375,486
OTHER FINANCING SOURCES (USES)				
Sales of capital assets	45	45	17	(28)
Transfers in	22,162	24,543	24,288	(255)
Transfers out	(233,670)	(234,058)	(154,593)	79,465
Appropriations for contingencies	(25,998)	(25,998)		25,998
Changes in fund balance	(9,575)	(7,396)	(3,090)	4,306
TOTAL OTHER FINANCING SOURCES (USES)	(247,036)	(242,864)	(133,378)	109,486
NET CHANGE IN FUND BALANCE	(468,601)	(468,601)	16,371	484,972
FUND BALANCE, JULY 1, 2023	468,601	468,601	468,601	
FUND BALANCE, JUNE 30, 2024	\$		484,972	484,972

Continued...

COUNTY OF LOS ANGELES
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL ON BUDGETARY BASIS
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE
FOR THE YEAR ENDED JUNE 30, 2024 (in thousands)

	PUBLIC ASSISTANCE			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL ON BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES				
Licenses, permits and franchises	\$ 750	750	1,096	346
Fines, forfeitures and penalties	1,584	1,584	1,769	185
Revenue from use of money and property-				
Investment income	5	5	127	122
Charges for services	4,900	4,900	5,391	491
Miscellaneous	53	53	69	16
TOTAL REVENUES	7,292	7,292	8,452	1,160
EXPENDITURES				
Current-Public assistance-				
Services and supplies	10,912	10,912	6,446	4,466
TOTAL EXPENDITURES	10,912	10,912	6,446	4,466
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(3,620)	(3,620)	2,006	5,626
OTHER FINANCING SOURCES (USES)				
Transfers out	(682)	(682)	(326)	356
Appropriations for contingencies	(4,762)	(4,762)		4,762
Changes in fund balance	(176)	(176)	534	710
TOTAL OTHER FINANCING SOURCES (USES)	(5,620)	(5,620)	208	5,828
NET CHANGE IN FUND BALANCE	(9,240)	(9,240)	2,214	11,454
FUND BALANCE, JULY 1, 2023	9,240	9,240	9,240	
FUND BALANCE, JUNE 30, 2024	\$		11,454	11,454

Continued...

COUNTY OF LOS ANGELES
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL ON BUDGETARY BASIS
 NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE
 FOR THE YEAR ENDED JUNE 30, 2024 (in thousands)

	HOMELESS AND HOUSING MEASURE H			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL ON BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES				
Taxes	\$ 534,784	534,784	538,242	3,458
Revenue from use of money and property-				
Investment income			18,993	18,993
Miscellaneous			33	33
TOTAL REVENUES	534,784	534,784	557,268	22,484
EXPENDITURES				
Current-Public assistance:				
Services and supplies		2,000	1,697	303
Other charges	271,618	270,979	237,491	33,488
TOTAL EXPENDITURES	271,618	272,979	239,188	33,791
EXCESS OF REVENUES OVER EXPENDITURES	263,166	261,805	318,080	56,275
OTHER FINANCING USES				
Transfers out	(403,354)	(403,843)	(221,451)	182,392
Appropriations for contingencies	(650)			
Changes in fund balance	(194,849)	(193,649)	(274,089)	(80,440)
TOTAL OTHER FINANCING USES	(598,853)	(597,492)	(495,540)	101,952
NET CHANGE IN FUND BALANCE	(335,687)	(335,687)	(177,460)	158,227
FUND BALANCE, JULY 1, 2023	335,687	335,687	335,687	
FUND BALANCE, JUNE 30, 2024	\$		158,227	158,227

Continued...

COUNTY OF LOS ANGELES
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL ON BUDGETARY BASIS
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE
FOR THE YEAR ENDED JUNE 30, 2024 (in thousands)

	RECREATION			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL ON BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES				
Licenses, permits and franchises	\$ 1,000	1,000	1,178	178
Revenue from use of money and property:				
Investment income	434	434	2,752	2,318
Rents and concessions	18,209	19,906	18,248	(1,658)
Intergovernmental revenues-				
State	130	130	115	(15)
Charges for services	4,658	4,658	4,360	(298)
Miscellaneous	1,315	3,087	3,388	301
TOTAL REVENUES	25,746	29,215	30,041	826
EXPENDITURES				
Current-Recreation and cultural services:				
Services and supplies	51,072	52,640	12,044	40,596
Other charges	869	869	160	709
Capital assets	100	100		100
TOTAL EXPENDITURES	52,041	53,609	12,204	41,405
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(26,295)	(24,394)	17,837	42,231
OTHER FINANCING SOURCES (USES)				
Transfers in	577	779	779	
Transfers out	(41,792)	(43,895)	(15,598)	28,297
Appropriations for contingencies	(271)	(271)		271
Changes in fund balance			32	32
TOTAL OTHER FINANCING SOURCES (USES)	(41,486)	(43,387)	(14,787)	28,600
NET CHANGE IN FUND BALANCE	(67,781)	(67,781)	3,050	70,831
FUND BALANCE, JULY 1, 2023	67,781	67,781	67,781	
FUND BALANCE, JUNE 30, 2024	\$		70,831	70,831

Continued...

COUNTY OF LOS ANGELES
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL ON BUDGETARY BASIS
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE
FOR THE YEAR ENDED JUNE 30, 2024 (in thousands)

	COURTHOUSE TEMPORARY CONSTRUCTION			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL ON BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES				
Fines, forfeitures and penalties	\$ 7,500	7,500	7,679	179
Revenue from use of money and property-				
Investment income	40	40	1,135	1,095
TOTAL REVENUES	7,540	7,540	8,814	1,274
EXPENDITURES				
Current-Public protection:				
Services and supplies	18,968	18,968	678	18,290
Other charges	14,986	20,214	14,716	5,498
TOTAL EXPENDITURES	33,954	39,182	15,394	23,788
DEFICIENCY OF REVENUES OVER EXPENDITURES	(26,414)	(31,642)	(6,580)	25,062
OTHER FINANCING SOURCES				
Transfers in		5,228	5,227	(1)
TOTAL OTHER FINANCING SOURCES		5,228	5,227	(1)
NET CHANGE IN FUND BALANCE	(26,414)	(26,414)	(1,353)	25,061
FUND BALANCE, JULY 1, 2023	26,414	26,414	26,414	
FUND BALANCE, JUNE 30, 2024	\$		25,061	25,061

Continued...

COUNTY OF LOS ANGELES
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL ON BUDGETARY BASIS
 NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE
 FOR THE YEAR ENDED JUNE 30, 2024 (in thousands)

	CRIMINAL JUSTICE TEMPORARY CONSTRUCTION			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL ON BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES				
Fines, forfeitures and penalties	\$ 9,000	9,000	8,510	(490)
Revenue from use of money and property- Investment income	700	700	2,203	1,503
TOTAL REVENUES	9,700	9,700	10,713	1,013
EXPENDITURES				
Current-Public protection:				
Services and supplies	67,354	67,354	29,729	37,625
Other charges	1,916	1,916	1,916	
TOTAL EXPENDITURES	69,270	69,270	31,645	37,625
DEFICIENCY OF REVENUES OVER EXPENDITURES	(59,570)	(59,570)	(20,932)	38,638
OTHER FINANCING USES				
Transfers out	(306)	(306)		306
Changes in fund balance			(1)	(1)
TOTAL OTHER FINANCING USES	(306)	(306)	(1)	305
NET CHANGE IN FUND BALANCE	(59,876)	(59,876)	(20,933)	38,943
FUND BALANCE, JULY 1, 2023	59,876	59,876	59,876	
FUND BALANCE, JUNE 30, 2024	\$		38,943	38,943

Continued...

COUNTY OF LOS ANGELES
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL ON BUDGETARY BASIS
 NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE
 FOR THE YEAR ENDED JUNE 30, 2024 (in thousands)

	REGISTRAR-RECORDER IMPROVEMENT			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL ON BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES				
Charges for services	\$ 10,763	10,763	9,859	(904)
OTHER FINANCING SOURCES (USES)				
Transfers out	(12,210)	(13,660)	(11,116)	2,544
Appropriations for contingencies	(23,109)	(21,659)		21,659
Changes in fund balance			1	1
TOTAL OTHER FINANCING SOURCES (USES)	(35,319)	(35,319)	(11,115)	24,204
NET CHANGE IN FUND BALANCE	(24,556)	(24,556)	(1,256)	23,300
FUND BALANCE, JULY 1, 2023	24,556	24,556	24,556	
FUND BALANCE, JUNE 30, 2024	\$		23,300	23,300

Continued...

COUNTY OF LOS ANGELES
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL ON BUDGETARY BASIS
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE
FOR THE YEAR ENDED JUNE 30, 2024 (in thousands)

	OTHER SPECIAL REVENUE			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL ON BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES				
Taxes	\$		1,587	1,587
Licenses, permits and franchises	3,200	3,200	2,824	(376)
Revenue from use of money and property:				
Investment income	997	997	2,859	1,862
Rents and concessions	5,958	6,427	6,770	343
Royalties	4	4	4	
Intergovernmental revenues-				
State			2	2
Charges for services	546	546	1,641	1,095
Miscellaneous	25	25	11	(14)
TOTAL REVENUES	10,730	11,199	15,698	4,499
EXPENDITURES				
Current:				
General government:				
Salaries and employee benefits	6,394	6,863	6,862	1
Services and supplies	50,462	41,379	6,294	35,085
Capital assets	1,330	1,330	291	1,039
Total general government	58,186	49,572	13,447	36,125
Education-				
Services and supplies	10,096	10,096	2,047	8,049
TOTAL EXPENDITURES	68,282	59,668	15,494	44,174
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(57,552)	(48,469)	204	48,673
OTHER FINANCING SOURCES (USES)				
Sales of capital assets	520	520	202	(318)
Transfers in	12,231	12,231	11,622	(609)
Transfers out	(3,441)	(14,112)	(10,945)	3,167
Appropriations for contingencies	(38,482)	(36,894)		36,894
Changes in fund balance			719	719
TOTAL OTHER FINANCING SOURCES (USES)	(29,172)	(38,255)	1,598	39,853
NET CHANGE IN FUND BALANCE	(86,724)	(86,724)	1,802	88,526
FUND BALANCE, JULY 1, 2023	86,724	86,724	86,724	
FUND BALANCE, JUNE 30, 2024	\$		88,526	88,526

COUNTY OF LOS ANGELES
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS - DEBT SERVICE
 JUNE 30, 2024 (in thousands)

	Public Buildings	LA County Securitization Corporation	Total
ASSETS			
Pooled cash and investments-			
Operating	\$ 35,984		\$ 35,984
Total pooled cash and investments	35,984		35,984
Other investments	28,889	22,840	51,729
Interest receivable	263		263
TOTAL ASSETS	65,136	22,840	87,976
DEFERRED OUTFLOWS OF RESOURCES		175,088	175,088
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 65,136	197,928	\$ 263,064
FUND BALANCES - RESTRICTED	\$ 65,136	197,928	\$ 263,064
TOTAL FUND BALANCES	\$ 65,136	197,928	\$ 263,064

COUNTY OF LOS ANGELES
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS - DEBT SERVICE
 FOR THE YEAR ENDED JUNE 30, 2024 (in thousands)

	Public Buildings	LA County Securitization Corporation	Total
REVENUES			
Revenue from use of money and property-			
Investment income	\$ 2,059	1,256	\$ 3,315
Miscellaneous		22,565	22,565
TOTAL REVENUES	2,059	23,821	25,880
EXPENDITURES - Debt service			
Principal	185,398	14,620	200,018
Interest and other charges	100,333	9,587	109,920
TOTAL EXPENDITURES	285,731	24,207	309,938
DEFICIENCY OF REVENUES OVER EXPENDITURES	(283,672)	(386)	(284,058)
OTHER FINANCING SOURCES (USES)			
Transfers in	156,739		156,739
Transfers out	(6,758)	(8,119)	(14,877)
Issuance of debt	135,067		135,067
TOTAL OTHER FINANCING SOURCES (USES)	285,048	(8,119)	276,929
NET CHANGE IN FUND BALANCES	1,376	(8,505)	(7,129)
FUND BALANCES, JULY 1, 2023	63,760	206,433	270,193
FUND BALANCES, JUNE 30, 2024	\$ 65,136	197,928	\$ 263,064

COUNTY OF LOS ANGELES
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS - CAPITAL PROJECTS
 JUNE 30, 2024 (in thousands)

	Accumulative Capital Outlay	Improvement Districts	Public Buildings	Gap Loan	Total
ASSETS					
Pooled cash and investments:					
Operating	\$ 133,227	13	35,295	35,995	\$ 204,530
Other	541		20	138	699
Total pooled cash and investments	<u>133,768</u>	<u>13</u>	<u>35,315</u>	<u>36,133</u>	<u>205,229</u>
Other investments			8,555		8,555
Interest receivable	379		40	104	523
Other receivables	101				101
Due from other funds	8,169		499		8,668
TOTAL ASSETS	<u>\$ 142,417</u>	<u>13</u>	<u>44,409</u>	<u>36,237</u>	<u>\$ 223,076</u>
LIABILITIES					
Accounts payable	\$ 2		2,196		\$ 2,198
Due to other funds	3,441		25,174	429	29,044
Advances payable	43				43
TOTAL LIABILITIES	<u>3,486</u>		<u>27,370</u>	<u>429</u>	<u>31,285</u>
FUND BALANCES					
Restricted			17,039	35,808	52,847
Committed	89,752				89,752
Assigned	49,179	13			49,192
TOTAL FUND BALANCES	<u>138,931</u>	<u>13</u>	<u>17,039</u>	<u>35,808</u>	<u>191,791</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 142,417</u>	<u>13</u>	<u>44,409</u>	<u>36,237</u>	<u>\$ 223,076</u>

COUNTY OF LOS ANGELES
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS - CAPITAL PROJECTS
 FOR THE YEAR ENDED JUNE 30, 2024 (in thousands)

	Accumulative Capital Outlay	Improvement Districts	Public Buildings	Gap Loan	Total
REVENUES					
Revenue from use of money and property-					
Investment income (loss)	\$ 5,474		(58)	1,987	\$ 7,403
Charges for services	8,700				8,700
Miscellaneous	1,263				1,263
TOTAL REVENUES	15,437		(58)	1,987	17,366
EXPENDITURES - Capital outlay	19,366		63,391		82,757
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(3,929)		(63,449)	1,987	(65,391)
OTHER FINANCING SOURCES (USES)					
Transfers in	26,911		468		27,379
Transfers out			(1,172)	(429)	(1,601)
Issuance of debt			70,522		70,522
TOTAL OTHER FINANCING SOURCES (USES)	26,911		69,818	(429)	96,300
NET CHANGE IN FUND BALANCES	22,982		6,369	1,558	30,909
FUND BALANCES, JULY 1, 2023	115,949	13	10,670	34,250	160,882
FUND BALANCES, JUNE 30, 2024	\$ 138,931	13	17,039	35,808	\$ 191,791

COUNTY OF LOS ANGELES
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS - PERMANENT FUNDS
 JUNE 30, 2024 (in thousands)

	<u>Annuities</u>	<u>Endowments</u>	<u>Total</u>
ASSETS			
Pooled cash and investments:			
Operating	\$ 390	1,786	\$ 2,176
Other	1	7	8
Total pooled cash and investments	<u>391</u>	<u>1,793</u>	<u>2,184</u>
Interest receivable	1	5	6
TOTAL ASSETS	<u><u>\$ 392</u></u>	<u><u>1,798</u></u>	<u><u>\$ 2,190</u></u>
LIABILITIES			
Due to other funds	<u>\$</u>	10	<u>\$ 10</u>
FUND BALANCES			
Nonspendable	<u>392</u>	<u>1,788</u>	<u>2,180</u>
TOTAL FUND BALANCES	<u><u>392</u></u>	<u><u>1,788</u></u>	<u><u>2,180</u></u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$ 392</u></u>	<u><u>1,798</u></u>	<u><u>\$ 2,190</u></u>

COUNTY OF LOS ANGELES
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS - PERMANENT FUNDS
 FOR THE YEAR ENDED JUNE 30, 2024 (in thousands)

	<u>Annuities</u>	<u>Endowments</u>	<u>Total</u>
REVENUES			
Revenue from use of money and property-			
Investment income	\$ 20	85	\$ 105
EXPENDITURES - General government	<u>15</u>	<u>19</u>	<u>34</u>
NET CHANGE IN FUND BALANCES	5	66	71
FUND BALANCES, JULY 1, 2023	<u>387</u>	<u>1,722</u>	<u>2,109</u>
FUND BALANCES, JUNE 30, 2024	<u>\$ 392</u>	<u>1,788</u>	<u>\$ 2,180</u>



INTERNAL SERVICE FUNDS

COUNTY OF LOS ANGELES
INTERNAL SERVICE FUNDS

The Internal Service Funds are used to account for the financing of sources provided by a department or agency to other departments or agencies on a cost-reimbursement basis.

PUBLIC WORKS FUND

The Public Works Fund is used to account for the cost of services provided by the Department of Public Works to the Road Fund, Flood Control District, County Engineer, and various other special districts and agencies. Costs are recovered through billings for services.

EQUIPMENT ACQUISITION FUND

The Equipment Acquisition Fund is used to account for the operations of the Los Angeles County Capital Asset Leasing Corporation. County departments are charged for equipment items acquired on their behalf. The charges represent recovery of equipment depreciation expense and bond interest expense.

COUNTY OF LOS ANGELES
 COMBINING STATEMENT OF NET POSITION
 INTERNAL SERVICE FUNDS
 JUNE 30, 2024 (in thousands)

	Public Works	Equipment Acquisition	Total
ASSETS			
Current assets:			
Pooled cash and investments:			
Operating	\$ 37,102	804	\$ 37,906
Other	10,288	15	10,303
Total pooled cash and investments	47,390	819	48,209
Interest receivable	130	9	139
Other receivables	13,046		13,046
Due from other funds	146,501	51	146,552
Inventories	11,030		11,030
Total current assets	218,097	879	218,976
Noncurrent assets:			
Restricted assets		5,119	5,119
Capital assets:			
Equipment	264,861	16,939	281,800
Lease assets	1,224		1,224
Subscription assets	613		613
Less accumulated depreciation/amortization	(156,494)	(3,431)	(159,925)
Total capital assets - net	110,204	13,508	123,712
Total noncurrent assets	110,204	18,627	128,831
TOTAL ASSETS	328,301	19,506	347,807
DEFERRED OUTFLOWS OF RESOURCES	456,720		456,720
LIABILITIES			
Current liabilities:			
Accounts payable	6,786	656	7,442
Accrued payroll	26,235		26,235
Other payables	2,879		2,879
Accrued interest payable		341	341
Due to other funds	55,511		55,511
Advances from other funds	22,000		22,000
Advances payable	141		141
Current portion of long-term liabilities	13,658	5,000	18,658
Total current liabilities	127,210	5,997	133,207
Noncurrent liabilities:			
Accrued compensated absences	76,428		76,428
Bonds and notes		10,000	10,000
Lease liability	301		301
Workers' compensation	58,123		58,123
Net pension liability	479,257		479,257
Net OPEB liability	957,123		957,123
Total noncurrent liabilities	1,571,232	10,000	1,581,232
TOTAL LIABILITIES	1,698,442	15,997	1,714,439
DEFERRED INFLOWS OF RESOURCES	312,622		312,622
NET POSITION			
Net investment in capital assets	109,596	3,627	113,223
Unrestricted (deficit)	(1,335,639)	(118)	(1,335,757)
TOTAL NET POSITION (DEFICIT)	\$ (1,226,043)	3,509	\$ (1,222,534)

COUNTY OF LOS ANGELES
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
 INTERNAL SERVICE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2024 (in thousands)

	Public Works	Equipment Acquisition	Total
OPERATING REVENUES-			
Charges for services	\$ 788,999		\$ 788,999
TOTAL OPERATING REVENUES	<u>788,999</u>		<u>788,999</u>
OPERATING EXPENSES:			
Salaries and employee benefits	632,489		632,489
Services and supplies	62,489	9	62,498
Other professional services	92,337		92,337
Depreciation and amortization	17,236	2,816	20,052
TOTAL OPERATING EXPENSES	<u>804,551</u>	<u>2,825</u>	<u>807,376</u>
OPERATING LOSS	<u>(15,552)</u>	<u>(2,825)</u>	<u>(18,377)</u>
NONOPERATING REVENUES (EXPENSES):			
Investment income	1,278	112	1,390
Gain on disposal of capital assets	686		686
Interest revenue		3,569	3,569
Interest expense	(27)	(488)	(515)
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>1,937</u>	<u>3,193</u>	<u>5,130</u>
INCOME (LOSS) BEFORE TRANSFERS	<u>(13,615)</u>	<u>368</u>	<u>(13,247)</u>
Transfers in	4,857		4,857
Transfers out	(3,809)		(3,809)
CHANGE IN NET POSITION	<u>(12,567)</u>	<u>368</u>	<u>(12,199)</u>
TOTAL NET POSITION (DEFICIT), JULY 1, 2023	<u>(1,213,476)</u>	<u>3,141</u>	<u>(1,210,335)</u>
TOTAL NET POSITION (DEFICIT), JUNE 30, 2024	<u>\$ (1,226,043)</u>	<u>3,509</u>	<u>\$ (1,222,534)</u>

COUNTY OF LOS ANGELES
 COMBINING STATEMENT OF CASH FLOWS
 INTERNAL SERVICE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2024 (in thousands)

	Public Works	Equipment Acquisition	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from charges for services	\$ 72,286		\$ 72,286
Cash received for services provided to other funds	693,618		693,618
Cash paid for salaries and employee benefits	(614,855)		(614,855)
Cash paid for services and supplies	(64,949)	(9)	(64,958)
Other operating expenses	(92,337)		(92,337)
Net cash required for operating activities	<u>(6,237)</u>	<u>(9)</u>	<u>(6,246)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Cash advances paid to other funds	(19)		(19)
Transfers in	4,857		4,857
Transfers out	(3,809)		(3,809)
Net cash provided by noncapital financing activities	<u>1,029</u>		<u>1,029</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Proceeds from bonds and notes		10,000	10,000
Interest paid on capital borrowing	(27)	(163)	(190)
Interest revenue		3,569	3,569
Leases paid	(252)		(252)
Subscriptions paid	(224)		(224)
Acquisition and construction of capital assets	(12,873)	(11,532)	(24,405)
Net cash provided by (required for) capital and related financing activities	<u>(13,376)</u>	<u>1,874</u>	<u>(11,502)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment income	1,269	140	1,409
Net increase (decrease) in cash and cash equivalents	(17,315)	2,005	(15,310)
Cash and cash equivalents, July 1, 2023	64,705	3,933	68,638
Cash and cash equivalents, June 30, 2024	<u>\$ 47,390</u>	<u>5,938</u>	<u>\$ 53,328</u>

Continued..

COUNTY OF LOS ANGELES
 COMBINING STATEMENT OF CASH FLOWS - Continued
 INTERNAL SERVICE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2024 (in thousands)

	Public Works	Equipment Acquisition	Total
RECONCILIATION OF OPERATING LOSS TO NET CASH REQUIRED FOR OPERATING ACTIVITIES:			
Operating loss	\$ (15,552)	(2,825)	\$ (18,377)
Adjustments to reconcile operating loss to net cash required for operating activities:			
Depreciation and amortization	17,236	2,816	20,052
(Increase) decrease in:			
Other receivables	(1,509)		(1,509)
Due from other funds	(22,825)		(22,825)
Inventories	(648)		(648)
Increase (decrease) in:			
Accounts payable	(1,586)		(1,586)
Accrued payroll	1,044		1,044
Other payables	(173)		(173)
Accrued compensated absences	492		492
Due to other funds	(226)		(226)
Workers' compensation	1,834		1,834
Net pension liability and related changes in deferred outflows and inflows of resources	14,504		14,504
Net OPEB liability and related changes in deferred outflows and inflows of resources	1,172		1,172
TOTAL ADJUSTMENTS	9,315	2,816	12,131
NET CASH REQUIRED FOR OPERATING ACTIVITIES	\$ (6,237)	(9)	\$ (6,246)
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION:			
Pooled cash and investments	\$ 47,390	819	\$ 48,209
Restricted assets		5,119	5,119
TOTAL	\$ 47,390	5,938	\$ 53,328

FIDUCIARY FUNDS

COUNTY OF LOS ANGELES
FIDUCIARY FUNDS

The Fiduciary Funds are used to account for resources held for the benefit of parties outside of the government.

PENSION AND OTHER POSTEMPLOYMENT BENEFIT TRUST FUNDS

PENSION TRUST FUND

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

OPEB TRUST FUND

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.

CUSTODIAL FUNDS

EXTERNAL INVESTMENT POOLS FUNDS

EXTERNAL INVESTMENT POOL FUND

The External Investment Pool Fund is used to account for the fiduciary activities from the external portion of the investment pool for participants who do not have a trust agreement or equivalent arrangement with the County. The participants primarily consist of deposits held on behalf of School Districts, Courts, and Sanitation Districts.

EXTERNAL SPECIFIC INVESTMENT POOL FUND

The External Specific Investment Pool Fund is used to account for the fiduciary activities from the external portion of the individual investment accounts, in aggregate, for participants who do not have a trust agreement or equivalent arrangement with the County. The related investment activity occurs separately from the County's investment pool and is provided as a service to external investors.

OTHER CUSTODIAL FUNDS

PROPERTY TAX FUNDS

This group of funds is used to account for the fiduciary activities for the monies received from property and other taxes, which must be held pending authority for distribution to the appropriate recipients.

OTHER CUSTODIAL FUNDS

This group of funds is used to account for the fiduciary activities which are held for other governmental agencies or individuals in a custodial capacity.

COUNTY OF LOS ANGELES
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS - PENSION AND OTHER POSTEMPLOYMENT BENEFIT TRUST FUNDS
 JUNE 30, 2024 (in thousands)

	Pension Trust	OPEB Trust	Total
ASSETS			
Pooled cash and investments	\$ 142,381		\$ 142,381
Other investments:			
Short-term investments	3,146,612	177,282	3,323,894
Equity	29,462,196	2,107,137	31,569,333
Fixed income	19,855,304	1,735,690	21,590,994
Private equity	13,057,191	18,175	13,075,366
Real estate	4,406,609	2,431	4,409,040
Real assets	3,359,137	16,894	3,376,031
Hedge funds	4,875,300		4,875,300
Cash collateral on loaned securities	2,359,153		2,359,153
Interest receivable	197,731	15,507	213,238
Other receivables	1,309,535	12,415	1,321,950
TOTAL ASSETS	82,171,149	4,085,531	86,256,680
LIABILITIES			
Accounts payable	517,077	106,674	623,751
Other payables	2,451,847	986	2,452,833
TOTAL LIABILITIES	2,968,924	107,660	3,076,584
NET POSITION			
Net position restricted for pension and other postemployment benefits	<u>\$ 79,202,225</u>	<u>3,977,871</u>	<u>\$ 83,180,096</u>

COUNTY OF LOS ANGELES
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FIDUCIARY FUNDS - PENSION AND OTHER POSTEMPLOYMENT BENEFIT TRUST FUNDS
 FOR THE YEAR ENDED JUNE 30, 2024 (in thousands)

	Pension Trust	OPEB Trust	Total
ADDITIONS			
Contributions:			
Pension and OPEB trust contributions:			
Employer	\$ 2,509,071	1,316,128	\$ 3,825,199
Member	861,042	50,255	911,297
Total contributions	<u>3,370,113</u>	<u>1,366,383</u>	<u>4,736,496</u>
Investment earnings:			
Investment income	3,943,479	137,210	4,080,689
Net increase in the fair value of investments	2,834,757	234,787	3,069,544
Securities lending income	134,663		134,663
Total investment earnings	<u>6,912,899</u>	<u>371,997</u>	<u>7,284,896</u>
Less - Investment expenses:			
Expense from investing activities	184,367	3,586	187,953
Expense from securities lending activities	116,548		116,548
Total net investment expense	<u>300,915</u>	<u>3,586</u>	<u>304,501</u>
Net investment earnings	<u>6,611,984</u>	<u>368,411</u>	<u>6,980,395</u>
Miscellaneous	<u>5,334</u>		<u>5,334</u>
TOTAL ADDITIONS	<u>9,987,431</u>	<u>1,734,794</u>	<u>11,722,225</u>
DEDUCTIONS			
Administrative expenses:			
Salaries and employee benefits	84,481		84,481
Services and supplies	34,147	1,077	35,224
Total administrative expenses	<u>118,628</u>	<u>1,077</u>	<u>119,705</u>
Benefit payments	4,474,471	847,686	5,322,157
Miscellaneous	<u>43,993</u>		<u>43,993</u>
TOTAL DEDUCTIONS	<u>4,637,092</u>	<u>848,763</u>	<u>5,485,855</u>
CHANGE IN NET POSITION	5,350,339	886,031	6,236,370
NET POSITION, JULY 1, 2023	<u>73,851,886</u>	<u>3,091,840</u>	<u>76,943,726</u>
NET POSITION, JUNE 30, 2024	<u>\$ 79,202,225</u>	<u>3,977,871</u>	<u>\$ 83,180,096</u>

COUNTY OF LOS ANGELES
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS - CUSTODIAL - EXTERNAL INVESTMENT POOLS
 JUNE 30, 2024 (in thousands)

	External Investment Pool	External Specific Investment Pool	Total
ASSETS			
Pooled cash and investments	\$ 35,688,450		\$ 35,688,450
Other investments		225,653	225,653
Interest receivable	86,657	1,047	87,704
NET POSITION			
Net position restricted for pool participants	<u>\$ 35,775,107</u>	<u>226,700</u>	<u>\$ 36,001,807</u>

COUNTY OF LOS ANGELES
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FIDUCIARY FUNDS - CUSTODIAL - EXTERNAL INVESTMENT POOLS
 FOR THE YEAR ENDED JUNE 30, 2024 (in thousands)

	External Investment Pool	External Specific Investment Pool	Total
ADDITIONS			
Contributions to investment pools	\$ 67,581,448	150,582	\$ 67,732,030
Investment income	1,384,554	6,976	1,391,530
TOTAL ADDITIONS	68,966,002	157,558	69,123,560
DEDUCTIONS			
Distributions from investment pools	65,945,765	78,101	66,023,866
CHANGE IN NET POSITION	3,020,237	79,457	3,099,694
NET POSITION, JULY 1, 2023	32,754,870	147,243	32,902,113
NET POSITION, JUNE 30, 2024	\$ 35,775,107	226,700	\$ 36,001,807

COUNTY OF LOS ANGELES
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS - CUSTODIAL - OTHER CUSTODIAL
 JUNE 30, 2024 (in thousands)

	Property Tax	Other Custodial	Total
ASSETS			
Pooled cash and investments	\$ 573,548	1,000,183	\$ 1,573,731
Other investments		309	309
Taxes receivable		1,043,734	1,043,734
Other receivables	28,107	447,232	475,339
Due from other governments	647		647
TOTAL ASSETS	602,302	2,491,458	3,093,760
LIABILITIES			
Accounts payable		3,570	3,570
Other payables	482,335	596,430	1,078,765
Due to other governments		81,603	81,603
TOTAL LIABILITIES	482,335	681,603	1,163,938
NET POSITION			
Net position restricted for individuals, organizations, and other governments	<u>\$ 119,967</u>	<u>1,809,855</u>	<u>\$ 1,929,822</u>

COUNTY OF LOS ANGELES
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FIDUCIARY FUNDS - CUSTODIAL - OTHER CUSTODIAL
 FOR THE YEAR ENDED JUNE 30, 2024 (in thousands)

	Property Tax	Other Custodial	Total
ADDITIONS			
Contributions to custodial funds	\$ 25,798,896	2,341,600	\$ 28,140,496
Other additions		3,005,594	3,005,594
TOTAL ADDITIONS	25,798,896	5,347,194	31,146,090
DEDUCTIONS			
Distributions from custodial funds	25,785,027	2,331,612	28,116,639
Other deductions	373	2,914,944	2,915,317
TOTAL DEDUCTIONS	25,785,400	5,246,556	31,031,956
CHANGE IN NET POSITION	13,496	100,638	114,134
NET POSITION, JULY 1, 2023	106,471	1,709,217	1,815,688
NET POSITION, JUNE 30, 2024	\$ 119,967	1,809,855	\$ 1,929,822

STATISTICAL SECTION

The information in this section is not covered by the Independent Auditor's Report, but is presented as supplemental data for the benefit of the readers of the annual comprehensive financial report. The objectives of statistical section information are to provide financial statement users with additional historical perspective, context, and detail to assist in using the information in the financial statements, notes to financial statements, and required supplementary information to better understand and assess the County's overall financial health.

CONTENTS	PAGE
FINANCIAL TRENDS	229
These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.	
REVENUE CAPACITY	236
These schedules contain trend information to help the reader assess the County's most significant local revenue source, the property tax.	
DEBT CAPACITY	240
These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.	
DEMOGRAPHIC AND ECONOMIC INFORMATION	246
The schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.	
OPERATING INFORMATION.....	248
These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.	

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.



COUNTY OF LOS ANGELES
NET POSITION BY CATEGORY (UNAUDITED)
LAST TEN FISCAL YEARS (in thousands)
(accrual basis of accounting)

	<u>2014 - 2015</u>	<u>2015 - 2016</u>	<u>2016 - 2017</u>	<u>2017 - 2018</u>	<u>2018 - 2019</u>	<u>2019 - 2020</u>	<u>2020 - 2021</u>	<u>2021 - 2022</u>	<u>2022 - 2023</u>	<u>2023 - 2024</u>
	(1)			(2)			(3)	(4)	(5)	
Governmental activities										
Net investment in capital assets	\$ 14,846,719	14,982,488	15,165,318	14,984,847	15,166,340	15,304,410	15,649,484	15,588,360	15,833,971	16,229,559
Restricted	3,098,677	3,320,163	3,391,358	3,524,215	3,811,405	3,926,849	4,297,717	4,646,341	5,083,496	5,788,406
Unrestricted (deficit)	<u>(16,822,355)</u>	<u>(17,719,601)</u>	<u>(18,728,499)</u>	<u>(29,158,786)</u>	<u>(29,366,455)</u>	<u>(28,834,009)</u>	<u>(30,171,770)</u>	<u>(29,350,156)</u>	<u>(31,960,081)</u>	<u>(31,970,600)</u>
Subtotal governmental activities net position	<u>1,123,041</u>	<u>583,050</u>	<u>(171,823)</u>	<u>(10,649,724)</u>	<u>(10,388,710)</u>	<u>(9,602,750)</u>	<u>(10,224,569)</u>	<u>(9,115,455)</u>	<u>(11,042,614)</u>	<u>(9,952,635)</u>
Business-type activities										
Net investment in capital assets	2,298,915	2,269,835	2,305,050	2,320,256	2,109,416	2,095,825	2,071,584	2,309,804	2,525,430	2,590,331
Restricted	84,672	92,699	112,775	134,647	138,686	67,499	66,423	65,363	84,718	85,492
Unrestricted (deficit)	<u>(3,220,744)</u>	<u>(3,446,986)</u>	<u>(3,383,795)</u>	<u>(5,323,163)</u>	<u>(5,351,572)</u>	<u>(4,997,187)</u>	<u>(4,831,786)</u>	<u>(3,849,887)</u>	<u>(3,426,470)</u>	<u>(3,170,562)</u>
Subtotal business-type activities net position	<u>(837,157)</u>	<u>(1,084,452)</u>	<u>(965,970)</u>	<u>(2,868,260)</u>	<u>(3,103,470)</u>	<u>(2,833,863)</u>	<u>(2,693,779)</u>	<u>(1,474,720)</u>	<u>(816,322)</u>	<u>(494,739)</u>
Primary government										
Net investment in capital assets	17,145,634	17,252,323	17,470,368	17,305,103	17,275,756	17,400,235	17,721,068	17,898,164	18,359,401	18,819,890
Restricted	3,183,349	3,412,862	3,504,133	3,658,862	3,950,091	3,994,348	4,364,140	4,711,704	5,168,214	5,873,898
Unrestricted (deficit)	<u>(20,043,099)</u>	<u>(21,166,587)</u>	<u>(22,112,294)</u>	<u>(34,481,949)</u>	<u>(34,718,027)</u>	<u>(33,831,196)</u>	<u>(35,003,556)</u>	<u>(33,200,043)</u>	<u>(35,386,551)</u>	<u>(35,141,162)</u>
Total primary government net position	<u>\$ 285,884</u>	<u>(501,402)</u>	<u>(1,137,793)</u>	<u>(13,517,984)</u>	<u>(13,492,180)</u>	<u>(12,436,613)</u>	<u>(12,918,348)</u>	<u>(10,590,175)</u>	<u>(11,858,936)</u>	<u>(10,447,374)</u>

Notes:

- (1) The County adopted GASB 68 and 71 in FY 2014-2015.
- (2) The County adopted GASB 75 in FY 2017-2018 and prior year amounts were not restated.
- (3) The County adopted GASB 84 in FY 2020-2021 and prior year amounts were not restated.
- (4) The County adopted GASB 87 in FY 2021-2022 and prior year amounts were not restated.
- (5) The County adopted GASB 96 in FY 2022-2023 and prior year amounts were not restated.

COUNTY OF LOS ANGELES
 CHANGES IN NET POSITION (UNAUDITED)
 LAST TEN FISCAL YEARS (in thousands)
 (accrual basis of accounting)

	2014 - 2015	2015 - 2016	2016 - 2017	2017 - 2018	2018 - 2019	2019 - 2020	2020 - 2021	2021 - 2022	2022 - 2023	2023 - 2024
Expenses	(1)			(2)			(3)	(4)	(5)	
Governmental activities:										
General government	\$ 1,429,897	1,235,949	1,354,561	1,579,367	1,660,335	1,571,995	1,767,441	1,243,850	1,626,902	1,884,559
Public protection	6,638,192	7,098,459	7,532,191	7,841,468	7,772,364	7,648,073	8,963,490	8,354,532	10,535,212	10,040,684
Public ways and facilities	415,586	375,295	397,231	415,805	453,758	417,325	471,131	468,413	543,472	585,307
Health and sanitation	3,136,924	3,417,720	3,868,785	4,307,099	5,433,924	5,742,957	6,729,312	6,690,851	6,906,927	8,032,810
Public assistance	6,007,973	6,191,975	6,441,552	6,693,008	6,922,346	7,235,705	8,304,610	7,741,363	10,390,815	9,426,531
Education	107,336	141,195	127,901	160,097	161,012	146,480	174,937	152,330	154,258	173,303
Recreation and cultural services	365,755	388,284	276,625	487,173	320,838	476,798	514,751	568,447	588,735	534,164
Interest on long-term debt	99,400	93,022	104,899	106,425	124,549	199,528	107,106	147,433	161,604	178,369
Subtotal governmental activities expenses	18,201,063	18,941,899	20,103,745	21,590,442	22,849,126	23,438,861	27,032,778	25,367,219	30,907,925	30,855,727
Business-type activities:										
Hospitals	4,017,633	4,309,615	4,990,891	5,370,965	4,827,429	4,844,797	5,030,015	5,491,898	5,560,504	6,215,647
Waterworks	85,479	86,463	90,517	95,301	104,906	109,259	110,955	111,190	113,074	118,530
Aviation	6,675	5,661	2,776	11,148	5,954	5,598	6,195	17,582	19,677	19,951
Subtotal business-type activities expenses	4,109,787	4,401,739	5,084,184	5,477,414	4,938,289	4,959,654	5,147,165	5,620,670	5,693,255	6,354,128
Total primary government expenses	22,310,850	23,343,638	25,187,929	27,067,856	27,787,415	28,398,515	32,179,943	30,987,889	36,601,180	37,209,855
Program Revenues										
Governmental activities:										
Charges for services										
General government	469,598	514,167	556,361	530,893	570,425	584,296	666,991	632,043	691,118	689,191
Public protection	1,246,654	1,276,055	1,311,858	1,263,462	1,281,280	1,548,253	1,638,907	1,657,494	1,704,995	1,778,350
Health and sanitation	535,836	620,468	715,414	762,326	1,606,315	1,921,273	1,532,582	1,550,591	1,743,967	2,086,480
Recreation and cultural services	206,794	149,032	154,686	251,160	160,111	117,960	114,517	141,906	142,312	152,765
Other charges for services	46,125	48,362	41,164	53,449	62,014	57,646	47,033	58,625	60,459	50,679
Subtotal governmental activities charges for services	2,505,007	2,608,084	2,779,483	2,861,290	3,680,145	4,229,428	4,000,030	4,040,659	4,342,851	4,757,465
Operating grants and contributions	8,976,986	9,296,996	9,795,607	10,263,315	10,719,454	11,927,097	13,861,166	13,466,206	14,134,795	15,578,862
Capital grants and contributions	35,685	24,860	64,055	26,310	72,955	52,174	56,073	42,426	64,023	58,660
Total governmental activities program revenues	11,517,678	11,929,940	12,639,145	13,150,915	14,472,554	16,208,699	17,917,269	17,549,291	18,541,669	20,394,987
Business-type activities:										
Charges for services										
Hospitals	2,960,080	3,161,974	3,877,494	4,064,523	3,437,056	3,744,598	3,327,525	4,765,753	4,912,895	5,250,557
Other charges for services	77,746	83,286	81,694	90,526	89,468	91,121	101,841	112,920	106,057	116,771
Subtotal business-type activities charges for services	3,037,826	3,245,260	3,959,188	4,155,049	3,526,524	3,835,719	3,429,366	4,878,673	5,018,952	5,367,328
Operating grants and contributions	500,840	315,070	457,686	651,303	488,087	247,784	364,408	931,722	182,601	185,668
Capital grants and contributions	2,353	5,582	1,195	8,291	3,850	8,484	15,467	81	1,193	326
Total business-type activities program revenues	3,541,019	3,565,912	4,418,069	4,814,643	4,018,461	4,091,987	3,809,241	5,810,476	5,202,746	5,553,322
Total primary government program revenues	\$ 15,058,697	15,495,852	17,057,214	17,965,558	18,491,015	20,300,686	21,726,510	23,359,767	23,744,415	25,948,309

Notes:

- (1) The County adopted GASB 68 and 71 in FY 2014-2015.
- (2) The County adopted GASB 75 in FY 2017-2018 and prior year amounts were not restated.
- (3) The County adopted GASB 84 in FY 2020-2021 and prior year amounts were not restated.
- (4) The County adopted GASB 87 in FY 2021-2022 and prior year amounts were not restated.
- (5) The County adopted GASB 96 in FY 2022-2023 and prior year amounts were not restated.

Continued..

COUNTY OF LOS ANGELES
 CHANGES IN NET POSITION (UNAUDITED) - Continued
 LAST TEN FISCAL YEARS (in thousands)
(accrual basis of accounting)

	2014 - 2015	2015 - 2016	2016 - 2017	2017 - 2018	2018 - 2019	2019 - 2020	2020 - 2021	2021 - 2022	2022 - 2023	2023 - 2024
Net (expenses) / revenues:										
Governmental activities	\$ (6,895,647)	(6,683,385)	(7,011,959)	(7,464,600)	(8,439,527)	(8,376,572)	(7,230,162)	(9,115,509)	(7,817,928)	(10,460,740)
Business-type activities	(905,866)	(568,768)	(835,827)	(666,115)	(662,771)	(919,828)	(867,667)	(1,337,924)	189,806	(800,806)
Total primary government net expenses	(7,801,513)	(7,252,153)	(7,847,786)	(8,130,715)	(9,102,298)	(9,296,400)	(8,097,829)	(10,453,433)	(7,628,122)	(11,261,546)
General Revenues and Transfers										
Governmental activities:										
Taxes	5,840,175	6,161,188	6,415,494	6,826,908	7,475,813	8,184,940	8,559,288	9,218,814	9,648,848	10,811,926
Unrestricted grants and contributions	513,458	512,079	374,264	428,435	433,799	473,800	85,688	571,163	631,429	679,353
Investment income (loss)	64,354	74,220	122,763	53,363	101,730	380,361	238,439	(32,284)	(456,803)	863,672
Miscellaneous	134,611	181,119	141,146	178,922	149,384	269,931	255,931	205,748	175,385	253,977
Transfers (Net)	(731,152)	(603,762)	(581,699)	(777,901)	(747,863)	(671,446)	(1,123,224)	(1,469,751)	(936,810)	(1,058,209)
Subtotal governmental activities	5,821,446	6,324,844	6,471,968	6,709,727	7,412,863	8,637,586	8,016,122	8,493,690	9,062,049	11,550,719
Business-type activities:										
Taxes	4,681	4,919	5,309	5,676	6,013	6,504	6,832	8,302	7,730	9,101
Unrestricted grants and contributions	33					32	459	746	3	966
Investment income (loss)	3,908	1,289	1,463	898	675	6,600	5,950	(1,090)	(39,782)	53,810
Miscellaneous	19,101	26,012	61	122	110	36	809	299		303
Transfers (Net)	731,152	603,762	581,699	777,901	747,863	671,446	1,123,224	1,469,751	936,810	1,058,209
Subtotal business-type activities	758,875	635,982	588,532	784,597	754,661	684,618	1,137,274	1,478,008	904,761	1,122,389
Total primary government	6,580,321	6,960,826	7,060,500	7,494,324	8,167,524	9,322,204	9,153,396	9,971,698	9,966,810	12,673,108
Changes in Net Position										
Governmental activities	(1,074,201)	(358,541)	(539,991)	(754,873)	(1,026,664)	261,014	785,960	(621,819)	1,244,121	1,089,979
Business-type activities	(146,991)	67,214	(247,295)	118,482	91,890	(235,210)	269,607	140,084	1,094,567	321,583
Total primary government	\$ (1,221,192)	(291,327)	(787,286)	(636,391)	(934,774)	25,804	1,055,567	(481,735)	2,338,688	1,411,562

COUNTY OF LOS ANGELES
 FUND BALANCES, GOVERNMENTAL FUNDS (UNAUDITED)
 LAST TEN FISCAL YEARS (in thousands)
 (modified accrual basis of accounting)

	2014 - 2015	2015 - 2016	2016 - 2017	2017 - 2018	2018 - 2019	2019 - 2020	2020 - 2021	2021 - 2022	2022 - 2023	2023 - 2024
General Fund										
Nonspendable	\$ 272,384	324,555	212,281	136,890	311,958	126,630	225,233	284,841	263,367	293,753
Restricted	55,694	67,880	70,157	77,406	79,210	83,372	55,061	64,516	77,629	88,654
Committed	334,346	364,679	429,440	704,954	780,517	594,193	597,337	759,944	832,792	1,070,313
Assigned	491,954	446,579	494,783	480,065	620,773	696,775	790,573	774,267	1,028,770	1,345,188
Unassigned	2,035,445	2,180,549	2,444,312	2,495,876	2,641,551	3,017,834	3,265,520	3,734,086	4,280,499	4,894,801
Total General Fund	3,189,823	3,384,242	3,650,973	3,895,191	4,434,009	4,518,804	4,933,724	5,617,654	6,483,057	7,692,709
All Other Governmental Funds (1)										
Nonspendable	14,047	12,817	13,859	15,979	16,040	14,324	13,667	14,152	15,263	100,040
Restricted	3,240,873	3,362,644	3,462,658	3,609,170	3,974,497	4,188,113	4,795,389	4,934,790	5,228,939	5,768,107
Committed	112,034	109,538	119,251	122,379	127,829	134,851	135,537	134,392	141,900	169,772
Assigned	202,283	197,022	213,021	220,586	226,468	246,725	257,280	274,438	285,524	283,833
Total All Other Governmental Funds	3,569,237	3,682,021	3,808,789	3,968,114	4,344,834	4,584,013	5,201,873	5,357,772	5,671,626	6,321,752
Total Governmental Fund Balance	\$ 6,759,060	7,066,263	7,459,762	7,863,305	8,778,843	9,102,817	10,135,597	10,975,426	12,154,683	14,014,461

Note:
 (1) "All Other Governmental Funds" consists of the following funds: Fire Protection District, Flood Control District, LA County Library, Regional Park and Open Space District, Mental Health Services Act, and Nonmajor Governmental Funds.



COUNTY OF LOS ANGELES
 CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS (UNAUDITED)
 LAST TEN FISCAL YEARS (in thousands)
 (modified accrual basis of accounting)

	2014 - 2015	2015 - 2016	2016 - 2017	2017 - 2018	2018 - 2019	2019 - 2020	2020 - 2021	2021 - 2022	2022 - 2023	2023 - 2024
Revenues (by source)										
Taxes	\$ 6,078,449	6,350,290	6,736,037	7,380,450	8,073,428	8,387,725	9,115,844	9,509,962	10,202,139	10,668,457
Licenses, permits and franchises	92,079	93,069	98,554	98,800	102,365	110,805	105,333	117,419	121,189	134,188
Fines, forfeitures and penalties	279,246	251,321	242,837	222,072	236,611	227,304	197,506	212,369	222,314	227,716
Revenue from use of money and property:										
Investment income (loss)	73,966	122,423	57,043	102,130	379,249	237,915	(31,728)	(456,643)	349,321	862,610
Rents and concessions	133,208	134,627	157,590	149,423	161,772	151,890	149,437	103,812	106,234	114,215
Lease revenue (1)								69,889	70,224	69,698
Royalties	1,503	900	801	804	824	482	441	642	640	672
Intergovernmental revenues:										
Federal	3,412,218	3,540,477	3,712,553	3,926,753	3,969,350	4,713,682	5,819,654	5,216,498	5,391,289	5,857,035
State	6,012,662	6,002,364	6,390,825	6,651,035	7,127,912	7,204,006	8,318,833	8,774,471	9,476,704	10,343,440
Other	69,212	69,237	86,281	53,958	69,878	64,886	61,731	49,682	28,904	60,688
Charges for services	2,023,074	2,142,415	2,326,217	2,375,460	3,037,629	3,759,680	3,747,909	3,595,340	3,771,919	4,225,268
Miscellaneous	259,466	215,413	256,217	230,346	351,554	339,798	290,752	327,615	369,852	348,488
Total Revenues	18,435,083	18,922,536	20,064,955	21,191,231	23,510,572	25,198,173	27,775,712	27,521,056	30,110,729	32,912,475
Expenditures (by function)										
Current:										
General government	1,172,098	1,057,069	1,175,868	1,274,231	1,299,405	1,515,440	1,818,653	1,203,562	1,881,674	2,034,711
Public protection	6,353,892	6,737,132	6,934,740	7,103,012	7,514,418	7,768,257	7,984,554	8,521,925	8,895,627	9,331,076
Public ways and facilities	378,345	322,182	361,137	347,713	406,019	396,357	412,637	432,429	498,034	551,752
Health and sanitation	3,074,411	3,282,130	3,635,865	4,176,280	5,302,669	5,898,687	6,124,141	6,563,421	6,646,105	7,732,480
Public assistance	5,688,513	5,900,845	6,042,952	6,369,468	6,708,517	7,128,267	8,086,460	7,723,428	8,745,415	9,186,519
Education	123,723	132,397	130,056	150,032	152,112	153,282	153,787	156,824	159,505	172,117
Recreation and cultural services	357,458	376,270	401,564	447,846	441,641	483,498	441,409	470,768	505,031	536,048
Debt service:										
Principal	463,680	393,501	114,661	91,083	134,225	301,678	296,350	486,669	322,992	355,521
Interest and other charges	97,877	133,261	113,274	111,179	129,598	205,838	241,738	379,283	170,968	183,052
Refunding escrow								53,754		
Capital outlay	139,228	61,518	19,997	69,646	237,052	201,510	459,490	241,622	495,507	277,496
Total Expenditures	17,849,225	18,396,305	18,930,114	20,140,490	22,325,656	24,052,814	26,019,219	26,233,685	28,320,858	30,360,772
Excess of Revenues over Expenditures	585,858	526,231	1,134,841	1,050,741	1,184,916	1,145,359	1,756,493	1,287,371	1,789,871	2,551,703
Other Financing Sources (Uses)										
Transfers in	757,897	572,677	662,781	927,210	1,558,376	1,338,201	1,652,029	1,611,729	1,635,854	1,685,319
Transfers out	(1,353,746)	(1,151,110)	(1,441,818)	(1,670,819)	(2,418,192)	(2,450,189)	(3,124,518)	(2,542,472)	(2,729,674)	(2,779,117)
Issuance of debt	461,811	305,527	34,642	75,489	541,555	632,392	660,364	313,834	135,467	205,589
Refunding bonds issued		199,885						167,925		
Payment to refunded bonds escrow agent		(199,885)				(394,116)		(167,925)		
Debt premium	27,354	50,300			44,179	48,516	63,605	70,739		
Sales of capital assets	2,422	3,031	2,649	3,261	3,118	1,795	3,211	30,694	2,337	1,545
Capital leases (1)	866	547	404	17,661	1,586	2,016	21,596			
Leases (1)								59,032	284,364	148,997
Subscriptions (1)									61,038	45,742
Total other financing sources (uses)	(103,396)	(219,028)	(741,342)	(647,198)	(269,378)	(821,385)	(723,713)	(456,444)	(610,614)	(691,925)
Net change in fund balances	\$ 482,462	307,203	393,499	403,543	915,538	323,974	1,032,780	830,927	1,179,257	1,859,778
Debt service as a percentage of noncapital expenditures (2)	3.23 %	2.93 %	1.25 %	1.02 %	1.21 %	2.17 %	2.16 %	3.41 %	1.81 %	1.84 %

Notes:
 (1) The County adopted GASB 87 in FY 2021-2022 and GASB 96 in FY 2022-23; and prior year amounts were not restated.
 (2) The debt service percentage calculations make use of the capital outlay expenditure balances as presented on the Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.

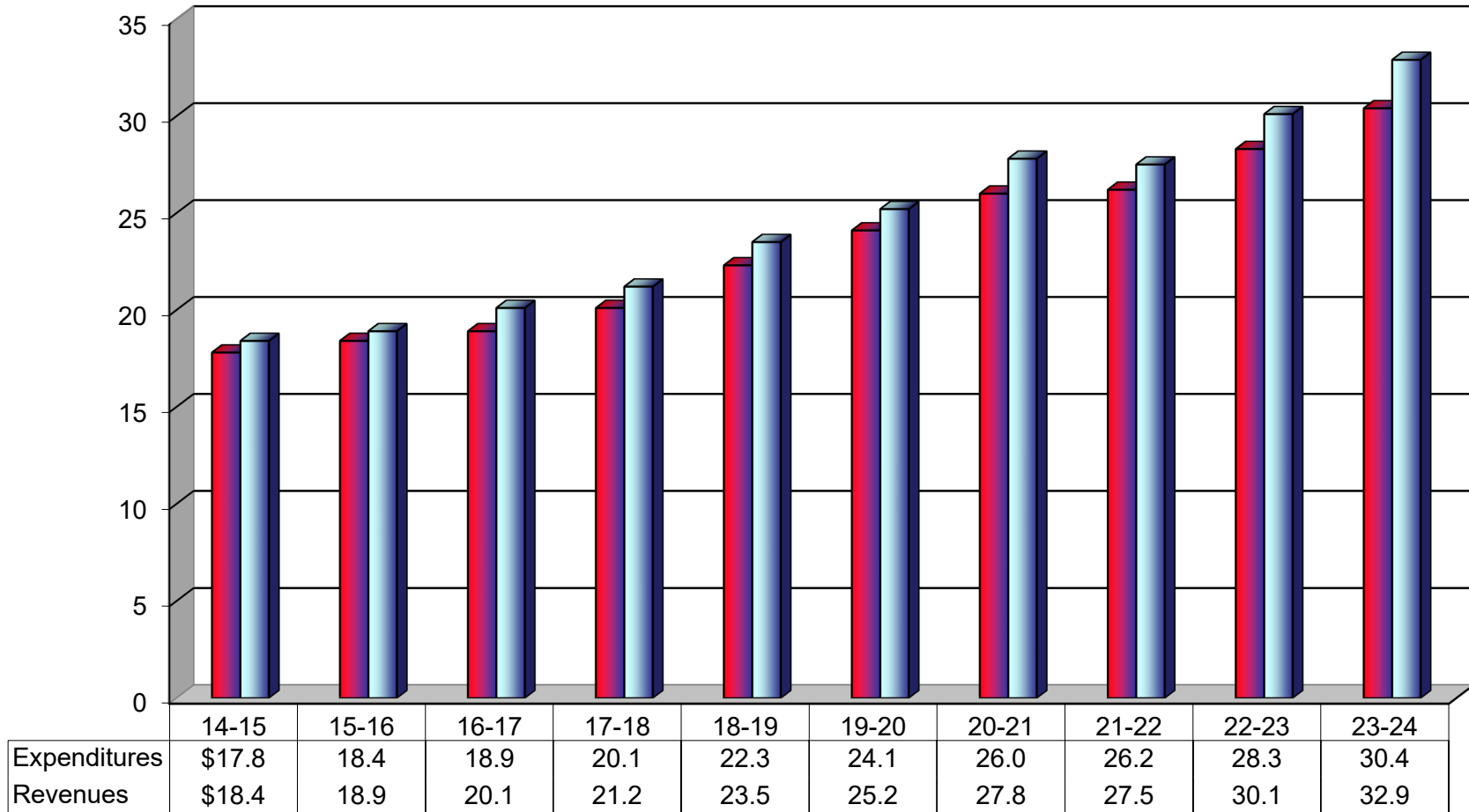
Amount from GW to FB reconciliation for Capital Outlay \$ 454,502 416,575 693,502 233,447 569,861 708,720 1,136,003 826,703 1,025,295 1,042,559

COUNTY OF LOS ANGELES

Governmental Funds Expenditures and Revenues (UNAUDITED)

Last Ten Fiscal Years

235



In Billions of Dollars

■ Expenditures ■ Revenues

COUNTY OF LOS ANGELES
 ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY (UNAUDITED) (1)
 LAST TEN FISCAL YEARS (in thousands)

Fiscal Year	(2) Secured	(3) Unsecured	(4) Unitary	(5) Exempt	Total Taxable Assessed Value	Total Direct Tax Rate
2014 - 2015	\$ 1,197,665,178	50,777,030	14,325,069	(54,911,046)	1,207,856,231	1.00000%
2015 - 2016	1,270,136,487	52,284,478	15,846,612	(55,760,332)	1,282,507,245	1.00000%
2016 - 2017	1,337,673,405	54,868,734	17,308,742	(55,392,206)	1,354,458,675	1.00000%
2017 - 2018	1,417,559,668	57,596,412	17,864,439	(57,634,568)	1,435,385,951	1.00000%
2018 - 2019	1,509,708,740	61,244,751	18,739,669	(59,810,665)	1,529,882,495	1.00000%
2019 - 2020	1,603,606,366	64,264,989	19,711,509	(62,042,993)	1,625,539,871	1.00000%
2020 - 2021	1,700,279,275	67,016,870	22,196,582	(65,354,344)	1,724,138,383	1.00000%
2021 - 2022	1,768,808,097	64,760,577	20,939,324	(68,705,270)	1,785,802,728	1.00000%
2022 - 2023	1,883,665,843	69,700,622	23,971,146	(66,050,527)	1,911,287,084	1.00000%
2023 - 2024	1,994,761,572	76,285,688	25,839,957	(72,424,695)	2,024,462,522	1.00000%

Notes:

- (1) Due to the 1978 passage of the property tax initiative Proposition 13 (Prop 13), the County does not track the estimated actual value of all County properties. Under Prop 13, property is assessed at the 1978 market value with an annual increase limited to the lesser of 2% or the CPI on property not involved in a change of ownership or properties that did not undergo new construction. Newly acquired property is assessed at its new market value (usually the purchase price) and the value of any new construction is added to the existing base value of a parcel. As a result, similar properties can have substantially different assessed values based on the date of purchase. Additionally, Prop 13 limits the property tax rate to 1% of assessed value plus the rate necessary to fund local voter-approved bonds and special assessments.
- (2) Secured property is generally real property, as defined as land, mines, minerals, timber, and improvements such as buildings, structures, crops, trees, and vines.
- (3) Unsecured property is generally personal property including machinery, equipment, office tools, and supplies.
- (4) Unitary properties are railroads, utilities, and pipelines crossing the County and are assessed by the State Board of Equalization and the County Assessor.
- (5) Exempt properties include numerous full and partial exclusions/exemptions provided by the State Constitution and the legislature that relieve certain taxpayers from the burden of paying property taxes.

Source:

Auditor-Controller, County of Los Angeles Taxpayers' Guide

COUNTY OF LOS ANGELES
PROPERTY TAX RATES
DIRECT AND OVERLAPPING RATES FOR TAX AREA #4 (UNAUDITED)
LAST TEN FISCAL YEARS

Fiscal Year	County of Los Angeles Countywide Ad Valorem Tax (4)	Overlapping Rates (1) (2) (3)			Total Direct and Overlapping Rates
		Los Angeles City Tax District No. 1	School Districts	Metropolitan Water District	
2014 - 2015	1.000000	.028096	.187055	.003500	1.218651
2015 - 2016	1.000000	.023030	.165464	.003500	1.191994
2016 - 2017	1.000000	.021297	.167052	.003500	1.191849
2017 - 2018	1.000000	.021345	.168182	.003500	1.193027
2018 - 2019	1.000000	.023107	.169439	.003500	1.196046
2019 - 2020	1.000000	.018084	.152695	.003500	1.174279
2020 - 2021	1.000000	.016538	.180091	.003500	1.200129
2021 - 2022	1.000000	.014721	.156987	.003500	1.175208
2022 - 2023	1.000000	.016066	.145954	.003500	1.165520
2023 - 2024	1.000000	.011448	.184450	.003500	1.199398

Notes:

- (1) The tax rate for Tax Rate Area #4, which applies to most property within the City of Los Angeles, is used to illustrate the breakdown of a tax rate within the County.
- (2) The County is divided into 13,153 tax rate areas which are unique combinations of various jurisdictions servicing a specific geographic area.
- (3) An exception to the 1% limit was provided by Proposition 46 which was approved in June 1986 re-establishing authority of local governments to issue general obligation bonds for certain purposes.
- (4) Article XIII A (Proposition 13) limits the maximum ad valorem tax rate to 1% of "full cash value" except for indebtedness approved by the voters prior to July 1, 1978. All other rates are calculated per \$100 of assessed value.

Source:

Secured Tax Rate and Ratios Report from Auditor-Controller - Property Tax Apportionment Division.

COUNTY OF LOS ANGELES
 PRINCIPAL PROPERTY TAXPAYERS (UNAUDITED)
 CURRENT YEAR AND NINE YEARS AGO
 JUNE 30, 2024 AND JUNE 30, 2015 (in thousands)

Taxpayer	2024			2015		
	Net Assessed Secured Property Value	Rank	(1) Percentage of Total Net Assessed Value	Net Assessed Secured Property Value	Rank	(1) Percentage of Total Net Assessed Value
Southern California Edison Co.	\$ 12,928,332	1	0.66%	\$ 5,941,704	1	0.51%
Southern California Gas Co.	4,982,979	2	0.25%	1,811,041	8	0.16%
Rexford Industrial	4,950,061	3	0.25%			
Tesoro Refining and Marketing Co.	4,587,615	4	0.23%	2,572,396	3	0.22%
Douglas Emmett Residential	3,684,504	5	0.19%	3,514,532	2	0.30%
Pincay RE LLC Lessor	3,200,884	6	0.16%			
EQR / ERP Limited	2,863,282	7	0.15%	1,688,090	10	0.15%
Chevron USA Inc	2,603,858	8	0.13%	1,818,710	7	0.16%
Maguire Properties	2,405,883	9	0.12%			
AMB/MAR Carson LLC	2,310,427	10	0.12%			
Participants in Long Beach Unit				2,097,676	4	0.18%
Universal Studios LLC				2,085,555	5	0.18%
ASN Pasadena LLC				1,820,097	6	0.16%
AT&T/Pacific Bell Telephone Co.				1,740,245	9	0.15%
Total	\$ 44,517,825		2.26%	\$ 25,090,046		2.17%

Note:
 (1) See schedule "Assessed Value and Actual Value of Taxable Property." Total assessed value, \$1,957,239,851 as of June 30, 2024 is based on Secured \$1,994,761,572 plus Unitary \$25,839,957 less exemptions of \$63,361,678. Total assessed value, \$1,161,271,497 as of June 30, 2015 is based on Secured \$1,197,665,178 plus Unitary \$14,325,069 less exemptions of \$50,718,750. (in thousands).

Source:
 Los Angeles County Treasurer and Tax Collector

COUNTY OF LOS ANGELES
PROPERTY TAX LEVIES AND COLLECTIONS (UNAUDITED)
LAST TEN FISCAL YEARS (in thousands)

Fiscal Year	Taxes Levied	Collections within the Fiscal Year of the Levy		Collections in Subsequent Years (1)	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2014 - 2015	\$ 14,394,534	\$ 14,167,462	98.4%	\$ 197,571	\$ 14,365,033	99.8 %
2015 - 2016	14,906,832	14,704,346	98.6%	194,760	14,899,106	99.9 %
2016 - 2017	15,750,769	15,563,458	98.8%	187,311	15,750,769	100.0 %
2017 - 2018	16,910,307	16,685,415	98.7%	218,651	16,904,066	99.9 %
2018 - 2019	17,927,929	17,682,677	98.6%	245,252	17,927,929	100.0 %
2019 - 2020	19,059,924	18,611,655	97.6%	381,152	18,992,807	99.6 %
2020 - 2021	20,140,282	19,772,767	98.2%	313,735	20,086,502	99.7 %
2021 - 2022	20,660,286	20,320,487	98.4%	234,197	20,554,684	99.5 %
2022 - 2023	21,801,277	21,459,549	98.4%	194,636	21,654,185	99.3 %
2023 - 2024	23,562,951	23,110,953	98.1%	(2)	23,110,953	98.1 %

Notes:

- (1) Reflects property taxes levied in prior years but collected in the current year.
- (2) No amounts are shown in FY 2023-2024 because the property taxes levied will be collected in the following fiscal year.

Source:

Auditor-Controller-Accounting Division-Property Tax Section

COUNTY OF LOS ANGELES
RATIO OF OUTSTANDING DEBT BY TYPE (UNAUDITED)
LAST TEN FISCAL YEARS (In thousands, except per capita)

Governmental Activities								
Fiscal Year	Assessment Bonds	Certificates of Participation and Bonds	Notes, Loans, and Other Debt	Accreted Interest	Unamortized Bond Premiums	Leases (1)	Financed Purchase (1)	Subscriptions (1)
2014 - 2015	\$ 82,880	\$ 852,579	\$ 647,817	\$ 167,904	\$ 51,085	\$ 166,320		
2015 - 2016	50,610	1,031,590	389,706	164,005	85,091	158,410		
2016 - 2017	38,895	1,008,101	341,541	158,759	83,846	151,941		
2017 - 2018	26,575	964,557	393,882	152,040	82,158	162,606		
2018 - 2019	13,620	1,226,880	575,119	143,725	124,277	156,887		
2019 - 2020		1,249,978	625,629	7,820	170,221	148,826		
2020 - 2021		1,581,957	645,072	4,421	230,545	156,781		
2021 - 2022		1,868,738	424,125	9,192	294,346	1,419,492	29,816	
2022 - 2023		1,799,091	448,183	14,227	289,086	1,578,192	22,750	85,925
2023 - 2024		1,749,162	512,499	19,533	282,828	1,574,849	15,572	83,947

Business-Type Activities								
Fiscal Year	Certificates of Participation and Bonds	Notes, Loans, and Other Debt	Unamortized Bond Premiums	Leases (1)	Financed Purchase (1)	Total Primary Government (2)	Per Personal Income (3)	Per Capita (3)
2014 - 2015	\$ 787,537	\$ 62,719	\$ 34,186			2,853,027	0.55%	\$ 280
2015 - 2016	759,028	158,561	32,905			2,829,906	0.51%	276
2016 - 2017	746,678	170,673	32,004			2,732,438	0.47%	266
2017 - 2018	724,816	259,574	31,275	235		2,797,718	0.44%	277
2018 - 2019	703,836	331,690	30,118	165		3,306,317	0.50%	325
2019 - 2020	878,306	108,021	81,153	92		3,270,046	0.46%	323
2020 - 2021	856,538	214,484	79,709	43		3,769,550	0.52%	380
2021 - 2022	729,059	159,167	85,907	1,148	11	5,021,001	0.67%	509
2022 - 2023	709,169	125,331	85,405	1,731		5,159,090	0.69%	529
2023 - 2024	688,441	263,973	84,649	3,188		5,278,641	0.68%	537

- Notes:**
- (1) The County adopted GASB 87 in FY 2021-2022 and GASB 96 in FY 2022-2023; and prior year amounts were not restated.
 - (2) Details regarding the County's outstanding debt can be found in the notes to the financial statements.
 - (3) See the "Demographic and Economic Statistics" table for personal income and population.

Source:
Auditor-Controller, County of Los Angeles

COUNTY OF LOS ANGELES
RATIO OF NET GENERAL BONDED DEBT (UNAUDITED)
LAST TEN FISCAL YEARS (in thousands except ratio and per capita)

Fiscal Year	Population (1)	Assessed Value (1)	General Bonded Debt (2)	Ratio of General Bonded Debt to Assessed Value	General Bonded Debt per Capita
2014 - 2015	10,192	\$ 1,207,856,231		0.000000	0.0000
2015 - 2016	10,240	1,282,507,245		0.000000	0.0000
2016 - 2017	10,278	1,354,458,675		0.000000	0.0000
2017 - 2018	10,106	1,435,385,951		0.000000	0.0000
2018 - 2019	10,184	1,529,882,495		0.000000	0.0000
2019 - 2020	10,136	1,625,539,871		0.000000	0.0000
2020 - 2021	9,931	1,724,138,383		0.000000	0.0000
2021 - 2022	9,835	1,785,802,728		0.000000	0.0000
2022 - 2023	9,819 (3)	1,911,287,084		0.000000	0.0000
2023 - 2024	9,824 (4)	2,024,462,522		0.000000	0.0000

Notes:

- (1) See "Demographic and Economic Statistics" table for population and "Assessed Value and Actual Value of Taxable Property" table for assessed value.
- (2) There has been no long-term general bonded debt outstanding for the ten fiscal years presented here.
- (3) Amount revised from prior year.
- (4) Amount is an estimate as of January 2024.

Source:

Los Angeles Almanac's website: www.laalmanac.com/population

COUNTY OF LOS ANGELES
ESTIMATED DIRECT AND OVERLAPPING BONDED DEBT (UNAUDITED)
June 30, 2024

2023-24 Net Assessed Valuation	\$ 2,024,462,522,168	
Redevelopment Incremental Valuation	282,438,506,050	
Full Cash Value (2023-24)	1,742,024,016,118	(1)
Population - (2024)	9,824,000	(2)

	Percent Applicable	Debt June 30, 2024
<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>		
Metropolitan Water District	48.221	\$ 8,781,044
Los Angeles Community College District	100	5,155,845,000
Other Community College Districts	Various (3)	4,715,912,693
Arcadia Unified School District	100	247,145,000
Beverly Hills Unified School District	100	616,937,917
Glendale Unified School District	100	322,570,563
Long Beach Unified School District	100	1,718,791,399
Los Angeles Unified School District	100	10,723,385,000
Pasadena Unified School District	100	363,215,000
Pomona Unified School District	100	442,151,336
Redondo Beach Unified School District	100	195,066,803
Santa Monica-Malibu Unified School District	100	1,007,025,000
Torrance Unified School District	100	418,104,130
Other Unified School Districts	Various (3)	4,957,211,339
High School and School Districts	Various (3)	2,590,410,078
City of Los Angeles	100	948,610,000
City of Industry	100	12,930,000
Other Cities	100	35,853,440
Community Facilities Districts	100	741,005,007
1915 Act and Benefit Assessment Bonds - Estimate	100	99,278,019
TOTAL GROSS OVERLAPPING TAX AND ASSESSMENT DEBT		<u>\$ 35,320,228,768</u>

Less: Los Angeles Unified School District economically defeased general obligation bonds	(299,495,000)
TOTAL NET OVERLAPPING TAX AND ASSESSMENT DEBT	<u>\$ 35,020,733,768</u>

<u>DIRECT GENERAL FUND DEBT:</u>		
Los Angeles County General Fund Obligations	100	\$ 4,238,390,000 (4)
Subtotal Direct General Fund Obligation Debt		<u>\$ 4,238,390,000</u>

<u>OVERLAPPING GENERAL FUND DEBT:</u>		
Los Angeles County Office of Education Certificates of Participation	100	\$ 2,857,300
Community College District General Fund Obligations	Various (5)	43,009,602
Baldwin Park Unified School District General Fund Obligations	100	27,950,000
Compton Unified School District Certificates of Participation	100	21,965,000
Los Angeles Unified School District Certificates of Participation	100	471,590,000
Paramount Unified School District General Fund Obligations	100	18,904,000
Other Unified School District General Fund Obligations	Various (5)	169,766,867
High School and Elementary School District General Fund Obligations	Various (5)	155,565,939
City of Beverly Hills General Fund Obligations	100	62,565,000

COUNTY OF LOS ANGELES
 ESTIMATED DIRECT AND OVERLAPPING BONDED DEBT (UNAUDITED) - Continued
 June 30, 2024

City of Los Angeles General Fund Obligations	100	1,339,426,819	
City of Long Beach General Fund Obligations	100	131,725,000	
City of Pasadena General Fund Obligations	100	363,078,265	
City of Pasadena Pension Obligation Bonds	100	128,115,000	
Other Cities' General Fund Obligations and Pension Obligation Bonds	100	4,256,853,691	
Subtotal Overlapping General Fund Debt		\$ 7,193,372,483	
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT		\$ 11,431,762,483	
Less: Cities supported obligations		(419,615,830)	
TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT		\$ 11,012,146,653	
OVERLAPPING TAX INCREMENT DEBT (SUCCESSOR AGENCIES)		\$ 1,601,099,376	
GROSS COMBINED TOTAL DEBT		\$ 48,353,090,627	(6)
NET COMBINED TOTAL DEBT		\$ 47,633,979,797	
TOTAL GROSS DIRECT DEBT		\$ 4,238,390,000	
TOTAL NET DIRECT DEBT		\$ 4,238,390,000	
TOTAL GROSS OVERLAPPING DEBT		\$ 44,114,700,627	
TOTAL NET OVERLAPPING DEBT		\$ 43,395,589,797	
<u>RATIOS TO 2023-24 NET ASSESSED VALUATION</u>			
Total Overlapping Tax and Assessment Debt			1.74 %
<u>RATIOS TO FULL CASH VALUE</u>			
Gross Combined Direct Debt (\$4,238,390,000)			0.24 %
Net Combined Direct Debt (\$4,238,390,000)			0.24 %
Gross Combined Total Debt			2.78 %
Net Combined Total Debt			2.73 %
<u>RATIOS TO REDEVELOPMENT INCREMENTAL VALUATION</u>			
Total Overlapping Tax Increment Debt			0.57 %

Notes:

- (1) This balance is reduced by homeowners exemptions of \$6,639,125,251.
- (2) Yearly estimates from the Los Angeles Almanac.
- (3) All 100%, or almost 100%, except for Antelope Valley Joint Union High School and Community College District, Fullerton Union High School District, Las Virgenes Joint Unified School District, North Orange County Joint Community College District, and the schools and special districts included in them.
- (4) Includes Certificates of Participation and Bonds, Notes, Loans and Other Debt, Leases, Financed Purchase, and Subscriptions.
- (5) All 100%, or almost 100%, except for Fullerton Union High School District, Las Virgenes Joint Unified School District, Snowline Joint Unified School District, Victor Valley Joint Community College District, and the schools and special districts included in them.
- (6) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded lease obligations. Except for Los Angeles Unified School District Qualified Zone Academy Bonds (QZABs) are included based on principal due at maturity.

Source:

California Municipal Statistics - for general information purposes only.

COUNTY OF LOS ANGELES
 COMPUTATION OF LEGAL DEBT MARGIN (UNAUDITED)
 LAST TEN FISCAL YEARS (in thousands)

Fiscal Year	Assessed Value (1)	Legal Debt Limit (2)	Total Net Applicable Debt	Legal Debt Margin (3)	Legal Debt Margin / Debt Limit
2014 - 2015	\$ 1,207,856,231	\$ 15,098,203		\$ 15,098,203	100.00%
2015 - 2016	1,282,507,245	16,031,341		16,031,341	100.00%
2016 - 2017	1,354,458,675	16,930,733		16,930,733	100.00%
2017 - 2018	1,435,385,951	17,942,324		17,942,324	100.00%
2018 - 2019	1,529,882,495	19,123,531		19,123,531	100.00%
2019 - 2020	1,625,539,871	20,319,248		20,319,248	100.00%
2020 - 2021	1,724,138,383	21,551,730		21,551,730	100.00%
2021 - 2022	1,785,802,728	22,322,534		22,322,534	100.00%
2022 - 2023	1,911,287,084	23,891,089		23,891,089	100.00%
2023 - 2024	2,024,462,522	25,305,782		25,305,782	100.00%

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COMPUTATION OF LEGAL DEBT MARGIN
 June 30, 2024

Assessed valuation (net taxable)	\$ 2,024,462,522
Applicable percentage in computing capacity	1.25 %
Total debt limit	\$ 25,305,782
Less: Total net applicable debt	
Legal debt margin, June 30, 2024	\$ 25,305,782

Notes:

- (1) Assessed Value does not include tax exempt property. Property value data can be found in the "Assessed Value and Actual Value of Taxable Property" schedule.
- (2) The Legal Debt Limit is 1.25% of assessed value.
- (3) The Legal Debt Margin is the County's available borrowing authority under state finance statutes and is calculated by subtracting the debt applicable from the Legal Debt Limit.

COUNTY OF LOS ANGELES
 PLEDGED-REVENUE COVERAGE (UNAUDITED)
 LAST TEN FISCAL YEARS

Fiscal Year	Calabasas Landfill Bond Fees					Regional Park and Open Space Special Assessment Bond				
	Revenue Collected	Debt Service		Total Debt Service	Coverage	Special Assessment Collection	Debt Service		Total Debt Service	Coverage
		Principal	Interest				Principal	Interest		
2014 - 2015	\$ 545,354	\$ 2,325,000	\$ 1,090,709	\$ 3,415,709	0.16	\$ 80,090,000	\$ 30,735,000	\$ 4,997,513	\$ 35,732,513	2.24
2015 - 2016 (1)						28,889,000	32,270,000	3,422,388	35,692,388	0.81
2016 - 2017						28,899,000	11,715,000	2,312,925	14,027,925	2.06
2017 - 2018						125,567,000	12,320,000	1,691,856	14,011,856	8.96
2018 - 2019						28,655,000	12,955,000	1,038,725	13,993,725	2.05
2019 - 2020 (2)						867,000	13,620,000	351,975	13,971,975	0.06
2020 - 2021 (3)										
2021 - 2022 (3)										
2022 - 2023 (3)										
2023 - 2024 (3)										

- Notes:**
- (1) Disclosure for FY 2015-2016 and thereafter is not necessary for Calabasas Landfill Project Series 2005 due to refunding of the bond on September 2, 2015 by the issuance of Lease Revenue Refunding Bonds, 2015 Series B.
 - (2) Disclosure for FY 2019-2020 and thereafter is not necessary for Regional Park and Open Space Special Assessment Bonds Series 2005A and 2007A due to the bonds being paid off on October 1, 2019.
 - (3) There has been no new pledged-revenue debt obligations issued by the County.

COUNTY OF LOS ANGELES
 DEMOGRAPHIC AND ECONOMIC STATISTICS (UNAUDITED)
 LAST TEN FISCAL YEARS (in thousands)

Year	Population County of Los Angeles *	Personal Income *	Per Capita Personal Income (1)	School Enrollment (2) **	Unemployment Rate *
2014 - 2015	10,192	\$ 521,900,000	\$ 51,207	1,539	6.9 %
2015 - 2016	10,240	557,382,000	54,432	1,523	5.1 %
2016 - 2017	10,278	585,515,000	56,968	1,511	4.6 %
2017 - 2018	10,106	628,809,000	62,221	1,493	4.6 %
2018 - 2019	10,184	658,900,000	64,700	1,464	4.5 %
2019 - 2020	10,136	708,700,000	69,919	1,437	13.6 %
2020 - 2021	9,931	728,400,000	73,346	1,390	9.6 %
2021 - 2022	9,835	722,300,000	73,442	1,337	4.9 %
2022 - 2023	9,819 (3)	746,900,000 (3)	76,067 (3)	1,314	5.1 % (3)
2023 - 2024	9,824 (4)	773,800,000 (5)	78,766	1,298	5.4 % (6)

Notes:

- (1) Amounts shown are in actual dollars (not thousands).
- (2) Public school enrollment.
- (3) Amount revised from prior year.
- (4) Amount is an estimate as of January 2024.
- (5) Amount is a projection as of October 2024.
- (6) Amount is a projection as of February 2024.

Sources:

- * Los Angeles Economic Development Corporation Economic Forecast's website: www.laedc.org.
 Los Angeles Almanac's website: www.laalmanac.com/population.
 UCLA Anderson Los Angeles County Quarterly Forecast.
- ** California Department of Education's website: www.cde.ca.gov.

COUNTY OF LOS ANGELES
 TEN LARGEST INDUSTRIES (1)
 CURRENT YEAR AND NINE YEARS AGO

Industry	June 30, 2024			June 30, 2015		
	Number of Employees	Rank	Percentage of Total	Number of Employees	Rank	Percentage of Total
Educational & Health Services	947,400	1	20.62 %	729,600	2	17.06 %
Trade, Transportation and Utilities	823,100	2	17.92 %	812,000	1	18.99 %
Professional & Business Services	639,500	3	13.92 %	591,400	3	13.83 %
Government	600,600	4	13.07 %	576,700	4	13.49 %
Leisure & Hospitality	550,200	5	11.98 %	489,400	5	11.44 %
Manufacturing	315,900	6	6.88 %	370,800	6	8.67 %
Financial Activities	211,200	7	4.60 %	215,400	7	5.04 %
Information	185,500	8	4.04 %	206,000	8	4.82 %
Other Services	161,700	9	3.52 %	151,100	9	3.53 %
Construction	152,000	10	3.31 %	125,800	10	2.94 %
Ten largest industries	4,587,100		99.86 %	4,268,200		99.81 %
All other industries	6,700		0.14 %	8,100		0.19 %
Total industries	4,593,800		100.00 %	4,276,300		100.00 %

Note:

(1) We are presenting employment by industry because we have been unable to obtain employment numbers for individual employers.

Source:

State of California Employment Development Department's website: www.labormarketinfo.edd.ca.gov.

COUNTY OF LOS ANGELES
 FULL-TIME EQUIVALENT COUNTY EMPLOYEES BY FUNCTION / PROGRAM (UNAUDITED)
 LAST TEN FISCAL YEARS

Function / Program (1) and (2)	2014 - 2015	2015 - 2016	2016 - 2017	2017 - 2018	2018 - 2019	2019 - 2020	2020 - 2021	2021 - 2022	2022 - 2023	2023 - 2024
General Government	10,571	10,764	10,902	11,093	11,378	11,399	11,109	10,903	11,126	11,575
Public Protection	33,537	33,664	33,694	32,877	32,850	32,920	32,295	31,210	30,304	29,795
Health and Sanitation	27,144	27,703	28,639	30,351	31,457	32,122	32,266	31,513	30,936	31,725
Public Assistance	20,808	21,376	21,913	21,963	22,015	22,023	22,684	22,851	22,400	23,131
Education	1,432	1,475	1,496	1,467	1,480	1,502	1,414	1,253	1,076	1,050
Recreation and Cultural Services	2,839	2,898	2,931	2,991	2,996	2,895	2,212	2,474	2,546	2,785
Total	96,331	97,880	99,575	100,742	102,176	102,861	101,980	100,204	98,388	100,061

Notes:

- (1) Full time equivalent count is calculated by dividing the total number of man-months paid by 12. Full time equivalent employees include all employees on the County's payroll system.
- (2) Specific data for Public Ways and Facilities is not available.

Source:

Employee Count study performed by the Auditor-Controller - Accounting Division.

COUNTY OF LOS ANGELES
 OPERATING INDICATORS BY FUNCTION / PROGRAM (UNAUDITED)
 LAST TEN FISCAL YEARS

Function / Program (1)	2014 - 2015	2015 - 2016	2016 - 2017	2017 - 2018	2018 - 2019	2019 - 2020	2020 - 2021	2021 - 2022	2022 - 2023	2023 - 2024
General Government										
Assessor - Number of re-appraisable transfers processed	138,322	137,918	137,818	137,842	122,658	127,266	113,000	149,464	121,508	125,719
Auditor-Controller - Number of warrants issued monthly	189,729	177,203	177,256	170,648	177,148	162,027	138,975	148,277	149,007	146,989
Registrar-Recorder - Number of registered voters	6,394,639	6,517,088	6,611,486	6,726,161	7,010,957	7,168,621	7,295,459	7,381,491	6,053,968	6,204,387
Public Protection										
Sheriff - Inmate population (2)	19,041	16,740	16,713	17,114	16,797	15,914	14,312	13,366	13,882	12,335
Sheriff - Crime rate total (3)	235.6	250.3	262.34	242.17	230.23	211.39	212.39	232.63	255.66	262.29
Probation - Juvenile halls/camps population (4)	1,438	1,270	1,193	1,070	859	788	459	393	487	526
Health and Sanitation										
Health Services - Average daily inpatient census (5)	1,212	1,171	1,157	1,113	1,145	1,081	1,084	1,066	1,022 *	1,055 **
Health Services - Outpatient visits	2,793,000	3,013,000	2,654,000	2,797,000	2,866,000	2,661,000	2,869,000	2,924,000 *	2,619,000 *	2,486,000 **
Mental Health - Number of outpatient services to children and youth (6)	61,111	78,930	27,204	36,589	38,523	36,906	34,149	33,181	27,346	19,436
Public Assistance										
Children and Family Services - Child protective services caseloads	533,400	507,900	504,700	502,500	494,900	485,200	483,400	426,400	384,600 *	342,800 **
Children and Family Services - Adoption caseloads	22,700	22,300	22,200	22,400	22,900	23,400	23,300	22,600	22,900 *	23,900 **
Public Social Services - Average persons aided monthly thru CalWorks (7)	410,100	397,200	325,600	310,600	136,200	120,300	118,000	116,100	112,200 *	115,400 **
Public Social Services - Average number of indigents aided monthly	97,100	93,100	79,800	87,900	85,500	89,000	95,900	95,600	114,600 *	115,300 **
Aging and Disabilities - Number of vulnerable adults served (8)	38,558	42,341	44,692	47,696	44,703	44,338	39,889	34,131	38,046	44,286
Education										
LA County Library - Number of items which circulate to the public (9)	4,930,145	4,799,808	4,743,720	4,715,099	4,621,535	4,263,635	4,197,003	5,154,547	5,120,170 *	5,912,410
Recreation and Culture										
Museum of Art - Total education program participants (10)	530,163	526,919	554,799	512,343	524,206	488,754	316,799	300,243	378,938	422,125
Museum of Natural History - Annual attendance (11)	1,131,507	1,291,131	1,284,602	1,299,856	1,218,447	782,573	328,145	1,279,032	1,094,928	1,045,242
Parks and Recreation - Total passive and active park users (12)	11,626,319	11,824,089	11,883,209	14,249,371	13,954,419	5,818,520	3,355,267	5,278,546	5,394,731	15,776,965

Notes:

- (1) Indicators are not available for the Public Ways and Facilities function.
- (2) The average length of stay that the inmates spent in jail in FY 2023-2024 has decreased to 84 days as compared to an average of 88 days in FY 2022-2023.
- (3) Represents number of offenses per 10,000 residents and refers to most serious crimes.
- (4) FY 2023-2024 figure reflects 13 camps that are temporarily closed.
- (5) In FY 2016-2017, DHS completed its transition to utilize data from its new electronic health record system. The new system is called Online Real-Time Centralized Health Information Database (ORCHID) that can address the challenges posed by the Affordable Care Act (ACA) implemented on January 1, 2014.
- (6) In FY 2015-2016 and prior years, data reflected children 0-15 years of age. In FY 2016-2017 and thereafter, data reflects a decline in statistics due to change in methodology to children 11-15 years of age.
- (7) CalWorks is California's program to administer the Federal Temporary Assistance for Needy Families block grant that provides temporary financial support and supportive services to eligible adults with children to enable them to transition from welfare to work and to achieve economic self-sufficiency.
- (8) In FY 2022-2023, Workforce Development, Aging and Community Services Department (WDACS) was realigned to Aging and Disabilities Department and Economic Opportunity Department, with Aging and Disabilities Department providing service to vulnerable adults.
- (9) In FYs 2019-2021, data reflected temporary business/facility closure and restrictions caused by the COVID-19 pandemic. In FY 2021-2022 and thereafter, data includes eBooks and eAudio.
- (10) FYs 2019-2023 data reflected temporary business/facility closure and restrictions caused by the COVID-19 pandemic.
- (11) FYs 2019-2023 data reflected temporary business/facility closure caused by the COVID-19 pandemic.
- (12) Starting in FY 2017-2018 information includes the reporting attendance of local community parks. Passive activities include walking, jogging, running, leisure, and picnic activities. FYs 2019-2023 data reflected temporary business/facility closure caused by the COVID-19 pandemic.

* Figures have been revised from previous publications.

** FY 2023-2024 data is an estimate.

Source:

FY 2024-2025 Recommended County Budget and Departments

COUNTY OF LOS ANGELES
 CAPITAL ASSET STATISTICS BY FUNCTION / PROGRAM (UNAUDITED)
 LAST TEN FISCAL YEARS

Function / Program (1)	2014 - 2015	2015 - 2016	2016 - 2017	2017 - 2018	2018 - 2019	2019 - 2020	2020 - 2021	2021 - 2022	2022 - 2023	2023 - 2024
Public Protection										
Animal Shelters (2)	6	6	7	7	7	7	7	7	7	7
Public ways and facilities										
Miles of maintained County roads	3,187	3,187	3,185	3,185	3,289	3,290	3,290	3,289	3,281	3,284
Miles of unincorporated County bikeways	182	175	179	186	203	210	214	216	215	218
Airports	5	5	5	5	5	5	5	5	5	5
Dams	14	14	14	14	14	14	14	14	14	14
Storm drains, in miles	3,348	3,357	3,380	3,399	3,399	3,399	3,411	3,423	3,423	3,433
Flood pump stations	48	48	48	48	48	48	48	48	48	48
Health and Sanitation										
Hospitals	4	4	4	4	4	4	4	4	4	4
Health centers (3)	17	17	17	17	19	19	19	20	20	21
Education										
Libraries (4)	86	86	87	87	87	86	86	86	86	86
Bookmobiles	3	3	3	3	3	3	3	4	4	4
Recreation and Cultural services										
Museums	5	5	5	5	5	5	5	5	5	5
Arboretums and Botanic Gardens	4	4	4	4	4	4	4	4	4	4
Golf courses (5)	20	20	20	20	20	20	20	20	20	20
Beaches	15	15	15	15	15	15	15	15	15	15
Boat Slips	4,700	4,614	4,602	4,579	4,524	4,463	4,326	4,326	4,326	4,326

- Notes:**
- (1) No capital asset indicators are available for the General Government or Public Assistance functions.
 - (2) On July 20, 2016, opening of Palmdale Animal Care Center.
 - (3) In FY 2018-2019, the Department of Health Services (DHS) restructured phase I of their ambulatory care services. In FY 2023-2024, DHS began to restructure phase II of their ambulatory care services. On July 29, 2023, DHS added Alvarado Health Center.
 - (4) Los Padriños Juvenile Hall Library was added in FY 2016-2017 and was closed in FY 2019-2020.
 - (5) On May 12, 2015, the Board approved to occupy, operate, and make improvements of Norwalk Golf Course.

Source:
 FY 2023-2024 Final Budget book, Department of Animal Care and Control's website, Department of Health Services's website, Department of Parks and Recreation's website, and Department of Beaches and Harbor's website.