



# **County of Los Angeles, California Annual Comprehensive Financial Report**

Fiscal Year Ended June 30, 2025  
Oscar Valdez • Auditor-Controller



**County of Los Angeles, California  
Annual Comprehensive Financial Report  
Fiscal Year Ended June 30, 2025**

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, 2025  
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# INTRODUCTORY SECTION





**COUNTY OF LOS ANGELES  
DEPARTMENT OF AUDITOR-CONTROLLER**

KENNETH HAHN HALL OF ADMINISTRATION  
500 WEST TEMPLE STREET, ROOM 525  
LOS ANGELES, CALIFORNIA 90012-3873  
PHONE: (213) 974-8301 FAX: (213) 626-5427

**OSCAR VALDEZ**  
AUDITOR-CONTROLLER

**CONNIE YEE**  
CHIEF DEPUTY AUDITOR-CONTROLLER

ASSISTANT AUDITOR-CONTROLLERS

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

December 15, 2025

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, 2025. 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	Los Angeles County Capital Asset Leasing Corporation
Flood Control District	Various Joint Powers Authorities
Garbage Disposal Districts	Los Angeles County Employees Retirement Association
Improvement Districts	Los Angeles County Securitization Corporation
Regional Park and Open Space District	Los Angeles County Facilities Inc.
Sewer Maintenance Districts	Los Angeles County Facilities 2 Inc.
Street Lighting Districts	Los Angeles County Development Authority
Waterworks Districts	First 5 LA

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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 a 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.

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.

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 \$825 billion in 2024, Los Angeles County's economy is larger than that of 44 states and all but 19 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 steady growth in 2024, with an increase in economic output of 2.9%, 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, 2024, K-12 school and community college districts had approximately \$39.5 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 was projected to generate approximately \$355 million annually. On November 5, 2024, the voters approved Measure A authorizing one-half cent sales tax to repeal and replace the Measure H one-quarter cent sales tax for County homelessness services that was set to expire in 2027. Measure A went into effect on April 1, 2025, and is expected to raise over \$1 billion 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.

On November 5, 2024, voters approved Measure E, a parcel tax to support the County's emergency response and infrastructure for local firefighter/paramedic emergency response, to hire/train firefighters/paramedics, upgrade/replace aging firefighter safety equipment, and 911 communications technology by levying 6 cents per square foot of certain parcel improvements. Measure E is projected to generate approximately \$152 million for the Fire Protection District.

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 310,800 workers employed in this sector in 2024.

#### 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.

The County is legally required to adopt an annual final budget each year. The County prepares and adopts a final budget on or before October 2 for each fiscal year. The County also adopts subsequent revisions that occur throughout the year. All annual appropriations lapse at fiscal year-end. Budgets are adopted for the major governmental funds and certain nonmajor governmental funds on the modified accrual basis of accounting consistent with GAAP.

The County's legal level of budgetary control (i.e. the level at which expenditures may not legally exceed appropriation) is at the fund, department, budget unit and object level. 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 budget unit and object level (salaries and employee benefits, services and supplies, other charges, and other financing uses), except for capital asset expenditures, which are controlled at the sub-object level (land, buildings and improvements, infrastructure, and equipment) within the Fund and department level.

The Board must approve budget amendments or transfers of appropriations between fund, department, budget unit, and object level. 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 fund, department and budget unit must be approved by the Board or the Chief Executive Office, depending upon the amount transferred.

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.

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, provides 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 2025-26 Budget of \$52.5 billion assumes increases from outside County sources, primarily from the State, federal funding, and anticipated prior year savings.

### BUDGETARY PRESSURES

Outlined below are examples of the large-scale budgetary pressures affecting the County:

- Financing the \$4 billion Assembly Bill (AB) 218 settlement for childhood sexual assault claims.
- Approximately \$800 million in impacts from the January 2025 Eaton and Palisades Wildfires, with a potential growth to about \$2 billion when future revenue losses are included.
- Investing in the County workforce through negotiated labor agreements projected to cost approximately \$2 billion over three years.
- The deep federal budget cuts are already affecting the County and its residents by reducing funding for critical programs and services. These reductions are anticipated to intensify in the coming years, potentially leading to further service constraints, delayed projects, and increased pressure on local resources.

To address these issues, the County approved the following proactive initiatives intended to mitigate budgetary pressures and prevent a structural deficit in the coming years:

- Funding \$815 million for the first AB 218 settlement payment.
  - \$400 million is being drawn from the Rainy Day Fund to help fund the AB 218 settlement
- 8.5% curtailment of Net County Cost (NCC) from departmental budgets.
  - Generates \$251.3 million in ongoing savings
  - Reduces the workforce by 1,240 budgeted positions
- \$128 million in ongoing funding replaced with one-time funding for programs including employment, arts, organizational grants, affordable housing, and decedent transportation.

### NEWLY FUNDED PROGRAM INITIATIVES

Outlined below are examples of significant program initiatives that were funded or augmented by the FY 2025-26 Budget process:

- \$181.5 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.

- \$184.3 million in Public Safety Realignment (AB 109) to support custody programs to improve jail conditions, enhance in-custody services, facility infrastructure repairs and building improvements, reentry and supportive centers and services, job training in high-demand sectors, and prevention programs.
- \$164.8 million in Measure H and Measure A Homeless Services and Housing to support the multi-layered approach to combating 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.
- \$79.8 million in one-time MHSA funding to Department of Mental Health to support the development of a one-stop multi-service campus for children and youth. The campus is expected to include a 16-bed crisis residential treatment program, a 12-chair urgent care clinic, and 24 units of onsite housing.
- \$9.8 million in one-time funding to the Department of Consumer and Business Affairs (DCBA) to support the Wildfire and At-Risk Rent Relief Program, aimed at providing financial relief to landlords and tenants facing economic hardship or displacement due to natural disasters.
- \$16.4 million to the Registrar-Recorder/County Clerk for project maintenance and implementation services for the VSAP 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 2025-26 Budget provides one-time funding of over \$2.46 billion for initiatives in progress as well as new projects. During FY 2024-25, forty-three capital projects were completed at a total cost over \$239.7 million, including the Natural History Museum Commons Renovation Building Project, Harbor-UCLA Medical Center Replacement Program Parking Structure Project, Whittier Aquatics Center Project, Martin Luther King, Jr. Medical Campus Clinical Laboratory Project, and Harbor-UCLA Medical Center Replacement Project.

The County continues to invest in deferred maintenance to meet performance requirements and expectations for its facilities. The FY 2025-26 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.

## 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, 2025, the Reserve balance was \$1.077 billion, and was decreased to \$738.2 million as part of the FY 2025-26 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 2024-25. The County’s single audit for FY 2023-24 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-three fiscal years.

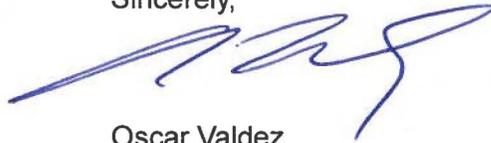
In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized ACFR, whose contents conform to program standards. The report must satisfy both GAAP and applicable legal requirements.

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 blue ink, appearing to read 'Oscar Valdez', with a stylized, flowing script.

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, 2024

*Christopher P. Morill*

Executive Director/CEO

COUNTY OF LOS ANGELES  
BOARD OF SUPERVISORS AND PRINCIPAL COUNTY OFFICIALS  
AS OF JUNE 30, 2025

BOARD OF SUPERVISORS

Kathryn Barger, Chair  
Fifth District

Hilda L. Solis, Chair Pro Tem  
First District

Holly J. Mitchell  
Second District

Lindsey P. Horvath  
Third District

Janice Hahn  
Fourth District

Edward Yen  
Executive Officer  
Board of Supervisors

PRINCIPAL COUNTY OFFICIALS

Jeffrey Prang  
Assessor

Nathan J. Hochman  
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



## **FINANCIAL SECTION**



**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, 2025, 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, 2025, 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), a discretely presented component unit; the Los Angeles County Children and Families First – Proposition 10 Commission (First 5 LA), a discretely presented component unit; and the Los Angeles County Employees Retirement Association (LACERA), a pension and other postemployment benefit trust fund; 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	68%	69%	12%

Those statements were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as they relate to the amounts included for 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.

***Emphasis of Matter***

As discussed in Note 2 to the financial statements, effective July 1, 2024, the County adopted the provisions of Governmental Accounting Standards Board Statement No. 101, *Compensated Absences*. Our opinions are not modified with respect to this matter.

***Responsibilities of Management for the Financial Statements***

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

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

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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 15, 2025

**COUNTY OF LOS ANGELES  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
FOR THE YEAR ENDED JUNE 30, 2025**

We offer the residents and other readers of the County of Los Angeles Annual Comprehensive Financial Report this management discussion and analysis (MD&A), which is not covered by the Independent Auditor's Report, but is presented as required supplementary information. The MD&A provides a narrative overview and analysis of the financial activities of the County for the year ended June 30, 2025, focusing on why amounts changed from the prior year. We encourage readers to consider this information presented in conjunction with additional information that we have furnished in our 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 \$10.182 billion. Net position is classified into three categories and the unrestricted component was negative \$35.505 billion.

During the current year, the County implemented Governmental Accounting Standards Board (GASB) Statement No. 101, "Compensated Absences" and established guidance to measure our liabilities for compensated absences. GASB 101 had an effect on the County's beginning net position, which was restated and decreased governmental and business-type activities net position by \$190 million and \$38 million, respectively. In addition, we restated the County's net position due to a change to or within the Financial Reporting Entity and an Error Correction which increased the governmental activities and decreased the business-type activities by \$36 million. Amounts reported in MD&A for 2024 have not been restated for the effects of these changes. See further discussion in Note 2 to the basic financial statements.

During the current year, the County's net position increased by \$494 million. Net position related to governmental activities increased by \$527 million, while net position related to business-type activities decreased by \$33 million.

At the end of the current year, the County's General Fund reported a total fund balance of \$8.106 billion. The fund balance categories and amounts consisted of nonspendable fund balance of \$280 million, restricted fund balance of \$93 million, committed fund balance of \$1.404 billion, assigned fund balance of \$1.238 billion, and \$5.091 billion of unassigned fund balance.

The County's capital asset balances were \$24.732 billion at year-end which increased by \$1.126 billion during the year. Capital assets for governmental activities and business-type activities increased by \$1.074 billion and \$52 million, respectively.

During the current year, the County's long-term debt related to bonds, notes and loans from direct borrowings and direct placements increased by \$775 million. Newly issued and accreted long-term debt of \$1.507 billion was less than the long-term debt maturities of \$732 million. Lease and subscription liabilities increased by \$155 million and \$19 million, respectively, from the prior year.

**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, 2025**

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, 2025**

FUND FINANCIAL STATEMENTS

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

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

- **Governmental Funds** - These funds are used to account for essentially the same services that were previously described as governmental activities above. However, the fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the County's near-term financing requirements. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. Governmental funds include the General Fund, as well as Special Revenue Funds, Debt Service Funds, Capital Projects Funds, and Permanent Funds.
- **Proprietary Funds** - These Enterprise Funds are used to account for functions that are classified as "business-type activities" in the government-wide financial statements. The County's Internal Service Funds are also reported within the proprietary fund section. The County's four Hospital Funds and Waterworks Fund are all considered major funds for presentation purposes. There is one nonmajor Enterprise Fund (Aviation Fund) and it is displayed with the other major enterprise funds.
- **Fiduciary Funds** - These funds are used to account for resources held for the benefit of parties outside the County. The Fiduciary Funds category are reported in the Pension and Other Postemployment Benefit (OPEB) Trust Funds, the Investment Trust Fund, and Custodial Funds using the economic resources measurement focus and the accrual basis of accounting. Since the resources of these funds are not available to support the County's own programs, they are not reflected in the government-wide financial statements.

NOTES TO THE BASIC FINANCIAL STATEMENTS

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and the fund financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

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

**COUNTY OF LOS ANGELES  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)-Continued  
FOR THE YEAR ENDED JUNE 30, 2025**

**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 \$10.182 billion at the close of the most recent fiscal year.

Summary of Net Position  
As of June 30, 2025 and 2024 (in thousands)

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
		(1)		(1)		(1)
Current and other assets	\$ 26,051,607	\$ 24,777,388	\$ 5,259,662	\$ 5,028,768	\$ 31,311,269	\$ 29,806,156
Capital assets	21,167,233	20,093,030	3,565,139	3,513,144	24,732,372	23,606,174
Total assets	<u>47,218,840</u>	<u>44,870,418</u>	<u>8,824,801</u>	<u>8,541,912</u>	<u>56,043,641</u>	<u>53,412,330</u>
Deferred outflows of resources	10,190,163	10,817,024	1,520,012	1,658,774	11,710,175	12,475,798
Current and other liabilities	8,052,618	7,952,565	1,312,065	1,072,810	9,364,683	9,025,375
Long-term liabilities	48,277,460	48,032,219	7,896,820	7,993,020	56,174,280	56,025,239
Total liabilities	<u>56,330,078</u>	<u>55,984,784</u>	<u>9,208,885</u>	<u>9,065,830</u>	<u>65,538,963</u>	<u>65,050,614</u>
Deferred inflows of resources	10,659,292	9,655,293	1,737,245	1,629,595	12,396,537	11,284,888
Net position:						
Net investment in capital assets	16,741,481	16,229,559	2,584,618	2,590,331	19,326,099	18,819,890
Restricted	5,905,368	5,788,406	91,639	85,492	5,997,007	5,873,898
Unrestricted (deficit)	<u>(32,227,216)</u>	<u>(31,970,600)</u>	<u>(3,277,574)</u>	<u>(3,170,562)</u>	<u>(35,504,790)</u>	<u>(35,141,162)</u>
Total net position	<u>\$ (9,580,367)</u>	<u>\$ (9,952,635)</u>	<u>\$ (601,317)</u>	<u>\$ (494,739)</u>	<u>\$ (10,181,684)</u>	<u>\$ (10,447,374)</u>

(1) The 2024 amounts were not restated because it is not practicable to do so.

**COUNTY OF LOS ANGELES**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)-Continued**  
**FOR THE YEAR ENDED JUNE 30, 2025**

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 \$1.274 billion for governmental activities. There was an increase of \$661 million 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 governmental funds of \$219 million, \$232 million and \$194 million, respectively, \$306 million in internal receivables from the prior year, \$191 million in Other Investments primarily from nonmajor governmental capital project and debt service funds, \$94 million in other receivables primarily from mental health, social services, and General Fund health programs, and \$84 million in taxes receivable accrued at year-end. This was offset by a decrease of \$32 million and \$21 million in lease and interest receivables, respectively, from the prior year.

For business-type activities, current and other assets increased by \$231 million. The business-type activities pooled cash and investments, restricted assets and other receivables increased by \$168 million, \$184 million and \$523 million, respectively, from the prior year. This was offset by a decrease of \$336 million and \$306 million in accounts receivables and internal balances, respectively, from the prior year.

Deferred Outflows of Resources

In the current year, the County's deferred outflows of resources balances were \$11.710 billion. The deferred outflows of resources were \$10.190 billion and \$1.520 billion for governmental and business-type activities, respectively. The total deferred outflows of resources amounts and net decreases of \$766 million were mostly related to pension and OPEB RHC. The total pension related deferred outflows decreased by \$241 million and \$24 million for governmental and business-type activities, respectively, from the prior year. The total OPEB RHC related deferred outflows decreased by \$384 million and \$114 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 \$100 million for governmental activities primarily from an increase in advances payable of \$412 million, accounts payable of \$17 million, accrued payroll of \$22 million, and other payables of \$32 million at year-end. This was offset by a decrease in unearned revenue of \$384 million for amounts at year-end. For business-type activities, a net increase of \$239 million in current and other liabilities was largely associated with an increase in other payables of \$471 million and offset by a decrease in accounts payable of \$239 million for amounts owed at year-end.

Long-term liabilities decreased by \$245 million and increased by \$96 million for governmental and business-type activities, respectively. Net pension liabilities decreased in the current year by \$960 million and \$131 million for governmental and business-type activities, respectively. Net OPEB liabilities decreased by \$1.057 billion and \$295 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, as well as an 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, 2025**

Liabilities-Continued

Governmental activities litigation and self-insurance liabilities increased by approximately \$956 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 liabilities are based on actual settlements approved by the Board of Supervisors on April 28, 2025 in the amount of \$4 billion which also includes an estimate for potential new cases based on the limited information currently available.

For governmental activities, liabilities for compensated absences and workers' compensation were higher by \$104 million and \$222 million, respectively. Liabilities for compensated absences increased due to the implementation of GASB 101 which provided guidance on how to measure our liabilities for compensated absence. Workers' compensation liabilities increased due to higher claims submitted and trends in medical costs. Bonds, notes and loans from direct placements were higher by \$301 million. Lease liabilities were higher by \$156 million. Amounts owed to third party payors by the County's were higher by \$96 million.

For business-type activities, liabilities for compensated absences and workers' compensation were higher by \$12 million and \$11 million, respectively. For business-type activities, bonds, notes and loans from direct placements were higher by \$473 million. Amounts owed to third party payors by the County's hospitals were higher by \$23 million as discussed in Note 14.

Specific disclosures related to pension liabilities, OPEB liabilities, lease liabilities, subscription liabilities, and other changes in long-term liabilities are discussed and referenced in Notes 7, 8, 9, 10 and 11 to the basic financial statements, respectively.

Deferred Inflows of Resources

In the current year, the County's deferred inflows of resources were \$12.397 billion. Deferred inflows of resources increased by \$1.004 billion and \$108 million for governmental and business-type activities, respectively. The total OPEB RHC and LTD related deferred inflows increased by \$300 million and \$26 million for governmental and business-type activities, respectively, from the prior year. Pension related deferred inflows of resources increased by \$707 million and \$93 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 decreased by \$32 million in governmental activities. For Public-Private and Public-Public Partnerships (PPPs), there were \$80 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, 2025**

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, \$19.326 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 \$5.997 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 \$35.505 billion. Both governmental and business-type activities reported deficits in this category of \$32.227 billion and \$3.278 billion, respectively. OPEB related liabilities of \$23.774 billion, along with pension liabilities totaling \$12.983 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, 2025**

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

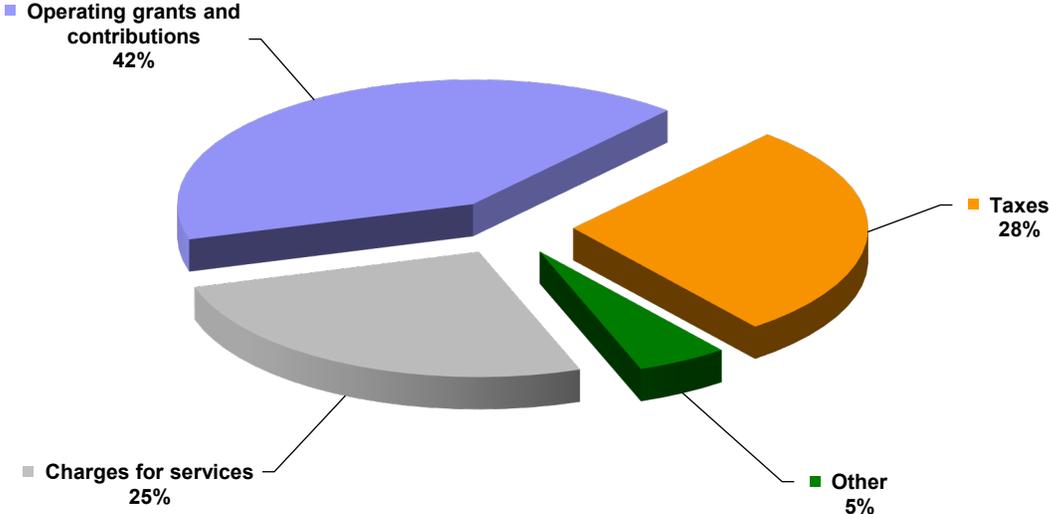
Summary of Changes in Net Position  
For the Years Ended June 30, 2025 and 2024  
(in thousands)

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
<b>Revenues:</b>		(1)		(1)		(1)
<b>Program revenues:</b>						
Charges for services	\$ 4,618,709	\$ 4,757,465	\$ 5,587,852	\$ 5,367,328	\$ 10,206,561	\$ 10,124,793
Operating grants and contributions	16,551,675	15,578,862	159,120	185,668	16,710,795	15,764,530
Capital grants and contributions	52,191	58,660	240	326	52,431	58,986
<b>General revenues:</b>						
Taxes	11,297,734	10,811,926	9,990	9,101	11,307,724	10,821,027
Unrestricted grants and contributions	697,817	679,353	296	966	698,113	680,319
Investment income	1,013,797	863,672	62,137	53,810	1,075,934	917,482
Miscellaneous	324,579	253,977	127	303	324,706	254,280
<b>Total revenues</b>	<b>34,556,502</b>	<b>33,003,915</b>	<b>5,819,762</b>	<b>5,617,502</b>	<b>40,376,264</b>	<b>38,621,417</b>
<b>Expenses:</b>						
General government	1,667,383	1,884,559			1,667,383	1,884,559
Public protection	10,975,331	10,040,684			10,975,331	10,040,684
Public ways and facilities	591,349	585,307			591,349	585,307
Health and sanitation	9,648,717	8,032,810			9,648,717	8,032,810
Public assistance	9,506,353	9,426,531			9,506,353	9,426,531
Education	179,496	173,303			179,496	173,303
Recreation and cultural services	661,621	534,164			661,621	534,164
Interest on long-term debt	198,327	178,369			198,327	178,369
Hospitals			6,307,475	6,215,647	6,307,475	6,215,647
Waterworks			129,934	118,530	129,934	118,530
Aviation			16,275	19,951	16,275	19,951
<b>Total expenses</b>	<b>33,428,577</b>	<b>30,855,727</b>	<b>6,453,684</b>	<b>6,354,128</b>	<b>39,882,261</b>	<b>37,209,855</b>
<b>Excess (deficiency) before transfers</b>	<b>1,127,925</b>	<b>2,148,188</b>	<b>(633,922)</b>	<b>(736,626)</b>	<b>494,003</b>	<b>1,411,562</b>
<b>Transfers</b>	<b>(601,402)</b>	<b>(1,058,209)</b>	<b>601,402</b>	<b>1,058,209</b>		
<b>Change in net position</b>	<b>526,523</b>	<b>1,089,979</b>	<b>(32,520)</b>	<b>321,583</b>	<b>494,003</b>	<b>1,411,562</b>
<b>Net position - beginning, as restated</b>	<b>(10,106,890)</b>	<b>(11,042,614)</b>	<b>(568,797)</b>	<b>(816,322)</b>	<b>(10,675,687)</b>	<b>(11,858,936)</b>
<b>Net position - ending</b>	<b>\$ (9,580,367)</b>	<b>\$ (9,952,635)</b>	<b>\$ (601,317)</b>	<b>\$ (494,739)</b>	<b>\$ (10,181,684)</b>	<b>\$ (10,447,374)</b>

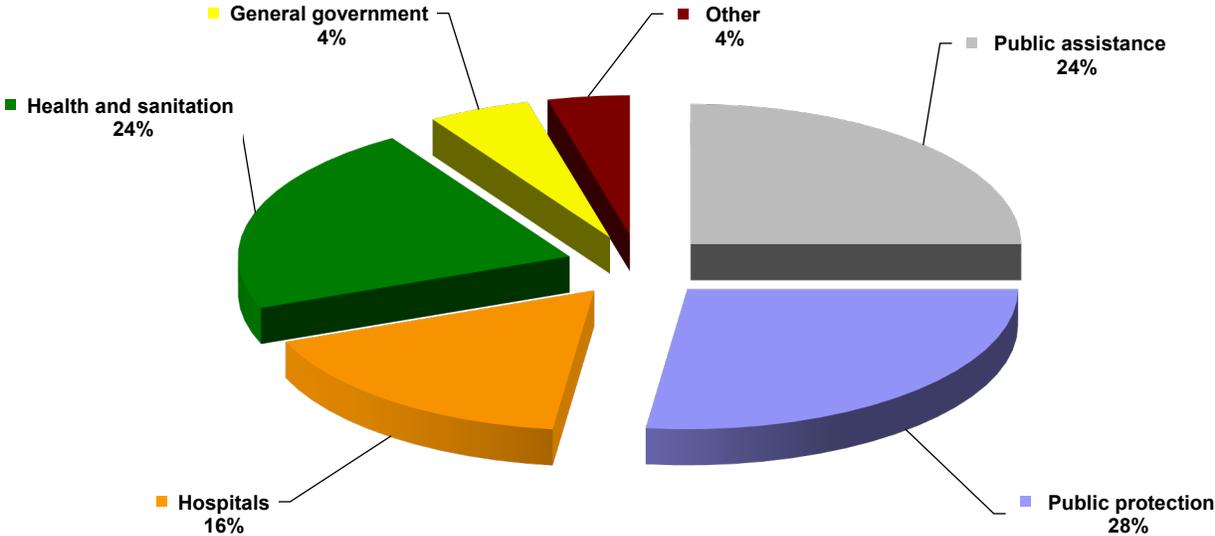
(1) The 2024 amounts were not restated because it is not practicable to do so.

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

REVENUES BY SOURCE – ALL ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2025



EXPENSES BY TYPE – ALL ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2025



**COUNTY OF LOS ANGELES**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)-Continued**  
**FOR THE YEAR ENDED JUNE 30, 2025**

Governmental Activities

Revenues from governmental activities increased by \$1.553 billion (4.7%) 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 \$973 million. General government revenues grew by \$29 million primarily from \$32 million of State revenues to fund capital projects for the Behavioral Health Continuum Infrastructure Program. Revenues for public protection programs increased by \$60 million primarily from \$64 million of State 2011 Realignment AB109 revenues for justice-involved and reform programs. Public ways and facilities revenue were higher by \$40 million primarily from \$26 million of State and federal revenues for the road and transportation programs and \$14 million for the January 2025 Windstorm and Fires under State Assembly Bill (AB100) Budget Acts of 2023 and 2024 reimbursements. Health and sanitation revenues grew by \$661 million primarily from higher reimbursable costs associated with mental health, public health, and ambulatory care network programs of \$496 million, \$93 million, and \$51 million, respectively. In addition, there were higher MHSA revenues of \$40 million. Revenues for public assistance programs grew by \$182 million as there were higher administrative and program reimbursable costs of \$167 million related to COVID-19 programs and \$35 million for public social services, children and family services, and homeless and housing programs.
- Taxes, the County's largest general revenue source, were \$486 million higher than the prior year and were mostly attributable to property taxes and sales and other taxes, which grew by \$445 million and \$41 million, respectively. The County's total taxable assessed property tax value is \$2.123 trillion, which grew by 4.86% 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 \$563 million and increased by \$31 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 \$487 million, an increase of \$17 million compared to the prior year. In addition, sales and use taxes primarily increased due to the passage of the Homeless Initiative Measure A, which replaced the Homeless and Housing Measure H sales tax with a net increase of \$39 million.
- Program revenues recognized from charges for services decreased by \$139 million which was primary attributable to a decrease in health and sanitation by \$253 million. This was offset by an increase of general government and public protection functional categories by \$39 million and \$66 million, respectively. Health and sanitation increase was due to an increase in health services administration and ambulatory network programs of \$176 million and \$107 million, respectively, and was offset by a decrease of Public Health programs services by \$24 million. The general governmental increase was in public works services of \$44 million. The public protection increase was due to an increase in the Fire Department of \$78 million and offset by a decrease of Justice, Care Opportunities department (JCOD) programs by \$8 million.
- Investment income increased by \$150 million due to an increase in interest income of \$4 million and a change in the fair value in investments at year-end of \$146 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, 2025**

Governmental Activities-Continued

Expenses related to governmental activities increased by \$2.573 billion (8.3%) during the current year. This was attributable to an increase in salaries and employee benefit (S&EB) expenses of \$479 million and an increase in operating expenses of \$2.094 billion. The S&EB increase was largely attributable for general salary increases by \$1.028 billion and \$109 million increases in workers' compensation absences, compensated absences, and other employee benefits. This was offset by a decrease in pension and OPEB expenses by \$357 million and \$301 million, respectively, in all functional categories.

The increase in the operating expenses of \$2.094 billion was primarily from public protection and health and sanitation by \$936 million and \$1.191 billion, respectively. This was offset by a decrease in general government operating expenses of \$235 million. Public protection operating expenses increased by \$936 million primarily for Public Works, Fire, Probation, Consumer and Business Affairs, and Sheriff departments higher operating expenses by \$60 million, \$30 million, \$28 million, \$27 million and \$16 million, respectively. In addition, litigation and self-insurance expenses were higher by \$661 million primarily from the AB 218 expenses. Health and sanitation operating expenses were higher by \$1.099 billion primarily for mental health, ambulatory care network, health community, and public health programs of \$636 million, \$201 million, \$168 million and \$87 million, respectively. General government operating expenses were lower by \$235 million primarily from the Economic Development and Project and facility development programs \$74 million and \$19 million, respectively.

Interest on long-term debt was \$198 million, an increase of \$20 million from the prior year. Depreciation/amortization expense was \$753 million in the current year, an increase of \$79 million from the prior year amount of \$674 million in all functional categories.

Business-type Activities

Revenues from business-type activities for the current year were \$5.820 billion, an increase of \$202 million (3.6%) from the previous year. The most significant increase was in charges for services of the County's hospitals by \$202 million primarily associated with a decrease in the Global Payment Program (GPP) and an increase in Managed Care Rate Supplement (MCRS) revenues by \$377 million and \$597 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 \$8 million due to a decrease in interest income of \$5 million and a change in the fair value in investments at year-end \$13 million, due to changes in average monthly cash balances and market yields throughout the fiscal year.

Expenses related to business-type activities increased from the previous year by a net total of \$100 million (1.6%), and were associated primarily with the County's hospitals, where expenses increased by \$92 million. The hospital expenses for S&EB consisted of an increase from general salary increases of \$233 million. The S&EB increase was offset by a decrease in pension and OPEB expenses of \$55 million and \$66 million, respectively. In addition, there was a decrease of \$153 million for services and supplies and professional services expenses related to a decrease in operating expenses and an increase in the County's hospital intergovernmental transfer expense of \$136 million primarily from an increase of \$340 million for the MCRS, Quality Incentive Program (QIP), and Medi-cal Graduate Medical Education (GME) and offset by a decrease of \$206 million for the GPP.

**COUNTY OF LOS ANGELES  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)-Continued  
FOR THE YEAR ENDED JUNE 30, 2025**

**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 \$14.980 billion, an increase of \$962 million in comparison with the prior year. Of the total fund balances, \$297 million is nonspendable to indicate the extent that funds are not in spendable form or are required to remain intact. An additional \$6.468 billion is classified as restricted, \$1.588 billion as committed, and \$1.536 billion as assigned. The remaining balance of \$5.091 billion is classified as unassigned and is entirely associated with the General Fund.

Revenues from all governmental funds for the current year were \$34.426 billion, an increase of \$1.513 billion (4.6%) from the previous year. Expenditures for all governmental funds in the current year were \$33.832 billion, an increase of \$3.471 billion (11.4%) from the previous year. In addition, net other financing sources (uses) were \$368 million, an increase of \$1.060 billion as compared to a negative \$692 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 \$414 million (5.4%). At the end of the current fiscal year, the General Fund's total fund balance was \$8.106 billion. Of this amount, \$280 million is classified as nonspendable, \$93 million as restricted, \$1.404 billion as committed, \$1.238 billion as assigned and the remaining \$5.091 billion is classified as unassigned.

General Fund revenues during the current year were \$28.353 billion, an increase of \$1.090 billion (4.0%) from the previous year. General Fund expenditures during the current year were \$29.343 billion, an increase of \$2.947 billion (11.2%) from the previous year. Net other financing sources/uses was positive \$1.403 billion in the current year as compared to positive \$342 million in the prior year.

Following are significant changes in General Fund revenues and expenditures:

- Intergovernmental revenues increased by \$803 million overall, and were primarily associated with an increase in State revenue by \$906 million and a decrease in federal revenue by \$103 million. The State of California provided funding to the County of Los Angeles to help with recovery from the damages caused by the January 2025 Windstorm and Fires and increased \$35 million of State revenue under State Assembly Bill (AB100) Budget Acts of 2023 and 2024. State and federal revenue growth was attributable to higher levels of reimbursable program and administrative costs in the mental health, social services, public health, health services, and sheriff departments of \$496 million, \$168 million, \$93 million, \$75 million, and \$64 million, respectively. This was offset by lower levels of reimbursable programs and administrative costs in the probation department by \$22 million.

**COUNTY OF LOS ANGELES**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)-Continued**  
**FOR THE YEAR ENDED JUNE 30, 2025**

Governmental Funds-Continued

- Charges for services decreased by \$236 million. The significant decreases in charges for services were from the Health Services Administration, Ambulatory Care Network, and Mental Health programs charges for services of \$175 million, \$107 million, and \$41 million, respectively, due to lower GPP and mental health medi-cal services from the prior year. In addition, the Internal Services department were lower by \$16 million due a decline in services provided to the Courts and capital improvement projects. This was offset by an increase in charges for services primarily associated in the health services community programs, registrar-recorder, and public health of \$92 million, \$34 million and \$19 million, respectively, which was associated with the GPP and Cost Based Reimbursement Clinics (CBRC), special election services, and 2011 Realignment for the Drug Medi-Cal program.
- Revenues from taxes increased by \$340 million and were primarily associated with an increase in property taxes of \$334 million and other taxes of \$2 million. The property taxes increase was primarily associated with \$317 million of revenue from a growth in assessed property values. Residual property tax revenues, which are associated with redevelopment dissolution, were \$404 million in the current year, \$12 million higher than the prior year. Property tax was also reflected in “pass through” property tax revenues, which were \$24 million higher in the current year. Documentary transfer taxes increased other taxes by \$7 million fueled by lower interest rates in the real estate market and the County median home sales were higher in this fiscal year. Sales, use and utility tax decreased other taxes by \$5 million from a decrease in consumer spending and higher prices.
- Investment income resulted in an increase of \$97 million due to an increase of \$8 million in interest earnings and an increase of \$89 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 \$2.947 billion, or 11.2%. Current expenditures increased by \$2.791 billion, and debt service and capital outlay expenditures increased by \$156 million.
  - General government spending increased by \$436 million and was primarily associated with increased expenditures of \$273 million for capital improvements, \$55 million for the Care First and Community Investment (CFCI) program, \$39 million for judgment and damages for legal settlements, \$20 million for utilities costs, \$18 million for Board of Supervisors programs, \$17 million for Registrar-Recorder election services, \$17 million for the Internal Services Department services, and \$11 million for costs associated with the Auditor-Controller enterprise applications. This was offset by a decrease in expenditures of \$43 million for the economic opportunity department and \$19 million for project and facility development costs. There was a net increase of \$65 million for general salary increases in S&EB.
  - Public protection program costs were higher by \$317 million, and were primarily associated with an increase in S&EB expenditures of \$187 million for general salary increases. In addition, there an increase in expenditures of sheriff, probation, and consumer and business affairs of \$43 million, \$30 million, and \$27 million, respectively due to higher operational costs.

**COUNTY OF LOS ANGELES**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)-Continued**  
**FOR THE YEAR ENDED JUNE 30, 2025**

Governmental Funds-Continued

- Health and sanitation expenditures increased by \$1.503 billion. This was primarily due to an increase of \$640 million in mental health program, \$368 million in the General Fund ambulatory care network and community health programs, and \$87 million in public health programs due to higher program and contract costs. There was also an increase of \$445 million for general salary increase for S&EB costs. This was offset by a decrease of \$44 million in expenditures for the health services administration program.
- Public assistance expenditures increased by \$486 million. This was primarily due to an increase of expenditures of \$144 million in affordable housing, \$56 million for public social services, \$52 million for children and family services, \$41 million for homeless and housing programs and \$10 million for aging and disabilities program due to higher program and contract costs. There was also an increase of \$175 million for general salary increase for S&EB costs.

The Fire Protection District reported a year-end fund balance of \$262 million, which represented an increase of \$3 million compared to the previous year increase of \$43 million, resulting in a net difference of \$40 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 \$145 million, of which \$79 million in charges for services in response to the January 2025 wildfires, \$44 million was related to property taxes and primarily associated with growth in assessed property values, \$18 million in federal and State revenues, and \$2 million in investment income. Expenditures were higher by \$161 million, of which S&EB was higher due to general salary increases, services and supplies costs, and capital outlay costs by \$100 million, \$49 million, and \$12 million, respectively.

The Flood Control District reported a year-end fund balance of \$202 million, which represented a decrease of \$68 million in fund balance compared to the previous year's decrease of \$94 million, resulting in a net difference of \$26 million. The change in fund balance was primarily due to higher services and supplies and capital assets infrastructure expenditures of \$63 million to support flood protection and water conservation infrastructure projects. Revenues increased by \$25 million primarily from \$23 million in intergovernmental revenue associated from January 2025 Wildfires AB100 reimbursements and an increase of \$9 million from higher property taxes due to growth in assessed valuation and offset of lower investment income of \$5 million. There was also a net increase of other financing sources (uses) of \$65 million from the Safe, Clean, Water Program Measure W programs.

The LA County Library Fund reported a year-end fund balance of \$187 million, which represented an increase of \$19 million in fund balance compared to the previous year decrease of \$1 million, resulting in a net difference of \$20 million. Revenues increased by \$6 million, related to property taxes associated with growth in assessed valuation. Expenditures were \$11 million higher from general S&EB increases and higher operating costs than the previous year. Other financing sources(uses) were higher by \$25 million.

The Regional Park and Open Space District reported a year-end fund balance of \$896 million, which represented an increase of \$106 million in fund balance compared to the previous year increase of \$115 million, resulting in a net difference of \$9 million. The net change in fund balance was primarily attributable to an increase in investment income of \$7 million. Property tax revenue was nearly the same as the previous year. Expenditures were higher by \$17 million from the prior year due to an increase in program awards to empower communities and preserve parks and open space.

**COUNTY OF LOS ANGELES**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)-Continued**  
**FOR THE YEAR ENDED JUNE 30, 2025**

Governmental Funds-Continued

The MHSA Fund reported a year-end fund balance of \$1.741 billion, which represented an increase of \$192 million in fund balance compared to the previous increase of \$316 million, resulting in a net difference of \$124 million. Current year revenues were higher by \$67 million, primarily from an increase of \$40 million in State revenues and investment income of \$27 million, while transfers out increased by \$191 million to support the five MHSA program components (Community Services and Supports; Prevention and Early Intervention; Innovation; Workforce Education and Training; and Capital Facilities and Technological Needs).

Proprietary Funds

The County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. The County's principal proprietary funds consist of four hospital and a waterworks enterprise funds and each one is reported as a major fund. Three 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 \$86 million for the Harbor-UCLA Medical Center to \$201 million for the Los Angeles General Medical Center. The total subsidy amount was \$502 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 \$954 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 (\$103 million), Harbor-UCLA Medical Center (\$76 million), and Olive-View UCLA Medical Center (\$39 million). The total current year amount of \$218 million in Measure B transfers increased by \$9 million from the prior year.

Waterworks Fund reported year-end net position of \$774 million, which was \$11 million higher than the previous year increase of \$2 million, resulting in a net difference of \$9 million from the prior year. Revenues of \$123 million were higher by \$22 million than the previous year's amount of \$101 million primarily from increase in water sales and a regional improvement fee in charges for services. Current year operating expenses of \$130 million were higher by \$11 million than the previous year due to increase in operating costs.

**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 decrease of \$189 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, 2025**

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	\$ 5,746	\$ 8,186,072	\$ 8,379,989	\$ 193,917
Intergovernmental revenues	648,381	16,598,011	15,321,904	(1,276,107)
Charges for services	(121,433)	3,362,936	3,175,919	(187,017)
All other revenues	97,195	933,159	1,260,310	327,151
Other sources and transfers in	208,904	2,462,683	1,766,938	(695,745)
<b>Total</b>	<b>\$ 838,793</b>	<b>\$ 31,542,861</b>	<b>\$ 29,905,060</b>	<b>\$ (1,637,801)</b>

Changes from Amounts Originally Budgeted

During the year, net increases in budgeted revenues and other financing sources were approximately \$839 million. 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 \$648 million. Budgeted revenues for public health, public social services, affordable housing and mental health programs were increased by \$159 million, \$158 million, \$129 million and \$128 million, respectively, to reflect additional State and federal grant funding. In addition, \$50 million of State and federal revenue increased for Probation and Parks and Recreation capital projects. There were net budget increases of \$24 million related to a variety of intergovernmental revenues.
- The estimated revenue for "Charges for services" decreased by \$121 million. The decrease is primarily from \$156 million for ambulatory care network and \$76 million for health services administration programs. This was offset by an increase of \$42 million for community health programs, \$34 million for public health programs, and \$30 million for the Sheriff's department contracted services. There were \$5 million of net budget increases in charges for services from a variety of programs.
- The budget for "All other revenues" increased by \$97 million primarily from a settlement of \$35 million for the Puente Hills County Regional Park development capital project, \$34 million in investment income due to higher interest rates and \$14 million from the Gas Company Tower rental income in the Rent Expense budget. There were \$14 million in net budget increases for miscellaneous revenues.
- The budget for "Other sources and transfers in" increased by \$209 million from transfers of \$125 million from the Nonmajor Special Revenues for capital projects, \$42 million the Nonmajor Health and Sanitation funds, \$28 million from the Nonmajor Other Special Major Funds, \$12 million from the Nonmajor Safe Clean Water Program Measure W funds, \$5 million from the Nonmajor Homeless and Housing Measure H funds, and a net variance of \$3 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, 2025**

Actual Revenues/Financing Sources Compared with Final Budget Amounts

Actual revenues and other financing sources recognized by the General Fund were approximately \$29.905 billion. This amount was \$1.638 billion, or 5.2%, lower than budget. As discussed below, the changes occurred in the following areas.

- Actual "Taxes" were higher by \$194 million from the amount budgeted. Of this increase, \$157 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, deed transfer taxes, and transient occupancy tax by \$16 million, \$11 million, and \$9 million, respectively. There were net increase of \$1 million in sales and other taxes.
- Actual "Intergovernmental revenues" were \$1.276 billion lower than the amount budgeted. Approximately \$642 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. Public health, community health, health services administration, and economic opportunity programs accounted for approximately \$159 million, \$90 million, \$41 million, and \$28 million, respectively, which experienced lower than anticipated reimbursable costs and correspondingly lower than expected revenues. This was offset by \$223 million from higher federal and State reimbursable costs associated with the mental health programs. Budgeted intergovernmental revenues of \$373 million were not realized for various capital improvements, Internal Services department, and disaster recovery programs, as these initiatives were not completed prior to year-end. Homeless and housing program revenue of \$62 million experienced lower than anticipated revenue for State and federal funded homeless and housing initiatives. Probation budgeted intergovernmental revenues were lower by \$57 million, which experienced lower than anticipated reimbursable operating expenditures and staffing vacancies. Programs that support criminal justice reform in JCOD and Youth Development budgeted intergovernmental revenues were lower by \$32 million as new programs and initiatives were still being developed prior to year-end. There were net decreases of \$15 million from a variety of programs.
- Actual "Charges for services" were \$187 million lower than the amount budgeted. The decrease was primarily attributable to \$55 million, \$41 million and \$33 million of costs associated with health services administration, ambulatory care network, and public health programs, respectively, which experienced lower than anticipated reimbursable costs associated with the medi-cal program. In addition, \$27 million and \$10 million charges for services were lower than budget for the departments of Internal Services and Human Resources, respectively, due to a decrease of services provided to the departments. Sheriff experienced a \$8 million decrease in charges for services from lower reimbursable services to contract cities. Public Works charges for services for planning and engineering services were \$7 million lower than the budgeted amount. There were net variances of \$6 million from a variety of programs.
- Actual "All other revenues" were \$327 million more than budgeted. Interest revenue was higher by \$210 million due to a changes in the market yields throughout the fiscal year. Miscellaneous revenues were primarily higher from the real estate, insurance proceeds, and mental health programs by \$72 million. Fines and penalties were higher by \$47 million. There were net decreases of \$2 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, 2025**

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

- The actual amount of “Other sources and transfers in” was \$696 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 \$354 million lower than budgeted. The Homeless and Housing Measure H costs were \$161 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 \$65 million less than budgeted. In addition, “transfers in” totaling \$69 million were assumed in the budget for capital improvements and extraordinary building maintenance projects, which did not incur expected costs. Costs associated with Safe, Clean Water Program Measure W of \$24 million were less than budgeted. There were various other sources and transfers that comprised the remaining variance of \$23 million.

Budgetary Summary - Expenditures/Other Financing Uses

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

<u>Category</u>	Increase (Decrease) From Original Budget	Final Budget Amount	Actual Amount	Variance- Positive
General government	\$ (233,674)	\$ 3,724,365	\$ 1,949,204	\$ 1,775,161
Public protection	179,888	7,847,276	7,453,684	393,592
Health and sanitation	96,625	9,634,927	9,159,837	475,090
Public assistance	201,868	10,618,850	9,591,762	1,027,088
All other expenditures	262,183	2,897,800	1,174,801	1,722,999
Transfers out	(65,525)	541,567	540,077	1,490
Contingencies	(62,732)	0	0	0
Fund balance changes-net	460,160	494,141	224,867	269,274
<b>Total</b>	<b>\$ 838,793</b>	<b>\$ 35,758,926</b>	<b>\$ 30,094,232</b>	<b>\$ 5,664,694</b>

Changes from Amounts Originally Budgeted

During the year, net increases in General Fund appropriations and fund balance component changes were approximately \$839 million. The most significant changes occurred in the following areas:

- "General Government" appropriation decreased by \$234 million. The decrease was largely attributable to appropriations not associated with specific County departments. Provisional appropriations decreased by \$141 million and were largely due to the transfer of funds to purchase the Gas Company Tower in December 2024 and to increase the correction health services and Sheriff's department appropriation. Appropriation associated with the CFCI unallocated budget transferred \$68 million to the various CFCI functional categories to be aligned with the CFCI Year 4 Spending Plan which was approved by the Board on June 24, 2025. The Board of Supervisors appropriation decreased by \$30 million to fund various community programs. There were net increases of \$5 million for other general government programs.

**COUNTY OF LOS ANGELES  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)-Continued  
FOR THE YEAR ENDED JUNE 30, 2025**

Changes from Amounts Originally Budgeted-Continued

- "Public protection" appropriations increased by \$180 million. An increase of \$52 million of S&EB was appropriated to reflect the general S&EB increases. Law enforcement appropriations increased by \$207 million which was funded by provisional financing uses and other revenues for the Sheriff's department operation costs. The Consumer and Business Affairs appropriations increased by \$48 million to provide household relief that was impacted by the January 2025 Eaton and Palisades wildfires, to provide funds for the County's Guaranteed Income Program, support the income tax assistance program, landlord-tenant mediation, and rent relief. District attorney appropriations increased by \$28 million pay for operation costs in services and supplies, insurance, litigation, and settlements costs. Probation appropriations were increased by \$25 million to fund the department operation costs which include increases in services and supplies, contracts, equipment purchases, insurance, and legal settlements. Superior Court appropriations increased by \$11 million for indigent defense services. This was offset by a net decrease in CFCI appropriations by \$209 million to be consistent with the CFCI spending plan. There were net increases of \$18 million for other public protection programs.
- "Health and sanitation" appropriations were increased by \$97 million. Mental health appropriations increased by \$239 million to fund the specialty mental health services and medi-cal interim settlement, and mental health contract providers. Public health appropriations increased by \$228 million primarily for the expansion of substance use disorder contracted services. This was offset by a decrease of \$143 million of S&EB appropriation from S&EB savings and was transferred to fund the non S&EB health and sanitation operation costs. Appropriation for CFCI decreased by \$140 million to be consistent with the CFCI spending plan. General Fund health services operations that support Administration, Ambulatory care network, Correctional health, and Community health programs appropriations decreased by \$94 million due to decreased costs related to intergovernmental transfers, registry staffing, medical supplies, pharmaceuticals, and equipment purchases. There were net increases of \$7 million for other health and sanitation programs.
- "Public Assistance" appropriations were increased by \$202 million. The Affordable Housing program increased by \$163 million support Project Homekey 3.0, the West Los Angeles Veterans Affairs Campus Village North Village, and transit-oriented housing projects. Public and children and family assistance programs increased by \$27 million primarily due an increase in caseload and costs per case. There were net increases of \$12 million in other public assistance programs.
- Appropriations for "All other expenditures" were increased by \$262 million. The increase of \$266 million 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. This was offset by a decrease in S&EB in salary savings of \$15 million and an increase in Services and Supplies of \$14 million for Recreation and cultural services. There were net decreases of \$3 million in other public assistance programs.
- Appropriations for "transfers out" were decreased by \$66 million. The decrease of \$101 million was primarily attributable to augmenting the amount of fund transfers from the General Fund to the various Hospital Enterprise Funds. This was offset by a net increase of \$35 million associated with transfer the nonmajor special revenue funds.

**COUNTY OF LOS ANGELES**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)-Continued**  
**FOR THE YEAR ENDED JUNE 30, 2025**

Changes from Amounts Originally Budgeted-Continued

- Net fund balance budgetary changes of \$460 million had the effect of reducing the available (unassigned) fund balance component. The changes were largely attributable to the CFCI Year-end Savings by \$427 million as required by Board Policy 4.031 to transfer unspent, unencumbered funds at year-end for future budgetary recommendations to the Board. The remaining variance of \$33 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 \$5.665 billion (15.8%) lower than the final total budget of \$35.759 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 \$1.775 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 \$1.359 billion. S&EB savings for general government operations of \$179 million were due to vacancies and hiring delays. The Board of Supervisors had budgetary savings of \$94 million to be spent in future years for various community projects. The Department of Economic Opportunity had budgetary savings of \$76 million to be spent in future years for economic development initiatives within the County. Internal Services department had budgetary savings of \$47 million due to lower than anticipated operational costs. Chief Executive Office had budgetary savings of \$29 million due to lower than anticipated operational costs. The remaining net budgetary variance of \$9 million was spread across the general government departments and was mostly related to savings in the areas of services and supplies.
- Public protection expenditures were \$394 million less than the budgeted amount. S&EB savings of \$210 million were due to vacancies, hiring delays, and positions that are difficult to hire. The Electronic Permitting and Inspections County of Los Angeles (EPIC-LA) had budgetary savings of \$50 million which supports the development, maintenance, and continuous improvement of the EPIC-LA system. The federal and State disaster budget unit had budgetary savings of \$48 million to be carried forward to respond to future emergency disasters. Justice, Care and Opportunities, Probation, and Youth development experienced budgetary savings of \$45 million, \$28 million, and \$28 million, respectively, to continue to improve and develop programs to support the justice-involved individuals. There was a net budgetary of variance of \$15 million for other public protection programs.
- Overall expenditures for the "health and sanitation" category were \$475 million less than the budgeted amount. Specifically, the budgetary savings were from the community health programs, health services administration, mental health, correctional health and ambulatory care network of \$149 million, \$60 million, \$49 million, \$40 million, and \$14 million, respectively, due to lower than anticipated costs for professional, contracted, and information technology services, and implementing new programs. There was also \$155 million from S&EB savings due to staffing vacancies and hiring delays. The remaining variance of \$8 million was related to other health and sanitation programs.

**COUNTY OF LOS ANGELES  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)-Continued  
FOR THE YEAR ENDED JUNE 30, 2025**

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

- Actual "public assistance" expenditures were \$1.027 billion lower than the final budget. The variance of \$258 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 \$414 million and \$238 million, respectively. Cost savings in these areas were due to lower than anticipated costs in implementing new assistance programs, General Relief Guaranteed Income Pilot Program, Anti-Homelessness subsidy program, and Family First Prevention Services Act programs. There were also direct program savings associated with lower than anticipated caseloads. In addition, there were S&EB savings of \$124 million due to the hiring delays and vacancies. The remaining variance of \$7 million was related to other public assistance programs.
- The category referred to as "all other expenditures" reflected actual spending of \$1.723 billion less than the budgeted amount. Of this variance, \$1.704 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. There were S&EB and operation costs budgetary savings of \$5 million and \$14 million, respectively, for the recreation and cultural programs.

**Capital Assets**

The County's capital assets for its governmental and business-type activities as of June 30, 2025, were \$24.732 billion (net of depreciation and amortization). Capital assets include land and easements, buildings and improvements, infrastructure, equipment, software, capital assets in progress, lease assets, and subscription assets. The major infrastructure network elements are roads, sewers, water, flood control, and aviation. Specific capital asset changes during the current year are presented in Note 5 to the basic financial statements.

The total increase in the County's capital assets (net of depreciation/amortization) for the current fiscal year was \$1.126 billion 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	\$ 7,892,435	\$ 7,840,427	\$ 52,008
Buildings and improvements	6,728,970	6,319,349	409,621
Infrastructure	3,654,284	3,740,931	(86,647)
Equipment	750,846	635,142	115,704
Software	200,172	133,770	66,402
Capital assets in progress	3,762,402	3,340,491	421,911
Lease assets	1,624,482	1,498,670	125,812
Subscription assets	118,781	97,394	21,387
	<u>\$ 24,732,372</u>	<u>\$ 23,606,174</u>	<u>\$ 1,126,198</u>

**COUNTY OF LOS ANGELES**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)-Continued**  
**FOR THE YEAR ENDED JUNE 30, 2025**

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 \$422 million. Governmental-type activities for capital assets in progress, increased by \$96 million which included buildings and improvements construction in progress for general government of \$48 million, public protection of \$74 million, public ways and facilities of \$3 million, health and sanitation of \$186 million, public assistance of \$57 million, education of \$7 million, and recreation and cultural services of \$83 million, offset by \$379 million of buildings and improvements construction in progress that were completed and reclassified as buildings and improvements. The major projects include \$54 million for the Vermont Corridor Site 2 project, \$51 million for various Homekey refurbishments, \$34 million for the Alondra Park Multi-Benefit Stormwater Capture project, \$28 million for the Los Angeles General Psychiatric Subacute Facility, \$14 million for the Civic Center Central Plant Boiler and Chiller Replacement project, and \$11 million for the Los Padrinos Juvenile Hall project. In addition, there were capitalized software-in-progress costs of \$20 million for the Assessor's Modernization Project Phases 4 and 5 and \$14 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 \$402 million. The County acquired the Gas Company Tower totaling \$161 million. The County completed major capital projects for governmental activities, which included \$79 million for the Natural History Museum Commons Renovation project, \$27 million for the Whittier Aquatics Center project, \$15 million for the Martin Luther King Jr. Medical Campus Clinical Laboratory and Red-Bag Storage project, \$14 million for the Hall of Records Regional Planning Headquarters Hearing Room Renovation, \$11 million for the Gates Canyon Stormwater Improvements project, and \$11 million for Hall of Records Roof and Fire Protection Deferred Maintenance Repairs.

Business-type activities capital assets in progress, increased by \$326 million which included major buildings and improvements construction in progress of \$379 million for the Harbor-UCLA Medical Center Replacement Program. Completed major capital projects included \$40 million for the Parking Structure A and Demolition and 12 KV Service Building within the Harbor-UCLA Medical Center Replacement Program.

As of June 30, 2025, there were \$533.31 million of capital asset commitments outstanding. Major capital commitments include \$520.03 million for the Harbor-UCLA Medical Center Replacement Program and \$6.62 million for the Los Angeles General Residential Withdrawal Management Facility.

**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 premiums and accreted interest, increased by \$775 million, as newly issued debt, including premiums and accreted interest, of \$1.507 billion were more than the debt maturities of \$732 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:

- Bonds payable of \$893 million was issued for governmental and business-type activities in the amounts of \$373 million and \$520 million, respectively. Lease Revenue Obligation Notes (LRON) of \$595 million were issued for governmental and business-type activities in the amounts of \$354 million and \$241 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.

**COUNTY OF LOS ANGELES  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)-Continued  
FOR THE YEAR ENDED JUNE 30, 2025**

Lease liabilities increased by \$156 million, as newly issued leases of \$297 million were higher than the lease maturities of \$141 million related to governmental activities. Subscription liabilities increased by \$19 million from the prior year, as newly added subscriptions of \$53 million were higher than the subscription maturities of \$34 million related to governmental activities. 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 \$13 million as of June 30, 2025.

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 30, 2025.

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&amp;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 remained the same as the previous year.

**Economic Conditions and Outlook**

Los Angeles County's FY 2025-2026 budget marks the start of an unprecedented season of budgetary pressures and constraint as we confront an array of major fiscal challenges against the backdrop of a highly unsettling economic landscape. The County's 2025-2026 Budget includes \$230.5 million of new net revenues, a stark decrease of \$390.2 million of new net revenues from the previous year's budget. The budgetary focus will be on funding key existing obligations, including previously contracted increases in wages and benefits for the County's workforce, growing public assistance caseload costs, previously approved Board policies and commitments, and compliance with a Department of Justice consent decree to improve conditions in the County's jail system for those with mental health conditions.

The County budget also faces a daunting array of challenges in a dynamic economic and political landscape full of uncertainties which include the AB218 settlement, January 2025 Eaton and Palisades Wildfires, federal impacts, declining growth in property tax revenues, the complete spend down of the American Rescue Plan Act funding, and labor negotiations. Even with these challenges, 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 2025-2026 Budget on June 23, 2025. The Budget was adopted based on estimated fund balances that would be available at the end of 2024-2025. The Board updated the Budget on September 30, 2025 to reflect final 2024-2025 fund balances and other pertinent financial information. For the County's General Fund, the 2025-2026 Budget utilized \$4.027 billion of fund balance, which exceeded the previously estimated fund balance of \$3.541 billion. Of the additional fund balance of \$486 billion, \$101 million was used to carryover lapsed appropriations and ensure the continuity of funded program initiatives. The remaining \$385 million was primarily used for the continued

**COUNTY OF LOS ANGELES**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)-Continued**  
**FOR THE YEAR ENDED JUNE 30, 2025**

momentum for Care First, Jails Last initiative, Homelessness, Affordable Housing and Mental Health programs. Public Health services, provide immigrant assistance services, help children and families, older adults and people with disabilities, public safety, jobs and business development, information technology investments and set aside \$61 million for the County's Rainy Day Fund.

The County continues to face multiple challenges that are expected to significantly affect its fiscal outlook over the next several years, including slower growth of its locally generated revenues; financing the \$4.828 billion AB 218 childhood sexual assault settlements; accounting for the financial impact from the devastating January 2025 Eaton and Palisades wildfires; investing in our workforce through negotiated labor agreements; and addressing the deep federal budget cuts, which have already begun to impact the County and our residents and are expected to intensify in the years ahead. The County will continue to advocate for additional federal and State funding even with these fiscal outlook challenges.

The federal economic outlook reflects slower growth amid ongoing efforts to balance inflation control with sustained economic momentum. The Federal Reserve has signaled a cautious approach to interest rate adjustments, as inflation remains above long-term targets. In recent months, labor markets and job growth have reflected weakness which will add more pressure on the Federal Reserve to adjust rates. Consumer spending has cooled, reflecting the tighter financial conditions. Federal fiscal policy continues to be shaped by debates over the national debt, spending priorities, and long-term entitlement reform. Given these current economic challenges, economists have forecasted continued uncertainty and risk to the strength of the economy. 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 19, 2025 which provides an independent assessment of the State's budget condition with the goal of helping the State of California legislators prepare for the 2026-27 budget. The LAO reports four key challenges: 1) Not safe to bet artificial intelligence (AI) fueled exuberance is sustainable; 2) the revenue outlook builds some insurance against a stock market downturn; 3) 2026-27 budget problem now larger than anticipated; and 4) Budget position is weak. The State needs to address the budget problem through a combination of ongoing solutions with achievable spending reductions and/or revenue increase. The LAO provides a cautious outlook and the State continues to face a structural deficit in the years to come and 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.

On November 5, 2024, the voters approved a charter amendment (Measure G) to update the Los Angeles County government structure, create an independent Ethics Commission, and increase accountability. The Board has established a Governance Reform Task Force to oversee the implementation of Measure G while promoting transparency, accountability, and public engagement. It is expected that the Task Force will complete their work no later December 3, 2028, unless extended by the Board.

**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, 2025 (in thousands)

	PRIMARY GOVERNMENT			DISCRETELY PRESENTED COMPONENT UNITS
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	
<b>ASSETS</b>				
Pooled cash and investments: (Notes 1 and 4)				
Operating	\$ 12,304,807	1,188,904	\$ 13,493,711	\$ 307,972
Other	6,133,439	38,094	6,171,533	
Total pooled cash and investments	18,438,246	1,226,998	19,665,244	307,972
Other investments (Note 4)	254,039		254,039	797,859
Taxes receivable	503,117	1,127	504,244	
Accounts receivable - net (Note 14)		2,185,273	2,185,273	24,422
Interest receivable	50,175	2,903	53,078	826
Lease receivable (Note 9)	1,853,311	18,856	1,872,167	6,405
Other receivables	4,638,529	1,626,672	6,265,201	47,956
Internal balances (Note 15)	152,013	(152,013)		
Inventories	157,754	38,152	195,906	5,580
Restricted assets (Note 4)	4,423	311,694	316,117	17,841
Net pension asset				5,909
Capital assets: (Notes 1, 5, 9 and 10)				
Capital assets, not being depreciated	10,529,661	1,125,176	11,654,837	95,873
Capital assets, net of accumulated depreciation/ amortization	10,637,572	2,439,963	13,077,535	117,915
Total capital assets	21,167,233	3,565,139	24,732,372	213,788
<b>TOTAL ASSETS</b>	<b>47,218,840</b>	<b>8,824,801</b>	<b>56,043,641</b>	<b>1,428,558</b>
DEFERRED OUTFLOWS OF RESOURCES (Note 20)	10,190,163	1,520,012	11,710,175	20,700
<b>LIABILITIES</b>				
Accounts payable	918,119	684,085	1,602,204	34,896
Accrued payroll	664,604	130,078	794,682	
Other payables	65,118	483,348	548,466	9,663
Accrued interest payable	15,255	13,367	28,622	
Advances payable	6,389,522	1,187	6,390,709	4,469
Long-term liabilities: (Note 11)				
Due within one year	3,763,464	603,359	4,366,823	11,116
Due in more than one year	44,513,996	7,293,461	51,807,457	114,227
<b>TOTAL LIABILITIES</b>	<b>56,330,078</b>	<b>9,208,885</b>	<b>65,538,963</b>	<b>174,371</b>
DEFERRED INFLOWS OF RESOURCES (Note 20)	10,659,292	1,737,245	12,396,537	14,857
<b>NET POSITION</b>				
Net investment in capital assets	16,741,481	2,584,618	19,326,099	173,092
Restricted for:				
Capital projects	37,360		37,360	
Debt service	183,035	91,639	274,674	
Permanent funds - nonspendable	2,251		2,251	
General government	279,851		279,851	
Public protection	865,266		865,266	
Public ways and facilities	1,187,928		1,187,928	
Health and sanitation	2,105,552		2,105,552	
Public assistance	308,216		308,216	
Education	5,149		5,149	
Recreation	930,760		930,760	
Community development				737,328
Unrestricted (deficit)	(32,227,216)	(3,277,574)	(35,504,790)	349,610
<b>TOTAL NET POSITION (DEFICIT) (Note 3)</b>	<b>\$ (9,580,367)</b>	<b>(601,317)</b>	<b>\$ (10,181,684)</b>	<b>\$ 1,260,030</b>

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, 2025 (in thousands)

FUNCTIONS	PROGRAM REVENUES			
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS
<b>PRIMARY GOVERNMENT:</b>				
Governmental activities:				
General government	\$ 1,667,383	728,238	284,332	41,138
Public protection	10,975,331	1,844,776	2,355,838	10,647
Public ways and facilities	591,349	38,763	386,926	69
Health and sanitation	9,648,717	1,833,157	5,544,214	337
Public assistance	9,506,353	12,392	7,961,126	
Education	179,496	2,227	3,327	
Recreation and cultural services	661,621	159,156	15,912	
Interest on long-term debt	198,327			
Total governmental activities	<u>33,428,577</u>	<u>4,618,709</u>	<u>16,551,675</u>	<u>52,191</u>
Business-type activities:				
Hospitals	6,307,475	5,452,169	158,092	
Waterworks	129,934	123,077	395	240
Aviation	16,275	12,606	633	
Total business-type activities	<u>6,453,684</u>	<u>5,587,852</u>	<u>159,120</u>	<u>240</u>
Total primary government	<u>\$ 39,882,261</u>	<u>10,206,561</u>	<u>16,710,795</u>	<u>52,431</u>
DISCRETELY PRESENTED COMPONENT UNITS	<u>\$ 969,822</u>	<u>38,739</u>	<u>939,153</u>	<u>13,181</u>

GENERAL REVENUES:

Taxes:

- Property taxes
- Utility users taxes
- Voter approved taxes
- Documentary transfer taxes
- Other taxes
- Sales and use taxes

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, 2024, as restated

NET POSITION (DEFICIT), JUNE 30, 2025

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
\$ (613,675)		\$ (613,675)		PRIMARY GOVERNMENT:
(6,764,070)		(6,764,070)		Governmental activities:
(165,591)		(165,591)		General government
(2,271,009)		(2,271,009)		Public protection
(1,532,835)		(1,532,835)		Public ways and facilities
(173,942)		(173,942)		Health and sanitation
(486,553)		(486,553)		Public assistance
(198,327)		(198,327)		Education
(12,206,002)		(12,206,002)		Recreation and cultural services
				Interest on long-term debt
				Total governmental activities
	(697,214)	(697,214)		Business-type activities:
	(6,222)	(6,222)		Hospitals
	(3,036)	(3,036)		Waterworks
	(706,472)	(706,472)		Aviation
(12,206,002)	(706,472)	(12,912,474)		Total business-type activities
				Total primary government
			\$ 21,251	DISCRETELY PRESENTED COMPONENT UNITS
9,786,859	9,990	9,796,849		GENERAL REVENUES:
57,746		57,746		Taxes:
559,366		559,366		Property taxes
83,173		83,173		Utility users taxes
49,867		49,867		Voter approved taxes
760,723		760,723		Documentary transfer taxes
				Other taxes
697,817	296	698,113		Sales and use taxes
1,013,797	62,137	1,075,934	48,010	Grants and contributions not restricted to special programs
324,579	127	324,706		Investment income
(601,402)	601,402			Miscellaneous
12,732,525	673,952	13,406,477	48,010	TRANSFERS - NET
526,523	(32,520)	494,003	69,261	Total general revenues and transfers
(10,106,890)	(568,797)	(10,675,687)	1,190,769	CHANGE IN NET POSITION
\$ (9,580,367)	(601,317)	\$ (10,181,684)	\$ 1,260,030	NET POSITION (DEFICIT), JULY 1, 2024, as restated
				NET POSITION (DEFICIT), JUNE 30, 2025

COUNTY OF LOS ANGELES  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2025 (in thousands)

	GENERAL FUND	FIRE PROTECTION DISTRICT	FLOOD CONTROL DISTRICT	LA COUNTY LIBRARY	REGIONAL PARK AND OPEN SPACE DISTRICT
<b>ASSETS</b>					
Pooled cash and investments: (Notes 1 and 4)					
Operating	\$ 5,111,509	222,789	210,656	189,337	896,159
Other	6,026,877	21,901	2,490	3,400	3,564
Total pooled cash and investments	<u>11,138,386</u>	<u>244,690</u>	<u>213,146</u>	<u>192,737</u>	<u>899,723</u>
Other investments (Note 4)	1,679			112	
Taxes receivable	368,091	74,520	18,949	10,271	2,654
Interest receivable	35,705	579	494	321	1,559
Lease receivable (Note 9)	1,815,135		33,306		
Other receivables	4,067,469	100,084	44,632	2,381	1,589
Due from other funds (Note 15)	1,198,820	8,914	86,160	2,471	3
Advances to other funds (Note 15)	17,951		5,982		
Inventories	130,601	13,180	1,761		
<b>TOTAL ASSETS</b>	<u>18,773,837</u>	<u>441,967</u>	<u>404,430</u>	<u>208,293</u>	<u>905,528</u>
<b>DEFERRED OUTFLOWS OF RESOURCES (Note 20)</b>					
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u>\$ 18,773,837</u>	<u>441,967</u>	<u>404,430</u>	<u>208,293</u>	<u>905,528</u>
<b>LIABILITIES</b>					
Accounts payable	\$ 750,495	11,576	11,858	2,119	2,906
Accrued payroll	580,917	50,770		5,190	
Other payables	58,661	2,892		584	
Due to other funds (Note 15)	224,408	42,570	57,284	5,579	5,195
Advances payable	6,245,067		76,274		
Third party payor (Notes 11 and 14)	269,476				
<b>TOTAL LIABILITIES</b>	<u>8,129,024</u>	<u>107,808</u>	<u>145,416</u>	<u>13,472</u>	<u>8,101</u>
<b>DEFERRED INFLOWS OF RESOURCES (Note 20)</b>	<u>2,538,578</u>	<u>72,104</u>	<u>56,665</u>	<u>7,446</u>	<u>1,349</u>
<b>FUND BALANCES (Note 21)</b>					
Nonspendable	279,851	13,180	1,761		
Restricted	92,666	248,875	200,489	119,875	896,078
Committed	1,403,913				
Assigned	1,238,583		99	67,500	
Unassigned	5,091,222				
<b>TOTAL FUND BALANCES</b>	<u>8,106,235</u>	<u>262,055</u>	<u>202,349</u>	<u>187,375</u>	<u>896,078</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<u>\$ 18,773,837</u>	<u>441,967</u>	<u>404,430</u>	<u>208,293</u>	<u>905,528</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	
			ASSETS
			Pooled cash and investments: (Notes 1 and 4)
\$ 2,128,978	3,457,523	\$ 12,216,951	Operating
7,164	58,175	6,123,571	Other
<u>2,136,142</u>	<u>3,515,698</u>	<u>18,340,522</u>	Total pooled cash and investments
	252,248	254,039	Other investments (Note 4)
	28,632	503,117	Taxes receivable
4,579	6,856	50,093	Interest receivable
	4,870	1,853,311	Lease receivable (Note 9)
	315,108	4,531,263	Other receivables
27,842	73,780	1,397,990	Due from other funds (Note 15)
	11,221	35,154	Advances to other funds (Note 15)
	1	145,543	Inventories
<u>2,168,563</u>	<u>4,208,414</u>	<u>27,111,032</u>	TOTAL ASSETS
	167,386	167,386	DEFERRED OUTFLOWS OF RESOURCES (Note 20)
<u>\$ 2,168,563</u>	<u>4,375,800</u>	<u>\$ 27,278,418</u>	TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES
			LIABILITIES
	124,900	\$ 903,854	Accounts payable
	50	636,927	Accrued payroll
		62,137	Other payables
427,641	568,611	1,331,288	Due to other funds (Note 15)
	68,007	6,389,348	Advances payable
	246	269,722	Third party payor (Notes 11 and 14)
<u>427,641</u>	<u>761,814</u>	<u>9,593,276</u>	TOTAL LIABILITIES
	29,099	2,705,241	DEFERRED INFLOWS OF RESOURCES (Note 20)
			FUND BALANCES (Note 21)
	2,252	297,044	Nonspendable
1,740,922	3,168,834	6,467,739	Restricted
	184,328	1,588,241	Committed
	229,473	1,535,655	Assigned
		5,091,222	Unassigned
<u>1,740,922</u>	<u>3,584,887</u>	<u>14,979,901</u>	TOTAL FUND BALANCES
<u>\$ 2,168,563</u>	<u>4,375,800</u>	<u>\$ 27,278,418</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, 2025 (in thousands)

Fund balances - total governmental funds (page 33)		\$ 14,979,901
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	\$ 7,725,894	
Construction in progress	2,803,772	
Buildings and improvements - net	6,593,715	
Equipment - net	473,522	
Intangible software - net	317,327	
Infrastructure - net	<u>3,122,634</u>	21,036,864
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	\$ 5,028	
Deferred outflows from OPEB	4,392,247	
Deferred outflows from pension	5,365,897	
Deferred inflows from gains on refunding of debt	(41,884)	
Deferred inflows from private-public partnerships	(80,496)	
Deferred inflows from OPEB	(7,430,991)	
Deferred inflows from pension	<u>(903,011)</u>	1,306,790
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	\$ (167,386)	
Deferred inflows from tobacco settlement revenues	167,386	
Deferred inflows from property taxes	349,047	
Deferred inflows from long-term receivables	<u>335,497</u>	684,544
Other long-term asset transactions are not available for the current period and are not recognized in governmental funds:		
Payables and receivables related to capital assets		521
Installment receivables from public-private and public-public partnerships		80,496
Accrued interest payable is not recognized in governmental funds		(14,646)
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	\$ (2,692,768)	
Unamortized premiums on bonds	(337,839)	
Accreted interest on bonds	(25,125)	
Lease liability	(1,729,981)	
Subscription liability	(102,514)	
Financed purchase obligations	(12,667)	
Liabilities for compensated absences	(2,456,754)	
Workers' compensation	(3,443,722)	
Litigation and self-insurance	(5,300,733)	
Pollution remediation obligation	(53,881)	
Net pension liability	(10,744,328)	
Net OPEB liability	(19,377,237)	
Third party payor liability	<u>(176,282)</u>	(46,453,831)
Assets and liabilities of internal service funds are included in governmental activities in the accompanying statement of net position.		<u>(1,201,006)</u>
Net position (deficit) of governmental activities (page 29)		<u>\$ (9,580,367)</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, 2025 (in thousands)

	GENERAL FUND	FIRE PROTECTION DISTRICT	FLOOD CONTROL DISTRICT	LA COUNTY LIBRARY	REGIONAL PARK AND OPEN SPACE DISTRICT
<b>REVENUES</b>					
Taxes	\$ 8,362,111	1,212,539	221,399	133,034	117,783
Licenses, permits and franchises	84,193	19,866	1,983	1	
Fines, forfeitures and penalties	194,420	4,430	1,238	610	403
Revenue from use of money and property:					
Investment income (Note 4)	672,828	10,338	17,923	7,484	40,072
Rents and concessions (Note 9)	78,798	25	6,064		
Lease revenue (Note 9)	69,360		1,370		
Royalties	24		528		
Intergovernmental revenues:					
Federal	5,719,093	9,095		2,422	
State	9,708,343	32,665	34,761	1,271	
Other	41,559	3,319	1,986	61	
Charges for services	3,115,813	390,074	118,502	906	86
Miscellaneous	306,481	3,194	243	8,848	
<b>TOTAL REVENUES</b>	<b>28,353,023</b>	<b>1,685,545</b>	<b>405,997</b>	<b>154,637</b>	<b>158,344</b>
<b>EXPENDITURES</b>					
Current:					
General government	2,457,743				
Public protection	7,352,778	1,682,360	525,474		
Public ways and facilities					
Health and sanitation	9,004,851				
Public assistance	9,424,888				
Education				175,437	
Recreation and cultural services	536,467				52,780
Debt service:					
Principal	156,458	4,343	1,444	1,389	
Interest and other charges	78,336	966	30	317	
Refunding escrow					
Capital outlay	331,174	13,580		5,909	
<b>TOTAL EXPENDITURES</b>	<b>29,342,695</b>	<b>1,701,249</b>	<b>526,948</b>	<b>183,052</b>	<b>52,780</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(989,672)</b>	<b>(15,704)</b>	<b>(120,951)</b>	<b>(28,415)</b>	<b>105,564</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in (Note 15)	1,774,470	62,856	55,000	47,545	
Transfers out (Note 15)	(703,741)	(57,829)	(4,517)	(6,073)	
Issuance of debt (Note 11)					
Refunding bonds issued (Note 11)					
Payment to refunded bonds escrow agent (Note 11)					
Debt premium (Note 11)					
Sales of capital assets	1,295	9	2,886	6	
Leases (Notes 5 and 9)	283,161	13,580		240	
Subscriptions (Notes 5 and 10)	48,013			5,669	
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>1,403,198</b>	<b>18,616</b>	<b>53,369</b>	<b>47,387</b>	
<b>NET CHANGE IN FUND BALANCES</b>	<b>413,526</b>	<b>2,912</b>	<b>(67,582)</b>	<b>18,972</b>	<b>105,564</b>
FUND BALANCES, JULY 1, 2024, as restated	7,692,709	259,143	269,931	168,403	790,514
FUND BALANCES, JUNE 30, 2025	\$ 8,106,235	262,055	202,349	187,375	896,078

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
\$	1,059,074	\$ 11,105,940	Taxes
	27,618	133,661	Licenses, permits and franchises
	30,412	231,513	Fines, forfeitures and penalties
			Revenue from use of money and property:
103,243	161,059	1,012,947	Investment income (Note 4)
	53,911	138,798	Rents and concessions (Note 9)
	283	71,013	Lease revenue (Note 9)
	3	555	Royalties
			Intergovernmental revenues:
	22,685	5,753,295	Federal
1,061,712	531,357	11,370,109	State
	18,566	65,491	Other
	437,377	4,062,758	Charges for services
	160,695	479,461	Miscellaneous
<u>1,164,955</u>	<u>2,503,040</u>	<u>34,425,541</u>	TOTAL REVENUES
			EXPENDITURES
			Current:
	12,522	2,470,265	General government
	293,825	9,854,437	Public protection
	569,981	569,981	Public ways and facilities
	267,443	9,272,294	Health and sanitation
	306,752	9,731,640	Public assistance
	596	176,033	Education
	21,955	611,202	Recreation and cultural services
			Debt service:
	277,600	441,234	Principal
	125,235	204,884	Interest and other charges
	21,607	21,607	Refunding escrow
	127,269	477,932	Capital outlay
<u></u>	<u>2,024,785</u>	<u>33,831,509</u>	TOTAL EXPENDITURES
<u>1,164,955</u>	<u>478,255</u>	<u>594,032</u>	EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES
			OTHER FINANCING SOURCES (USES)
	574,969	2,514,840	Transfers in (Note 15)
(972,758)	(1,369,042)	(3,113,960)	Transfers out (Note 15)
	566,086	566,086	Issuance of debt (Note 11)
	110,070	110,070	Refunding bonds issued (Note 11)
	(110,070)	(110,070)	Payment to refunded bonds escrow agent (Note 11)
	44,970	44,970	Debt premium (Note 11)
	1,435	5,631	Sales of capital assets
		296,981	Leases (Notes 5 and 9)
		53,682	Subscriptions (Notes 5 and 10)
<u>(972,758)</u>	<u>(181,582)</u>	<u>368,230</u>	TOTAL OTHER FINANCING SOURCES (USES)
192,197	296,673	962,262	NET CHANGE IN FUND BALANCES
1,548,725	3,288,214	14,017,639	FUND BALANCES, JULY 1, 2024, as restated
<u>\$ 1,740,922</u>	<u>3,584,887</u>	<u>\$ 14,979,901</u>	FUND BALANCES, JUNE 30, 2025

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, 2025 (in thousands)

Net change in fund balances - total governmental funds (page 37)		\$ 962,262
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	\$ 1,232,460	
Less - current year depreciation expense	(534,135)	
Expenditures for right-to-use lease and subscription assets	350,663	
Less - current year amortization expense	<u>(196,645)</u>	852,343
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.		(64,374)
Contribution of capital assets is not recognized in the governmental funds.		11,053
Amortization of gain or loss on refunding of debt is reported as interest expense in the governmental activities, but not reported for governmental funds.		(22,211)
Changes in unavailable revenues are reported as changes in deferred inflows of resources for governmental funds, but were recognized when earned for governmental activities.		154,436
Timing differences result in more or less expenses in the statement of activities for the change in unamortized bond premiums.		13,392
Issuance of long-term debt provides resources in the governmental funds, but increases long-term liabilities in the statement of net position.		(1,026,819)
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	\$ 72,011	
Notes, loans, and lease revenue obligation notes	206,829	
Other long-term notes, loans, leases and subscriptions	<u>162,394</u>	441,234
Payment to escrow agent for refunding		131,677
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	\$ (220,225)	
Change in litigation and self-insurance	(956,435)	
Change in pollution remediation obligation	1,255	
Change in liabilities for compensated absences	(101,112)	
Change in net pension liability, net of related deferred outflows of resources and deferred inflows of resources	12,741	
Change in net OPEB liability, net of related deferred outflows of resources and deferred inflows of resources	360,850	
Change in third party payor liability	(42,647)	
Change in accrued interest payable	(282)	
Change in accretion of tobacco settlement bonds	(5,592)	
Transfer of capital assets between governmental fund and enterprise fund	<u>(6,902)</u>	(958,349)
Internal service funds that are reported with governmental activities.		<u>31,879</u>
Change in net position of governmental activities (page 31)		<u><u>\$ 526,523</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, 2025 (in thousands)

	GENERAL FUND			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL ON BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<b>REVENUES</b>				
Taxes	\$ 8,180,326	8,186,072	8,379,989	193,917
Licenses, permits and franchises	76,484	76,560	85,084	8,524
Fines, forfeitures and penalties	146,830	147,988	194,420	46,432
Revenue from use of money and property:				
Investment income	285,177	319,151	531,780	212,629
Rents and concessions	139,569	154,498	147,267	(7,231)
Royalties			24	24
Intergovernmental revenues:				
Federal	5,797,108	6,075,818	5,580,257	(495,561)
State	10,091,785	10,447,228	9,693,267	(753,961)
Other	60,737	74,965	48,380	(26,585)
Charges for services	3,484,369	3,362,936	3,175,919	(187,017)
Miscellaneous	187,904	234,962	301,735	66,773
<b>TOTAL REVENUES</b>	<b>28,450,289</b>	<b>29,080,178</b>	<b>28,138,122</b>	<b>(942,056)</b>
<b>EXPENDITURES</b>				
Current:				
General government	3,958,039	3,724,365	1,949,204	1,775,161
Public protection	7,667,388	7,847,276	7,453,684	393,592
Health and sanitation	9,538,302	9,634,927	9,159,837	475,090
Public assistance	10,416,982	10,618,850	9,591,762	1,027,088
Recreation and cultural services	586,322	581,944	562,956	18,988
Debt service-				
Interest	23,701	23,701	23,701	
Capital outlay	2,025,594	2,292,155	588,144	1,704,011
<b>TOTAL EXPENDITURES</b>	<b>34,216,328</b>	<b>34,723,218</b>	<b>29,329,288</b>	<b>5,393,930</b>
<b>DEFICIENCY OF REVENUES OVER EXPENDITURES</b>	<b>(5,766,039)</b>	<b>(5,643,040)</b>	<b>(1,191,166)</b>	<b>4,451,874</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sales of capital assets	919	919	1,295	376
Transfers in	2,252,860	2,461,764	1,765,643	(696,121)
Transfers out	(607,092)	(541,567)	(540,077)	1,490
Appropriations for contingencies	(62,732)			
Changes in fund balance	(33,981)	(494,141)	(224,867)	269,274
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>1,549,974</b>	<b>1,426,975</b>	<b>1,001,994</b>	<b>(424,981)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(4,216,065)</b>	<b>(4,216,065)</b>	<b>(189,172)</b>	<b>4,026,893</b>
FUND BALANCE, JULY 1, 2024	4,216,065	4,216,065	4,216,065	
<b>FUND BALANCE, JUNE 30, 2025 (Note 16)</b>	<b>\$</b>		<b>4,026,893</b>	<b>4,026,893</b>

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, 2025 (in thousands)

	FIRE PROTECTION DISTRICT			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL ON BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<b>REVENUES</b>				
Taxes	\$ 1,231,163	1,231,163	1,216,177	(14,986)
Licenses, permits and franchises	20,685	20,685	19,866	(819)
Fines, forfeitures and penalties	3,746	3,746	4,430	684
Revenue from use of money and property:				
Investment income	2,016	2,016	5,564	3,548
Rents and concessions	17	17	25	8
Intergovernmental revenues:				
Federal	33,840	38,668	16,590	(22,078)
State	14,693	14,859	32,665	17,806
Other			3,319	3,319
Charges for services	322,137	327,051	390,074	63,023
Miscellaneous	492	492	3,194	2,702
<b>TOTAL REVENUES</b>	<b>1,628,789</b>	<b>1,638,697</b>	<b>1,691,904</b>	<b>53,207</b>
<b>EXPENDITURES</b>				
Current-Public protection:				
Salaries and employee benefits	1,434,283	1,470,642	1,447,999	22,643
Services and supplies	196,111	205,226	198,053	7,173
Other charges	42,132	31,132	23,560	7,572
Capital assets	20,079	25,377	21,946	3,431
<b>TOTAL EXPENDITURES</b>	<b>1,692,605</b>	<b>1,732,377</b>	<b>1,691,558</b>	<b>40,819</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(63,816)</b>	<b>(93,680)</b>	<b>346</b>	<b>94,026</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sales of capital assets	138	138	9	(129)
Transfers in	52,342	65,898	62,856	(3,042)
Transfers out	(42,399)	(55,430)	(55,372)	58
Appropriations for contingencies	(13,308)			
Changes in fund balance	(8,393)	7,638	3,817	(3,821)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(11,620)</b>	<b>18,244</b>	<b>11,310</b>	<b>(6,934)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(75,436)</b>	<b>(75,436)</b>	<b>11,656</b>	<b>87,092</b>
<b>FUND BALANCE, JULY 1, 2024</b>	<b>75,436</b>	<b>75,436</b>	<b>75,436</b>	
<b>FUND BALANCE, JUNE 30, 2025 (Note 16)</b>	<b>\$</b>		<b>87,092</b>	<b>87,092</b>

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, 2025 (in thousands)

	FLOOD CONTROL DISTRICT			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL ON BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<b>REVENUES</b>				
Taxes	\$ 218,406	218,406	222,154	3,748
Licenses, permits and franchises	1,739	1,739	1,983	244
Fines, forfeitures and penalties	2,305	2,305	1,238	(1,067)
Revenue from use of money and property:				
Investment income	16,967	16,967	9,998	(6,969)
Rents and concessions	6,589	6,589	7,434	845
Royalties	600	600	528	(72)
Intergovernmental revenues:				
Federal			10,287	10,287
State	9,204	9,204	34,761	25,557
Other	82	82	1,986	1,904
Charges for services	118,976	118,976	118,694	(282)
Miscellaneous	100	100	243	143
<b>TOTAL REVENUES</b>	<b>374,968</b>	<b>374,968</b>	<b>409,306</b>	<b>34,338</b>
<b>EXPENDITURES</b>				
Current-Public protection:				
Services and supplies	379,045	517,545	479,661	37,884
Other charges	6,573	8,573	4,548	4,025
Capital assets	1,840	1,840	853	987
Capital outlay	49,542	34,042	24,665	9,377
<b>TOTAL EXPENDITURES</b>	<b>437,000</b>	<b>562,000</b>	<b>509,727</b>	<b>52,273</b>
<b>DEFICIENCY OF REVENUES OVER EXPENDITURES</b>	<b>(62,032)</b>	<b>(187,032)</b>	<b>(100,421)</b>	<b>86,611</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sales of capital assets	10	10	2,886	2,876
Transfers in		55,000	55,000	
Transfers out	(10,078)	(10,078)	(4,517)	5,561
Changes in fund balance	12,526	82,526	84,288	1,762
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>2,458</b>	<b>127,458</b>	<b>137,657</b>	<b>10,199</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(59,574)</b>	<b>(59,574)</b>	<b>37,236</b>	<b>96,810</b>
<b>FUND BALANCE, JULY 1, 2024</b>	<b>59,574</b>	<b>59,574</b>	<b>59,574</b>	
<b>FUND BALANCE, JUNE 30, 2025 (Note 16)</b>	<b>\$</b>		<b>96,810</b>	<b>96,810</b>

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, 2025 (in thousands)

	LA COUNTY LIBRARY			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL ON BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<b>REVENUES</b>				
Taxes	\$ 125,489	132,387	133,450	1,063
Licenses, permits and franchises			1	1
Fines, forfeitures and penalties	375	375	610	235
Revenue from use of money and property:				
Investment income	1,200	4,202	5,879	1,677
Rents and concessions	15	15		(15)
Intergovernmental revenues:				
Federal	3,171	3,171	2,422	(749)
State	540	540	1,271	731
Other	130	130	61	(69)
Charges for services	3,474	3,474	906	(2,568)
Miscellaneous	584	584	8,848	8,264
<b>TOTAL REVENUES</b>	<b>134,978</b>	<b>144,878</b>	<b>153,448</b>	<b>8,570</b>
<b>EXPENDITURES</b>				
Current-Education:				
Salaries and employee benefits	137,311	132,859	115,691	17,168
Services and supplies	81,337	81,115	69,955	11,160
Other charges	1,913	2,613	1,971	642
Capital assets	1,620	1,620	847	773
<b>TOTAL EXPENDITURES</b>	<b>222,181</b>	<b>218,207</b>	<b>188,464</b>	<b>29,743</b>
<b>DEFICIENCY OF REVENUES OVER EXPENDITURES</b>	<b>(87,203)</b>	<b>(73,329)</b>	<b>(35,016)</b>	<b>38,313</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sales of capital assets	13	13	6	(7)
Transfers in	53,887	54,535	47,545	(6,990)
Transfers out	(775)	(5,397)	(5,397)	
Appropriations for contingencies		(9,900)		9,900
Changes in fund balance	(31,259)	(31,259)	(28,926)	2,333
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>21,866</b>	<b>7,992</b>	<b>13,228</b>	<b>5,236</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(65,337)</b>	<b>(65,337)</b>	<b>(21,788)</b>	<b>43,549</b>
FUND BALANCE, JULY 1, 2024	65,337	65,337	65,337	
<b>FUND BALANCE, JUNE 30, 2025 (Note 16)</b>	<b>\$</b>		<b>43,549</b>	<b>43,549</b>

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, 2025 (in thousands)

	REGIONAL PARK AND OPEN SPACE DISTRICT			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL ON BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES				
Taxes	\$ 117,261	117,261	117,783	522
Fines, forfeitures and penalties	951	951	403	(548)
Revenue from use of money and property-				
Investment income	8,855	8,855	31,637	22,782
Charges for services			104	104
TOTAL REVENUES	127,067	127,067	149,927	22,860
EXPENDITURES				
Current-Recreation and cultural services:				
Services and supplies	16,689	16,689	9,513	7,176
Other charges	223,993	253,993	66,583	187,410
TOTAL EXPENDITURES	240,682	270,682	76,096	194,586
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(113,615)	(143,615)	73,831	217,446
OTHER FINANCING SOURCES (USES)				
Transfers in	125,109	125,113	121,488	(3,625)
Transfers out	(125,109)	(125,113)	(121,488)	3,625
Changes in fund balance	(36,943)	(6,943)	(2,917)	4,026
TOTAL OTHER FINANCING SOURCES (USES)	(36,943)	(6,943)	(2,917)	4,026
NET CHANGE IN FUND BALANCE	(150,558)	(150,558)	70,914	221,472
FUND BALANCE, JULY 1, 2024	150,558	150,558	150,558	
FUND BALANCE, JUNE 30, 2025 (Note 16)	\$		221,472	221,472

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, 2025 (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	\$ 51,110	51,110	82,003	30,893
Intergovernmental revenues-				
State	877,252	877,252	1,061,712	184,460
TOTAL REVENUES	928,362	928,362	1,143,715	215,353
OTHER FINANCING SOURCES (USES)				
Transfers out	(1,321,533)	(1,321,710)	(972,758)	348,952
Appropriations for contingencies	(39,945)	(39,945)		39,945
Changes in fund balance	77,376	77,553	77,552	(1)
TOTAL OTHER FINANCING SOURCES (USES)	(1,284,102)	(1,284,102)	(895,206)	388,896
NET CHANGE IN FUND BALANCE	(355,740)	(355,740)	248,509	604,249
FUND BALANCE, JULY 1, 2024	355,740	355,740	355,740	
FUND BALANCE, JUNE 30, 2025 (Note 16)	\$		604,249	604,249

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, 2025 (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
<b>ASSETS</b>				
Current assets:				
Pooled cash and investments: (Notes 1 and 4)				
Operating	\$ 358,969	150,035	293,265	222,620
Other	10,327	5,676	13,321	3,288
Total pooled cash and investments	<u>369,296</u>	<u>155,711</u>	<u>306,586</u>	<u>225,908</u>
Taxes receivable				
Accounts receivable - net (Note 14)	633,304	269,818	995,510	268,979
Interest receivable	1,727	366	368	104
Lease receivable (Note 9)				
Other receivables	15,631	12,414	30,103	5,615
Due from other funds (Note 15)	380,482	363,109	1,851,513	588,690
Advances to other funds (Note 15)				
Inventories	12,176	8,076	14,382	3,374
Total current assets	<u>1,412,616</u>	<u>809,494</u>	<u>3,198,462</u>	<u>1,092,670</u>
Noncurrent assets:				
Restricted assets (Note 4)	299,454	5,871		6,369
Lease receivable (Note 9)				
Other receivables	420,200	279,848	810,909	48,187
Capital assets: (Notes 1, 5, 9 and 10)				
Land and easements	140	1,894	16,194	217
Buildings and improvements, equipment, and intangible software	789,850	417,688	1,276,827	584,714
Infrastructure				
Construction in progress	797,397			70,971
Lease assets	3,223	389	988	291
Subscription assets				
Subscription assets in development				
Less accumulated depreciation/amortization	(226,461)	(235,647)	(512,278)	(215,622)
Total capital assets - net	<u>1,364,149</u>	<u>184,324</u>	<u>781,731</u>	<u>440,571</u>
Total noncurrent assets	<u>2,083,803</u>	<u>470,043</u>	<u>1,592,640</u>	<u>495,127</u>
<b>TOTAL ASSETS</b>	<u>3,496,419</u>	<u>1,279,537</u>	<u>4,791,102</u>	<u>1,587,797</u>
<b>DEFERRED OUTFLOWS OF RESOURCES (Note 20)</b>				
	<u>452,001</u>	<u>264,384</u>	<u>646,581</u>	<u>157,046</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	197,685	71,821	288,566	125,086
Accrued payroll	36,315	23,478	59,133	11,152
Other payables	116,790	72,912	275,669	17,914
Accrued interest payable	10,967	1,772		616
Due to other funds (Note 15)	582,745	787,292	1,404,556	542,422
Advances from other funds (Note 15)	4,735	2,554	6,400	1,265
Advances payable	642	89	424	7
Current portion of long-term liabilities (Note 11)	316,037	79,454	150,275	57,142
Total current liabilities	<u>1,265,916</u>	<u>1,039,372</u>	<u>2,185,023</u>	<u>755,604</u>
Noncurrent liabilities:				
Liabilities for compensated absences (Note 11)	68,215	44,058	100,699	17,320
Bonds and notes (Note 11)	773,635	53,900		186,572
Lease liability (Note 9 and 11)	972	68	191	50
Subscription liability (Note 10 and 11)				
Workers' compensation (Notes 11 and 18)	117,998	48,563	176,243	33,788
Litigation and self-insurance (Notes 11 and 18)	111	9	3,294	
Net pension liability (Notes 7 and 11)	551,984	319,169	753,319	168,606
Net OPEB liability (Notes 8 and 11)	1,002,559	596,205	1,539,078	336,136
Third party payor (Notes 11 and 14)	98,846	89,546	182,807	21,048
Total noncurrent liabilities	<u>2,614,320</u>	<u>1,151,518</u>	<u>2,755,631</u>	<u>763,520</u>
<b>TOTAL LIABILITIES</b>	<u>3,880,236</u>	<u>2,190,890</u>	<u>4,940,654</u>	<u>1,519,124</u>
<b>DEFERRED INFLOWS OF RESOURCES (Note 20)</b>				
	<u>508,411</u>	<u>321,492</u>	<u>734,646</u>	<u>153,840</u>
<b>NET POSITION</b>				
Net investment in capital assets	657,566	130,448	781,226	229,937
Restricted - Debt service	49,316		411	41,912
Unrestricted (deficit)	(1,147,109)	(1,098,909)	(1,019,254)	(199,970)
<b>TOTAL NET POSITION (DEFICIT) (Note 3)</b>	<u>\$ (440,227)</u>	<u>(968,461)</u>	<u>(237,617)</u>	<u>71,879</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	
\$ 152,322	11,693	\$ 1,188,904	\$	87,856
5,261	221	38,094		9,868
157,583	11,914	1,226,998		97,724
1,127		1,127		
16,838	824	2,185,273		
310	28	2,903		192
	878	878		
3,765		67,528		25,991
4,071	429	3,188,294		140,460
1,538	262	1,800		
	144	38,152		12,211
185,232	14,479	6,712,953		276,578
		311,694		4,423
	17,978	17,978		
		1,559,144		
13,922	134,692	167,059		
124,708	43,796	3,237,583		300,244
1,228,087	96,755	1,324,842		
88,320	1,429	958,117		
		4,891		1,373
				1,562
				513
(847,896)	(89,449)	(2,127,353)		(173,323)
607,141	187,223	3,565,139		130,369
607,141	205,201	5,453,955		134,792
792,373	219,680	12,166,908		411,370
		1,520,012		426,991
614	313	684,085		14,265
		130,078		27,677
	63	483,348		2,981
	12	13,367		609
9,280	858	3,327,153		68,303
		14,954		22,000
25		1,187		26
328	123	603,359		69,163
10,247	1,369	5,257,531		205,024
		230,292		62,371
7,652	820	1,022,579		5,000
		1,281		517
				819
		376,592		59,371
		3,414		
		1,793,078		445,264
		3,473,978		911,402
		392,247		
7,652	820	7,293,461		1,484,744
17,899	2,189	12,550,992		1,689,768
	18,856	1,737,245		349,599
599,161	186,280	2,584,618		103,109
		91,639		
175,313	12,355	(3,277,574)		(1,304,115)
\$ 774,474	198,635	\$ (601,317)	\$	(1,201,006)

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

Subscription assets in development

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:

Liabilities for compensated absences (Note 11)

Bonds and notes (Note 11)

Lease liability (Note 9 and 11)

Subscription liability (Note 10 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, 2025 (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)	\$ 1,544,499	879,713	2,541,238	486,719
Charges for services				
Other (Note 14)	52,716	34,957	65,788	5,129
<b>TOTAL OPERATING REVENUES</b>	<b>1,597,215</b>	<b>914,670</b>	<b>2,607,026</b>	<b>491,848</b>
OPERATING EXPENSES:				
Salaries and employee benefits	803,121	521,877	1,330,234	254,863
Services and supplies	261,669	144,643	367,030	48,672
Other professional services	341,392	222,462	471,200	89,971
Depreciation and amortization (Note 5)	21,123	12,871	34,468	15,287
<b>TOTAL OPERATING EXPENSES</b>	<b>1,427,305</b>	<b>901,853</b>	<b>2,202,932</b>	<b>408,793</b>
<b>OPERATING INCOME (LOSS)</b>	<b>169,910</b>	<b>12,817</b>	<b>404,094</b>	<b>83,055</b>
NONOPERATING REVENUES (EXPENSES):				
Taxes				
Investment income	29,006	7,902	13,649	3,285
Gain (loss) on disposal of property	(199)	(16)	(316)	(57)
Lease and interest revenue				
Interest expense	(46,893)	(4,367)	(389)	(10,975)
Intergovernmental transfers expense (Note 14)	(299,484)	(207,141)	(655,734)	(141,609)
Intergovernmental revenues:				
State				
Federal				
Other				
<b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>	<b>(317,570)</b>	<b>(203,622)</b>	<b>(642,790)</b>	<b>(149,356)</b>
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS</b>	<b>(147,660)</b>	<b>(190,805)</b>	<b>(238,696)</b>	<b>(66,301)</b>
Capital contributions	2,703	1,270	2,562	368
Transfers in (Note 15)	177,383	277,879	1,098,291	434,913
Transfers out (Note 15)	(85,821)	(579,919)	(592,348)	(134,865)
<b>CHANGE IN NET POSITION</b>	<b>(53,395)</b>	<b>(491,575)</b>	<b>269,809</b>	<b>234,115</b>
<b>NET POSITION (DEFICIT), JULY 1, 2024, as restated</b>	<b>(386,832)</b>	<b>(476,886)</b>	<b>(507,426)</b>	<b>(162,236)</b>
<b>NET POSITION (DEFICIT), JUNE 30, 2025</b>	<b>\$ (440,227)</b>	<b>(968,461)</b>	<b>(237,617)</b>	<b>71,879</b>

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	
\$		\$ 5,452,169	\$	OPERATING REVENUES:
123,077	1,317	124,394	843,215	Net patient service revenues (Note 14)
42	173	158,805		Charges for services
123,119	1,490	5,735,368	843,215	Other (Note 14)
				TOTAL OPERATING REVENUES
		2,910,095	642,559	OPERATING EXPENSES:
101,325	11,254	934,593	65,519	Salaries and employee benefits
4,798	1,692	1,131,515	92,875	Services and supplies
23,651	3,300	110,700	22,542	Other professional services
129,774	16,246	5,086,903	823,495	Depreciation and amortization (Note 5)
(6,655)	(14,756)	648,465	19,720	TOTAL OPERATING EXPENSES
				OPERATING INCOME (LOSS)
9,990		9,990		NONOPERATING REVENUES (EXPENSES):
7,603	692	62,137	1,788	Taxes
		(588)	195	Investment income
	11,289	11,289	6,943	Gain (loss) on disposal of property
(160)	(29)	(62,813)	(1,387)	Lease and interest revenue
		(1,303,968)		Interest expense
366	10	376		Intergovernmental transfers expense (Note 14)
59	623	682		Intergovernmental revenues:
267		267		State
18,125	12,585	(1,282,628)	7,539	Federal
11,470	(2,171)	(634,163)	27,259	Other
240		7,143		TOTAL NONOPERATING REVENUES (EXPENSES)
(1,009)	(4)	(1,393,966)	(1,921)	INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS
10,701	(2,175)	(32,520)	31,879	Capital contributions
763,773	200,810	(568,797)	(1,232,885)	Transfers in (Note 15)
\$ 774,474	198,635	\$ (601,317)	\$ (1,201,006)	Transfers out (Note 15)
				CHANGE IN NET POSITION
				NET POSITION (DEFICIT), JULY 1, 2024, as restated
				NET POSITION (DEFICIT), JUNE 30, 2025

COUNTY OF LOS ANGELES  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2025 (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
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash received from patient services	\$ 1,447,255	803,067	1,446,743	98,130
Cash received from charges for services				
Other operating revenues	52,716	34,957	65,788	5,129
Cash received for services provided to other funds	96,263	86,949	82,973	438
Cash paid for salaries and employee benefits	(744,222)	(483,539)	(1,102,489)	(246,988)
Cash (paid) returned for services and supplies	(97,390)	(94,877)	44,054	(22,819)
Other operating expenses	(342,651)	(223,295)	(475,684)	(89,971)
Cash (paid) returned for services from other funds	(90,481)	421,013	(159,100)	124,903
Net cash provided by (required for) operating activities	<u>321,490</u>	<u>544,275</u>	<u>(97,715)</u>	<u>(131,178)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Cash advances received from other funds	252,500	67,914	1,205,757	6
Cash advances paid to other funds	(252,500)	(67,926)	(1,205,776)	
Interest paid on advances	(233)	(26)	(340)	
Intergovernmental transfers paid	(299,484)	(207,141)	(655,734)	(141,609)
Intergovernmental receipts				
Transfers in	260,172	221,616	1,294,294	564,406
Transfers out	(85,821)	(579,919)	(592,348)	(134,865)
Net cash provided by (required for) noncapital financing activities	<u>(125,366)</u>	<u>(565,482)</u>	<u>45,853</u>	<u>287,938</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Proceeds from taxes				
Proceeds from bonds and notes	669,924	3,298	94	26,526
Interest paid on capital borrowing	(46,787)	(4,410)	(50)	(11,601)
Lease and interest revenue				
Principal payments on bonds and notes	(247,803)	(5,587)	(1,057)	(29,425)
Leases paid	(676)	(78)	(211)	(57)
Subscriptions paid				
Proceeds from bond premiums	60,440			
Acquisition and construction of capital assets	(376,661)	(5,304)	(19,580)	(3,839)
Net cash provided by (required for) capital and related financing activities	<u>58,437</u>	<u>(12,081)</u>	<u>(20,804)</u>	<u>(18,396)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Investment income	28,698	8,017	14,920	3,552
Net increase (decrease) in cash and cash equivalents	283,259	(25,271)	(57,746)	141,916
Cash and cash equivalents, July 1, 2024, as restated	385,491	186,853	364,332	90,361
Cash and cash equivalents, June 30, 2025	<u>\$ 668,750</u>	<u>161,582</u>	<u>306,586</u>	<u>232,277</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	
				CASH FLOWS FROM OPERATING ACTIVITIES
\$		\$ 3,795,195	\$	Cash received from patient services
121,934	1,190	123,124	101,656	Cash received from charges for services
42	173	158,805		Other operating revenues
		266,623	738,102	Cash received for services provided to other funds
		(2,577,238)	(650,124)	Cash paid for salaries and employee benefits
(105,568)	(11,319)	(287,919)	(47,588)	Cash (paid) returned for services and supplies
(5,343)	(1,692)	(1,138,636)	(92,875)	Other operating expenses
		296,335		Cash (paid) returned for services from other funds
11,065	(11,648)	636,289	49,171	Net cash provided by (required for) operating activities
		1,526,177		CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES
(94)	(5)	(1,526,301)	(115)	Cash advances received from other funds
		(599)		Cash advances paid to other funds
		(1,303,968)		Interest paid on advances
692	633	1,325		Intergovernmental transfers paid
		2,340,488	6,541	Intergovernmental receipts
(1,009)	(4)	(1,393,966)	(1,921)	Transfers in
(411)	624	(356,844)	4,505	Transfers out
				Net cash provided by (required for) noncapital financing activities
				CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES
9,802		9,802		Proceeds from taxes
		699,842	20,000	Proceeds from bonds and notes
(160)	(31)	(63,039)	(1,119)	Interest paid on capital borrowing
	11,289	11,289	6,943	Lease and interest revenue
(541)	(121)	(284,534)	(5,000)	Principal payments on bonds and notes
		(1,022)	(689)	Leases paid
		60,440	(160)	Subscriptions paid
(13,306)	(1,300)	(419,990)	(26,577)	Proceeds from bond premiums
(4,205)	9,837	12,788	(6,602)	Acquisition and construction of capital assets
				Net cash provided by (required for) capital and related financing activities
				CASH FLOWS FROM INVESTING ACTIVITIES
7,725	702	63,614	1,745	Investment income
14,174	(485)	355,847	48,819	Net increase (decrease) in cash and cash equivalents
143,409	12,399	1,182,845	53,328	Cash and cash equivalents, July 1, 2024, as restated
\$ 157,583	11,914	\$ 1,538,692	\$ 102,147	Cash and cash equivalents, June 30, 2025

Continued...

COUNTY OF LOS ANGELES  
STATEMENT OF CASH FLOWS - Continued  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2025 (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
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (REQUIRED FOR) OPERATING ACTIVITIES:</b>				
Operating income (loss)	\$ 169,910	12,817	404,094	83,055
Adjustments to reconcile operating income (loss) to net cash provided by (required for) operating activities:				
Depreciation and amortization	21,123	12,871	34,468	15,287
(Increase) decrease in:				
Accounts receivable - net	146,076	205,547	43,446	(59,219)
Other receivables	(67,951)	(118,867)	(409,562)	73,558
Due from other funds	(60,522)	(125,141)	(636,328)	(403,897)
Inventories	1,904	(2,280)	1,425	(1,285)
Increase (decrease) in:				
Accounts payable	(82,767)	(116,257)	1,825	(37,828)
Accrued payroll	(2,729)	2,025	6,274	804
Other payables	112,152	70,621	271,530	16,619
Liabilities for compensated absences	(8,416)	5,249	14,178	1,473
Due to other funds	154,661	589,316	248,734	189,869
Advances payable	30			
Workers' compensation	2,468	2,180	5,413	1,406
Litigation and self-insurance	(1,259)	(833)	(4,484)	
Net pension liability and related changes in deferred outflows and inflows of resources	(3,986)	(4,764)	(4,728)	(602)
Net OPEB liability and related changes in deferred outflows and inflows of resources	(44,029)	(36,332)	(62,860)	(11,574)
Third party payor	(15,175)	48,123	(11,140)	1,156
<b>TOTAL ADJUSTMENTS</b>	<b>151,580</b>	<b>531,458</b>	<b>(501,809)</b>	<b>(214,233)</b>
<b>NET CASH PROVIDED BY (REQUIRED FOR) OPERATING ACTIVITIES</b>	<b>\$ 321,490</b>	<b>544,275</b>	<b>(97,715)</b>	<b>(131,178)</b>
<b>SCHEDULE OF NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:</b>				
Contributions of capital assets	\$ 2,703	1,270	2,562	368
Gain (loss) on disposal of capital assets	(199)	(16)	(316)	(57)
Lease asset acquisition				
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION:</b>				
Pooled cash and investments	\$ 369,296	155,711	306,586	225,908
Restricted assets	299,454	5,871		6,369
<b>TOTAL</b>	<b>\$ 668,750</b>	<b>161,582</b>	<b>306,586</b>	<b>232,277</b>

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

\$ (6,655)	(14,756)	\$ 648,465	\$ 19,720
23,651	3,300	110,700	22,542
345	(38)	336,157	
(1)		(522,823)	(12,945)
(1,487)	(89)	(1,227,464)	6,082
	41	(195)	(1,181)
(3,724)	(37)	(238,788)	6,320
		6,374	1,442
	3	470,925	102
		12,484	2,402
(519)	(72)	1,181,989	12,792
		30	
		11,467	2,263
(545)		(7,121)	
		(14,080)	1,339
		(154,795)	(11,707)
		22,964	
17,720	3,108	(12,176)	29,451
\$ 11,065	(11,648)	\$ 636,289	\$ 49,171

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
Liabilities for 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:

\$ 240		\$ 7,143	
		(588)	195
			462
\$ 157,583	11,914	\$ 1,226,998	\$ 97,724
		311,694	4,423
\$ 157,583	11,914	\$ 1,538,692	\$ 102,147

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, 2025 (in thousands)

	PENSION AND OTHER POSTEMPLOYMENT BENEFIT TRUST	INVESTMENT TRUST	CUSTODIAL	
			EXTERNAL INVESTMENT POOLS	OTHER CUSTODIAL
<b>ASSETS</b>				
Pooled cash and investments (Note 4)	\$ 149,812	348,608	35,476,480	1,700,890
Other investments: (Note 4)			210,786	307
Short-term investments	2,675,466			
Equity	30,397,552			
Fixed income	27,925,172			
Private equity	13,845,873			
Real estate	4,578,663			
Real assets	4,056,916			
Hedge funds	6,497,104			
Cash collateral on loaned securities	2,548,885			
Taxes receivable				1,157,691
Interest receivable	279,357	318	53,138	
Other receivables	1,534,517			383,249
Due from other governments				26
<b>TOTAL ASSETS</b>	<b>94,489,317</b>	<b>348,926</b>	<b>35,740,404</b>	<b>3,242,163</b>
<b>LIABILITIES</b>				
Accounts payable	620,395			3,472
Other payables (Note 4)	2,645,297			1,110,287
Due to other governments				120,023
<b>TOTAL LIABILITIES</b>	<b>3,265,692</b>			<b>1,233,782</b>
<b>NET POSITION</b>				
Restricted for:				
Pension	86,187,618			
OPEB	5,036,007			
Individuals, organizations and other governments		348,926	35,740,404	2,008,381
<b>TOTAL NET POSITION</b>	<b>\$ 91,223,625</b>	<b>348,926</b>	<b>35,740,404</b>	<b>2,008,381</b>

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, 2025 (in thousands)

	PENSION AND OTHER POSTEMPLOYMENT BENEFIT TRUST	INVESTMENT TRUST	CUSTODIAL	
			EXTERNAL INVESTMENT POOLS	OTHER CUSTODIAL
<b>ADDITIONS</b>				
Contributions:				
Pension and OPEB trust contributions:				
Employer	\$ 4,130,934			
Member	973,463			
Contributions to investment trust and custodial funds		43,424	68,504,354	29,230,830
Total contributions	5,104,397	43,424	68,504,354	29,230,830
Investment earnings:				
Investment income	5,313,481	22,120	1,637,274	
Net increase in the fair value of investments	3,609,175			
Securities lending income (Note 4)	141,680			
Total investment earnings	9,064,336	22,120	1,637,274	
Less - Investment expenses:				
Expense from investing activities	176,728			
Expense from securities lending activities (Note 4)	123,717			
Total net investment expense	300,445			
Net investment earnings	8,763,891	22,120	1,637,274	
Other additions				3,105,164
Miscellaneous	6,770			
<b>TOTAL ADDITIONS</b>	<b>13,875,058</b>	<b>65,544</b>	<b>70,141,628</b>	<b>32,335,994</b>
<b>DEDUCTIONS</b>				
Administrative expenses:				
Salaries and employee benefits	93,579			
Services and supplies	34,506			
Total administrative expenses	128,085			
Benefit payments	5,661,309			
Distributions from investment trust and custodial funds		99,220	70,403,031	29,187,661
Other deductions				3,069,774
Miscellaneous	42,135			
<b>TOTAL DEDUCTIONS</b>	<b>5,831,529</b>	<b>99,220</b>	<b>70,403,031</b>	<b>32,257,435</b>
<b>CHANGE IN NET POSITION</b>	<b>8,043,529</b>	<b>(33,676)</b>	<b>(261,403)</b>	<b>78,559</b>
<b>NET POSITION, JULY 1, 2024</b>	<b>83,180,096</b>	<b>382,602</b>	<b>36,001,807</b>	<b>1,929,822</b>
<b>NET POSITION, JUNE 30, 2025</b>	<b>\$ 91,223,625</b>	<b>348,926</b>	<b>35,740,404</b>	<b>2,008,381</b>

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, 2025 (in thousands)

	LOS ANGELES COUNTY DEVELOPMENT AUTHORITY	FIRST 5 LA	TOTAL
<b>ASSETS</b>			
Pooled cash and investments-			
Operating (Notes 1 and 4)	\$ 44,005	263,967	\$ 307,972
Other investments (Note 4)	797,859		797,859
Accounts receivable - net	24,422		24,422
Interest receivable		826	826
Lease receivable	6,405		6,405
Other receivables	38,759	9,197	47,956
Inventories	5,580		5,580
Restricted assets (Note 4)	17,841		17,841
Net pension asset	5,909		5,909
Capital assets: (Notes 1 and 5)			
Capital assets, not being depreciated/amortized	93,322	2,551	95,873
Capital assets, net of accumulated depreciation/amortization	107,079	10,836	117,915
Total capital assets	200,401	13,387	213,788
<b>TOTAL ASSETS</b>	<b>1,141,181</b>	<b>287,377</b>	<b>1,428,558</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<b>20,700</b>		<b>20,700</b>
<b>LIABILITIES</b>			
Accounts payable	23,121	11,775	34,896
Other payables	9,663		9,663
Advances payable	4,469		4,469
Long-term liabilities: (Note 11)			
Due within one year	11,004	112	11,116
Due in more than one year	112,243	1,984	114,227
<b>TOTAL LIABILITIES</b>	<b>160,500</b>	<b>13,871</b>	<b>174,371</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<b>14,857</b>		<b>14,857</b>
<b>NET POSITION</b>			
Net investment in capital assets	159,705	13,387	173,092
Restricted for:			
Community development	737,328		737,328
Unrestricted	89,491	260,119	349,610
<b>TOTAL NET POSITION</b>	<b>\$ 986,524</b>	<b>273,506</b>	<b>\$ 1,260,030</b>

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, 2025 (in thousands)

	LOS ANGELES COUNTY DEVELOPMENT AUTHORITY	FIRST 5 LA	TOTAL
PROGRAM (EXPENSES) REVENUES:			
Expenses	\$ (888,372)	(81,450)	\$ (969,822)
Program revenues:			
Charges for services	38,739		38,739
Operating grants and contributions	881,869	57,284	939,153
Capital grants and contributions	13,181		13,181
Net program (expenses) revenues	45,417	(24,166)	21,251
GENERAL REVENUES:			
Investment income	37,771	10,239	48,010
CHANGE IN NET POSITION	83,188	(13,927)	69,261
NET POSITION, JULY 1, 2024, as restated	903,336	287,433	1,190,769
NET POSITION, JUNE 30, 2025	<u>\$ 986,524</u>	<u>273,506</u>	<u>\$ 1,260,030</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, 2025

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	Los Angeles County Facilities 2 Inc. (LACF2)
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 NPC in which the primary government is the sole corporate member, as identified in LACCAL's articles of incorporation or by laws, 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, 2025

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.

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 \$205.90 million of tax exempt lease revenue bonds and \$6.23 million of taxable lease revenue bonds to be used to finance the construction of the Vermont Corridor Site 2, a County Administration Building. LACF2 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](http://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.

COUNTY OF LOS ANGELES  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-Continued

Discretely Presented Component Units-Continued

Los Angeles County Development Authority-Continued

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.

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 <https://www.first5la.org/article/first-5-la-annual-comprehensive-financial-report/> or by writing to First 5 LA at 750 N. Alameda Street, Suite 300, Los Angeles, California 90012.

COUNTY OF LOS ANGELES  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-Continued

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 at <https://www.lacoe.edu/services/business/forms> or by writing to the Los Angeles County Office of Education at 9300 Imperial Highway, Downey, California 90242-2890.

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.

COUNTY OF LOS ANGELES  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-Continued

Government-wide Financial Statements-Continued

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, 2025, the restricted net position balances were \$5.905 billion and \$91.64 million for governmental activities and business-type activities, respectively. For governmental activities, \$1.268 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.

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.

COUNTY OF LOS ANGELES  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-Continued

Fund Financial Statements-Continued

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.

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.

COUNTY OF LOS ANGELES  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-Continued

Fund Financial Statements-Continued

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, 2025

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, 2025

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, 2025

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

The County is legally required to adopt an annual budget 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. The Board also adopts subsequent revisions that occur throughout the year. All annual appropriations lapse at fiscal year-end. Budgets are adopted for the major governmental funds and certain nonmajor governmental funds on a basis of accounting that is different than 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's legal level of budgetary control (i.e. the level at which expenditures may not legally exceed appropriation) is at the fund, department, budget unit and object level. 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 budget unit and object level, except for capital asset expenditures, which are controlled at the sub-object level within the Fund. 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, department, budget unit and object level for the year ended June 30, 2025.

The County prepares a separate budgetary document which demonstrates legal compliance with the budgetary control at the fund, department, budget unit, and object level. Presentation of the basic financial statements at the legal level is not feasible due to excessive length; therefore, the budget and actual statements have been aggregated by function. The County Final Budget Appendix B, that demonstrates legal compliance with budgetary control, 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.

COUNTY OF LOS ANGELES  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-Continued

Budgetary Data -Continued

The Board must approve budget amendments or transfers of appropriations between fund, department, budget unit, and object level. 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 fund, department and 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.

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) 2024-2025 assessed valuation of the County approximated \$2.123 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 13,197 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, 2025

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 of the successor agencies. 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, 2025, the County's share of residual property tax revenues was \$486.69 million, of which \$403.68 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, 2025, 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, 2025

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, 2025

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, 2025

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 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 utilize the benefit during their employments or 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, 2025

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, 2023 rolled forward to June 30, 2024

Measurement Date - June 30, 2024

Measurement Period - July 1, 2023 to June 30, 2024

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, 2023 rolled forward to June 30, 2024

Measurement Date - June 30, 2024

Measurement Period - July 1, 2023 to June 30, 2024

COUNTY OF LOS ANGELES  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025

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, 2024

Measurement Date - June 30, 2024

Measurement Period - July 1, 2023 to June 30, 2024

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, 2025

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, 2025

2. NEW ACCOUNTING PRONOUNCEMENTS

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

GASB Statement No. 101 - Statement No. 101, "Compensated Absences", provides an updated framework to meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This statement is effective for reporting periods beginning after December 15, 2023. See below for the restatement of net position due to the implementation of this statement.

GASB Statement No. 102 - Statement No. 102, "Certain Risk Disclosures" enhances financial reporting by requiring state and local governments to disclose risks stemming from certain concentrations and constraints that may make them vulnerable to substantial financial impacts. This statement is effective for reporting periods beginning after June 15, 2024. This statement did not have a material impact to the financial statements. We will apply the statement as appropriate in the future.

Restatement of Net Position

Change in Accounting Policy - GASB 101

The County implemented GASB 101 during the fiscal year, which resulted in a restatement of net position. Net position at July 1, 2024, as restated is shown in the tables below.

Change to or within the Financial Reporting Entity

Martin Luther King, Jr. ambulatory care operations and related assets and liabilities were transferred from the Harbor-UCLA Medical Center Hospital Enterprise Fund and business-type activities to the Capital Projects Public Buildings Fund and governmental activities under the Ambulatory Care Network as of July 1, 2024. Net position and fund balance at July 1 2024, as restated are shown in the tables below.

Error Correction

In FY 2023-2024, there was a change to or within the financial entity where Recuperative Care Centers were transferred from the hospitals to the new Health Services - Community Programs department. Capital assets were transferred from the Hospital Enterprise Funds and business-type activities to governmental activities. However, the corresponding bond-related assets and liabilities were not transferred. In FY 2024-2025, the Lease Revenue Bonds, 2021 Series F, assets and liabilities for the Olive View-UCLA Medical Center, Los Angeles General Medical Center, and Rancho Los Amigos National Rehabilitation Center Recuperative Care Centers were transferred from the Hospital Enterprise Funds and business-type activities to governmental activities under the Health Services - Community Programs department. The effect of the corrected balances to the prior year change in net position is immaterial. Net position and fund balance at July 1, 2024, as restated are shown in the tables below.

COUNTY OF LOS ANGELES  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025

2. NEW ACCOUNTING PRONOUNCEMENTS-Continued

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

	Government-wide		Discretely Presented Component Units	
	Governmental Activities	Business- type Activities	LACDA	First 5 LA
Net position at July 1, 2024, as previously reported	\$ (9,952,635)	\$ (494,739)	\$ 905,277	\$ 287,723
Change in accounting policy	(189,852)	(38,461)	(1,941)	(290)
Change to or within the Financial Reporting Entity	80,979	(80,979)		
Error Correction	(45,382)	45,382		
Net position at July 1, 2024, as restated	<u>\$ (10,106,890)</u>	<u>\$ (568,797)</u>	<u>\$ 903,336</u>	<u>\$ 287,433</u>

See Notes 5 and 11 for information on the restatements of financial statement line items.

	Proprietary Funds				Capital Projects	Governmental Activities-ISF
	Harbor- UCLA Medical Center	Olive View- UCLA Medical Center	Los Angeles General Medical Center	Rancho Los Amigos National Rehab Center	Public Buildings	Public Works
Net position/fund balance at July 1, 2024, as previously reported	\$ (293,983)	\$(485,777)	\$ (504,769)	\$ (174,793)	\$ 17,039	\$ (1,226,043)
Change in accounting policy	(11,870)	(6,591)	(16,800)	(3,200)		(10,351)
Change to or within the Financial Reporting Entity	(80,979)				59	
Error Correction		15,482	14,143	15,757	3,119	
Net position/fund balance at July 1, 2024, as restated	<u>\$ (386,832)</u>	<u>\$(476,886)</u>	<u>\$ (507,426)</u>	<u>\$ (162,236)</u>	<u>\$ 20,217</u>	<u>\$ (1,236,394)</u>

3. DEFICIT NET POSITION

The following activities/funds had a net deficit at June 30, 2025 (in thousands):

<u>Government-wide:</u>	<u>Accumulated Deficit</u>
Governmental Activities	\$ 9,580,367
Business-type Activities	601,317
<u>Enterprise Funds:</u>	
Harbor-UCLA Medical Center	440,227
Olive View-UCLA Medical Center	968,461
Los Angeles General Medical Center	237,617
<u>Internal Service Funds:</u>	
Public Works	1,203,029

COUNTY OF LOS ANGELES  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025

3. DEFICIT NET POSITION-Continued

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

4. CASH AND INVESTMENTS

Investments in the County's cash and investment pool, other cash and investments, and Pension and OPEB Trust Funds investments, are stated at fair value. Aggregate pooled cash and investments and other cash and investments are as follows at June 30, 2025 (in thousands):

	Pooled Cash and Investments	Other Investments	Restricted Assets		Total
			Pooled Cash and Investments	Other Investments	
Governmental Funds	\$ 18,340,522	254,039			\$ 18,594,561
Proprietary Funds	1,324,722		75,976	240,141	1,640,839
Fiduciary Funds (excluding Pension and OPEB)	37,525,978	211,093			37,737,071
Pension and OPEB Trust Funds	149,812	92,525,631			92,675,443
Discretely Presented Component Units	307,972	797,859		17,841	1,123,672
<b>Total</b>	<b>\$ 57,649,006</b>	<b>93,788,622</b>	<b>75,976</b>	<b>257,982</b>	<b>\$ 151,771,586</b>

A summary of cash and investments (by type) as of June 30, 2025 is as follows (in thousands):

Cash:		Cash and investments are reported as follows:	
County		Governmental Funds	\$ 18,594,561
Imprest Cash	\$ 10,198	Proprietary Funds	1,640,839
Cash in Vault	647	Investment Trust Fund	348,608
Cash in Bank	276,655	Custodial Funds	37,388,463
Deposits in Transit	31,959	Pension and OPEB Trust Funds (LACERA)	92,675,443
Held by Outside Trustees	1	Discretely presented component units:	
LACDA	33,248	First 5 LA	263,967
<b>Total Cash</b>	<b>352,708</b>	LACDA	859,705
		<b>Total Cash and Investments</b>	<b>\$ 151,771,586</b>
Investments:			
In Treasury Pool	57,405,521		
In Specific Purpose Investment (SPI)	212,464		
In Other Specific Investments	309		
Held by Outside Trustees	492,501		
In LACERA	92,525,631		
In Discretely Presented Component Unit - LACDA	782,452		
<b>Total Investments</b>	<b>151,418,878</b>		
<b>Total Cash and Investments</b>	<b>\$ 151,771,586</b>		

COUNTY OF LOS ANGELES  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025

4. CASH AND INVESTMENTS-Continued

County Treasurer Cash

As of June 30, 2025, the County Treasurer (Treasurer) maintained accounts in six banks. The carrying amount of the Treasurer's total deposits in financial institutions was \$276.66 million, deposits in transit were \$31.96 million, and cash in the Treasurer's vault was \$647 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, 2025.

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, 2025, 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, 2025

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. Fifty-seven percent (57.31%) 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 \$210.79 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, 2025, the total amount invested by all California local governments and special districts in LAIF was \$24.489 billion. LAIF is part of the State of California's Pooled Money Investment Account (PMIA), which as of June 30, 2025 had a balance of \$178.131 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 \$6.788 billion at June 30, 2025. Collectively, these represent 3.81% of the PMIA balance of \$178.131 billion. The SPI holdings in the LAIF investment pool as of June 30, 2025, were \$44.12 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, 2025

4. CASH AND INVESTMENTS-Continued

County Investment Pool-Continued

The Treasurer has the following recurring fair value measurements as of June 30, 2025 (in thousands):

<u>Pool</u>	Fair Value	Fair Value Measurement Using			External Government Investment Pool
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Commercial Paper	\$ 17,097,095	\$	\$ 17,097,095	\$	\$
Los Angeles County Securities	29,087			29,087	
Negotiable Certificates of Deposit	2,049,935		2,049,935		
U.S. Agency Securities	23,470,047		23,470,047		
U.S. Treasury Securities:					
U.S. Treasury Notes	2,082,562		2,082,562		
U.S. Treasury Bills	12,676,513		12,676,513		
Municipals	282		282		
Total Investments	<u>\$ 57,405,521</u>	<u>\$</u>	<u>\$ 57,376,434</u>	<u>\$ 29,087</u>	<u>\$</u>
<u>SPI</u>					
Local Agency Investment Fund	\$ 44,116	\$	\$	\$	\$ 44,116
Los Angeles County Securities	1,678			1,678	
U.S. Agency Securities	52,552		52,552		
U.S. Treasury Securities:					
U.S. Treasury Bills	114,118		114,118		
Total Investments	<u>\$ 212,464</u>	<u>\$</u>	<u>\$ 166,670</u>	<u>\$ 1,678</u>	<u>\$ 44,116</u>
<u>Other Specific Investments</u>					
U.S. Treasury Bills	\$ 309	\$	\$ 309	\$	\$
Total Investments	<u>\$ 309</u>	<u>\$</u>	<u>\$ 309</u>	<u>\$</u>	<u>\$</u>

COUNTY OF LOS ANGELES  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025

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 <sup>(1)</sup>	None	None	None	None	None	None
U.S. Agency Securities	5 years	None <sup>(1)</sup>	None	None	None	None	None	None
Local Agency Obligations	5 years	5 years <sup>(2)</sup>	None	10%*	None	None	None	Various <sup>(2)</sup>
Asset-Backed Securities	5 years	5 years	20%	20%	None	\$750 million*	AA	AA <sup>(3)*</sup>
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 <sup>(6)</sup>	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	1 year	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	180 days	20%	20% <sup>(7)</sup>	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, 2025

4. CASH AND INVESTMENTS-Continued

County Investment Pool-Continued

A summary of investments held by the Pool at June 30, 2025 is as follows (dollars in thousands):

Pool	Fair Value	Principal	Interest Rate Range	Maturity Range	Weighted Average Maturity In Years
Commercial Paper	\$ 17,097,095	\$ 17,103,134	4.07% - 4.45%	07/01/25 - 10/30/25	0.14
Negotiable Certificates of Deposit	2,049,935	2,050,000	4.21% - 4.44%	07/03/25 - 11/17/25	0.16
Municipals	29,369	30,282	4.70% - 4.88%	06/30/26 - 06/30/27	1.65
U.S. Agency Securities	23,470,047	24,809,734	0.50% - 5.60%	07/01/25 - 01/05/34	3.18
U.S. Treasury Securities:					
U.S. Treasury Notes	2,082,562	2,197,351	0.63% - 1.13%	03/31/26 - 11/15/30	1.80
U.S. Treasury Bills	12,676,513	12,677,175	4.14% - 4.32%	07/01/25 - 10/21/25	0.12
Total	<u>\$ 57,405,521</u>	<u>\$ 58,867,676</u>			1.44

The unrealized loss on investments held in the Pool was \$1.462 billion as of June 30, 2025. 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, 2025 relative to the County Pool balances. A separate financial report is issued for the Pool for the year ended June 30, 2025 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, 2025 is as follows (dollars in thousands):

SPI	Fair Value	Principal	Interest Rate Range	Maturity Range	Weighted Average Maturity In Years
Local Agency Investment Fund	\$ 44,116	\$ 44,064		12/31/25	0.50
Los Angeles County Securities	1,678	1,610	5.00%	12/02/27	2.42
U.S. Agency Securities	52,552	73,405	2.00% - 3.27%	12/27/39 - 08/27/43	15.80
U.S. Treasury Notes	114,118	114,143	4.07% - 4.12%	07/10/25 - 09/25/25	0.18
Total	<u>\$ 212,464</u>	<u>\$ 233,222</u>			4.13
Other Specific Investments	Fair Value	Principal	Interest Rate Range	Maturity Range	Weighted Average Maturity In Years
U.S. Treasury Bills	\$ 309	\$ 309	4.11%	11/20/25	0.39

COUNTY OF LOS ANGELES  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025

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, 2025, is \$57.406 billion, of which 68.95% will mature in six months or less. Of the remainder, 28.46% have a maturity of more than one year. At June 30, 2025, the weighted average maturity in years for the Pool was 1.44 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, 2025, the Pool contained floating rate notes at fair value of \$29.09 million (0.05% 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, 2025, 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, 2025

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 F1 (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, 2025 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, 2025, 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, 2025 (dollars in thousands):

Issuer	Pool		SPI	
	Fair Value	% of Portfolio	Fair Value	% of Portfolio
Federal Home Loan Bank	\$ 7,103,654	12.37%	\$ 17,553	8.26%
Federal Home Loan Mortgage Corporation	4,734,056	8.25%		
Federal Farm Credit Bank	7,000,431	12.19%	29,162	13.73%
Federal National Mortgage Association	4,631,906	8.07%		

COUNTY OF LOS ANGELES  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025

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, 2025:

Pool	S&P	Moody's	Fitch	% of Portfolio
Commercial Paper	Not Rated	Not Rated	Not Rated	29.79 %
Municipals:				
Los Angeles County Securities	Not Rated	Not Rated	Not Rated	0.05 %
Negotiable Certificates of Deposits	Not Rated	Not Rated	Not Rated	3.57 %
U.S. Agency Securities	AA+	Aa1	AA+	18.26 %
	AA+	Aa1	Not Rated	4.73 %
	Not Rated	Not Rated	Not Rated	12.42 %
	Not Rated	Aa1	AA+	5.13 %
	AA+	WR	AA+	0.25 %
	AA+	Not Rated	AA+	0.09 %
U.S. Treasury Securities*				25.71 %
				100.00 %
SPI				
Local Agency Investment Fund	Not Rated	Not Rated	Not Rated	20.76 %
Los Angeles County Securities	Not Rated	Not Rated	Not Rated	0.79 %
U.S. Agency Securities	AA+	Aa1	AA+	13.73 %
	AA+	Aa1	Not Rated	8.26 %
	Not Rated	Aa1	AA+	2.75 %
U.S. Treasury Securities*				53.71 %
				100.00 %
Other Specific Investments				
U.S. Treasury Securities*				100.00 %
				100.00 %

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

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.

COUNTY OF LOS ANGELES  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025

4. CASH AND INVESTMENTS-Continued

Securities Lending Transactions

For the year ended June 30, 2025, 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, 2025 were \$1 thousand. A total of \$67.87 million of investments held by outside trustees are invested in the Pool. In addition, the outside trustees invested \$492.50 million outside of the Pool.

The following is a summary of investments held by outside trustees as of June 30, 2025 (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	0.38% - 0.77%	11/15/26 - 11/15/28	3.25
U.S. Treasury Notes	186,183	186,183	0.77% - 3.63%	07/1/25 - 06/01/27	0.12
	<u>Net Asset Value</u>				
Money Market Mutual Funds	\$ 286,375				

The following is a summary of the credit quality distribution and concentration of credit risk as of June 30, 2025:

<u>Other Investments</u>	<u>S&amp;P</u>	<u>Moody's</u>	<u>Fitch</u>	<u>% of Portfolio</u>
Money Market Mutual Funds	Not Rated	Not Rated	Not Rated	58.15 %
U.S. Treasury Securities *				41.85 %
				<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, 2025

4. CASH AND INVESTMENTS-Continued

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, 2025 (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, 2025, (in thousands) and are as follows:

	Fair Value
Cash Collateral on Loaned Securities	\$ 2,548,885
Short-term Investments	2,675,466
Domestic and International Equity	30,397,552
Fixed Income	27,925,172
Real Estate*	4,578,663
Real Assets	4,056,916
Private Equity	13,845,873
Hedge Funds	6,497,104
Total	\$ 92,525,631

\* Refer to Note J of LACERA's ACFR for the year ended June 30, 2025, for additional discussion on special purpose entities.

The Pension and OPEB Trust Funds also had deposits with the Pool at June 30, 2025 totaling \$149.81 million.

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 establishes 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.

COUNTY OF LOS ANGELES  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025

4. CASH AND INVESTMENTS-Continued

LACERA Investment Portfolio-Continued

Credit Risk

Credit risk is the risk that an issuer or a counterparty to an investment transaction will not fulfill its contractual obligations, resulting in a loss of principal or interest and a decline in the investment's 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, 2025

4. CASH AND INVESTMENTS-Continued

LACERA Investment Portfolio-Continued

Credit Quality Ratings

The following is a schedule as of June 30, 2025 of the credit quality ratings by Moody's, a nationally recognized statistical rating organization, of investments in fixed income securities. Whole loan mortgages of \$7.46 million and derivatives of \$44 thousand included in the Pension Plan portfolio are excluded from this presentation.

Credit Quality Ratings of Investments in Fixed Income Securities - Pension Plan  
As of June 30, 2025  
(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	\$ 17,708			74,143			61,742	\$ 153,593	0.60 %
Aa	4,737,048	1,148,041	7,517	64,391	5,795,130	1,272	14,698	11,768,097	45.86 %
A				239,446	1,874,440	27,964	35,103	2,176,953	8.48 %
Baa				331,969		47,142	61,612	440,723	1.72 %
Ba				128,304		19,044	190,184	337,532	1.32 %
B				453,733		40,652	327,484	821,869	3.20 %
Caa				65,529		6,047	92,527	164,103	0.64 %
Ca				1,999			2,548	4,547	0.02 %
C				13				13	0.00 %
Not Rated	37,204	486		230,978	9,307,357	72,265	144,148	9,792,438	38.16 %
Total Investment in Fixed Income Securities - Pension Plan	\$ 4,791,960	1,148,527	7,517	1,590,505	16,976,927	214,386	930,046	\$25,659,868	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, 2025

4. CASH AND INVESTMENTS-Continued

LACERA Investment Portfolio-Continued

Credit Quality Ratings of Investments in Fixed Income Securities - OPEB Trust  
As of June 30, 2025 (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	\$ 3,253	\$ 3,843	\$ 453	\$ 14,159	\$	\$ 8,783	\$	\$ 30,491	1.35 %
Aa	957,660	234,656	2,510	17,373		6,405		1,218,604	53.97 %
A			596	83,365		19,766	50	103,777	4.60 %
Baa				88,569		19,811	3,211	111,591	4.94 %
Ba				137,766		13,692	119,359	270,817	12.00 %
B				173,048		18,637	147,651	339,336	15.03 %
Caa				17,229		936	51,001	69,166	3.06 %
Ca				542			32	574	0.03 %
Not Rated	1,966	58	164	32,649	59,095	13,407	6,104	113,443	5.02 %
Total Investment in Fixed Income Securities - OPEB Trust	\$ 962,879	\$ 238,557	\$ 3,723	\$ 564,700	\$ 59,095	\$ 101,437	\$ 327,408	\$ 2,257,799	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 in various forms, including: its own name 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 part of those deposits. This risk is mitigated when the deposits are insured or collateralized.

LACERA's contract requires the Bank to provide immediate notice in the event LACERA funds on deposit are not eligible for and covered by the Federal Deposit Insurance Corporation (FDIC), subject to applicable law and FDIC rules and regulations. In addition, the Bank warrants that it will provide reasonable commercially available insurance, including a financial institution bond that 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. LACERA's compliance procedures request that the Bank certify to its financial health and provide evidence of insurance coverage.

COUNTY OF LOS ANGELES  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025

4. CASH AND INVESTMENTS-Continued

LACERA Investment Portfolio-Continued

For certain investment strategies, some of LACERA's assets are invested in investment managers' pooled vehicles. The securities in these vehicles may be held by custodians 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 on the secondary market, 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, 2025, 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, 2025

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, 2025 presents the duration by investment type. Whole loan mortgages of \$7.46 million and derivatives of \$44 thousand included in the Pension Plan Portfolio are excluded from this presentation.

Duration in Fixed Income Securities - Pension Plan  
As of June 30, 2025  
(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	\$ 4,791,960	7.36
U.S. Government Agency	1,148,527	4.11
Municipal / Revenue Bonds	7,517	11.61
Subtotal U.S. Treasuries, U.S. Government Agency, and Municipal Instruments	5,948,004	
Corporate Bonds and Credit Securities:		
Asset-Backed Securities	141,713	2.44
Corporate and Other Credit	1,448,792	3.22
Pooled Funds	16,976,927	2.03
Subtotal Corporate Bonds and Credit Securities	18,567,432	
Non-U.S. Fixed Income	214,386	2.69
Private Placement Fixed Income	930,046	3.04
Subtotal Non-U.S. and Private Placement Securities	1,144,432	
<b>Total Fixed Income Securities - Pension Plan</b>	<b>\$ 25,659,868</b>	

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, 2025

4. CASH AND INVESTMENTS-Continued

LACERA Investment Portfolio-Continued

Duration in Fixed Income Securities - OPEB Trust

As of June 30, 2025 (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	\$ 962,879	7.14
U.S. Government Agency	238,557	4.78
Municipal / Revenue Bonds	3,723	10.4
Subtotal U.S. Treasuries, U.S. Government Agency, and Municipal Instruments	1,205,159	
Corporate Bonds and Credit Securities:		
Asset-Backed Securities	10,944	3.00
Corporate and Other Credit	553,756	2.90
Pooled Funds	59,095	N/A
Subtotal Corporate Bonds and Credit Securities	623,795	
Non-U.S. Fixed Income	101,437	3.26
Private Placement Fixed Income	327,408	2.76
Subtotal Non-U.S. and Private Placement Securities	428,845	
Total Fixed Income Securities - OPEB Trust	\$ 2,257,799	

\*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 within 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 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, 2025

4. CASH AND INVESTMENTS-Continued

LACERA Investment Portfolio-Continued

Non-U.S. Investment Securities at Fair Value - Pension Plan  
As of June 30, 2025  
(in thousands)

Currency	Equity	Fixed Income	Foreign Currency	Real Estate	Real Assets	Private Equity Investments	Forward Contracts	Total
<b>AFRICA</b>								
South African Rand	\$ 99,000		573					\$ 99,573
<b>AMERICAS</b>								
Brazilian Real	98,005		2,593					100,598
Canadian Dollar	941,148	1,357	(6,221)		158,903	2,300	(5,440)	1,092,047
Chilean Peso	10,502		426					10,928
Colombian Peso	2,811		424					3,235
Mexican Peso	28,964		552					29,516
<b>ASIA</b>								
Australian Dollar	411,837		1,747			16,217	(4,223)	425,578
Chinese Renminbi	74,579		3,314					77,893
Hong Kong Dollar	626,845		2,008				385	629,238
Indonesian Rupiah	32,767		3,193					35,960
Japanese Yen	1,296,489		16,737			9,307	(563)	1,321,970
Malaysian Ringgit	42,192		3,185					45,377
New Zealand Dollar	9,639		148				(253)	9,534
Pakistan Rupee			28					28
Philippine Peso	12,256		458					12,714
Singapore Dollar	102,138		1,910				(970)	103,078
South Korean Won	283,492		4,610					288,102
Taiwan Dollar	403,358		4,803					408,161
Thai Baht	25,550		1,448					26,998
<b>EUROPE</b>								
British Pound Sterling	1,558,268	11,936	3,725			392,316	(20,897)	1,945,348
Czech Republic Koruna	4,982		354					5,336
Danish Krone	151,522		1,673				(2,163)	151,032
Euro	2,628,017	45,469	13,917	337,350	507,597	950,082	(51,358)	4,431,074
Hungarian Forint	10,156		676					10,832
Norwegian Krone	55,443		408				(619)	55,232
Polish Zloty	34,754		487					35,241
Russian Ruble			2,182					2,182
Swedish Krona	189,197		1,497				(1,769)	188,925
Swiss Franc	577,048		1,408				(11,222)	567,234
<b>MIDDLE EAST</b>								
Egyptian Pound	3,400		215					3,615
Israeli New Shekel	47,472		875				(1,920)	46,427
Kuwaiti Dinar	32,045		1,213					33,258
Qatari Rial	35,747		1,496					37,243
Saudi Riyal	14,038	9						14,047
Turkish Lira	15,539		312					15,851
UAE Dirham	55,037		729					55,766
<b>Total Investment Securities</b>								
Subject to Foreign Currency Risk - Pension Plan	\$ 9,914,237	58,762	73,112	337,350	666,500	1,370,222	(101,012)	\$12,319,171

COUNTY OF LOS ANGELES  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025

4. CASH AND INVESTMENTS-Continued

LACERA Investment Portfolio-Continued

Non-U.S. Investment Securities at Fair Value - OPEB Trust  
As of June 30, 2025  
(in thousands)

Currency	Equity	Fixed Income	Foreign Currency	Real Assets	Total
<b>AMERICAS</b>					
Canadian Dollar	\$ 63,359		152		\$ 63,511
<b>ASIA</b>					
Australian Dollar	37,648		65		37,713
Hong Kong Dollar	9,333		70		9,403
Japanese Yen	122,478		1,056		123,534
New Zealand Dollar	1,055		15		1,070
Singapore Dollar	7,382		141		7,523
<b>EUROPE</b>					
British Pound Sterling	74,740		342		75,082
Danish Krone	11,540		90		11,630
Euro	170,236	24	661	13,978	184,899
Norwegian Krone	4,217		15		4,232
Swedish Krona	17,999		166		18,165
Swiss Franc	45,896		14		45,910
<b>MIDDLE EAST</b>					
Israeli New Shekel	5,240		37		5,277
<b>Total Investment Securities</b>					
Subject to Foreign Currency Risk - OPEB Trust	\$ 571,123	24	2,824	13,978	\$ 587,949

Securities Lending Program

The BOI authorizes LACERA to participate in a securities lending program to generate incremental income consistent with LACERA's Investment Policy Statement. Under the program, LACERA lends its securities to qualified 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 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, 2025

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, 2025.

As of June 30, 2025, the fair value of securities on loan was \$7.359 billion, with a value of cash collateral received of \$2.549 billion, which is included in Other payables on the financial statements, and non-cash collateral of \$5.140 billion. LACERA’s investment income, net of expenses from securities lending, was \$17.96 million for the year ended June 30, 2025.

Securities Lending  
As of June 30, 2025  
(in thousands)

Securities on Loan	Fair Value of Securities on Loan	Cash Collateral Received	Non-Cash Collateral Received	Calculated Mark <sup>(1)</sup>	Collateral Percent <sup>(2)</sup>
U.S. Equity	\$ 2,265,592	\$ 1,002,955	\$ 1,338,584	\$ 7,187	103.67 %
U.S. Fixed Income	4,481,836	1,415,768	3,278,228	19,847	105.18 %
Non-U.S. Equity	611,634	130,162	522,799	496	106.84 %
<b>Total</b>	<b><u>\$ 7,359,062</u></b>	<b><u>\$ 2,548,885</u></b>	<b><u>\$ 5,139,611</u></b>	<b><u>\$ 27,530</u></b>	

(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, 2025

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, 2025 is as follows:

- In the core hedge funds portfolio, LACERA is invested in ten direct hedge fund managers and one hedge fund-of-funds manager.
- For the hedge funds emerging manager program, LACERA is invested in a total of nine hedge fund emerging managers. Stable Asset Management, LACERA's discretionary separate account manager for the hedge funds emerging manager program, selected one new emerging manager during FY 2024-2025.
- 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. The fair values of assets remaining in this portfolio is approximately \$9.63 million. 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, 2025 was \$6.497 billion.

The core portfolio, emerging manager portfolio, and GCM hedge fund-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, 2025

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 recorded at cost with subsequent adjustments that reflect third party transactions, financial operating results, market conditions, and other factors deemed relevant by the Investment Manager. Properties are subject to independent third party appraisals annually by a qualified appraisal management service provider.

COUNTY OF LOS ANGELES  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025

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, 2025  
(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
<b>Fixed Income Securities</b>				
Asset-Backed Securities	\$ 141,713	\$	\$ 141,713	\$
Corporate and Other Credit	1,448,792		1,403,408	45,384
Municipal/Revenue Bonds	7,517		7,517	
Non-U.S. Fixed Income	214,386		189,171	25,215
Pooled Investments	5,950	5,950		
Private Placement Fixed Income	930,046		924,726	5,320
U.S. Government Agency	1,148,527		1,148,527	
U.S. Treasuries	4,791,960		4,791,960	
Whole Loan Mortgages	7,461			7,461
Total Fixed Income Securities	<u>8,696,352</u>	<u>5,950</u>	<u>8,607,022</u>	<u>83,380</u>
<b>Equity Securities</b>				
Non-U.S. Equity	10,894,670	10,888,926	692	5,052
Pooled Investments	431,300	431,300		
U.S. Equity	16,553,097	16,516,791	4,219	32,087
Total Equity Securities	<u>27,879,067</u>	<u>27,837,017</u>	<u>4,911</u>	<u>37,139</u>
Collateral from Securities Lending	2,548,885		2,548,885	
Total Investments by Fair Value Level	<u>\$ 39,124,304</u>	<u>\$ 27,842,967</u>	<u>\$ 11,160,818</u>	<u>\$ 120,519</u>
<b>Investments Measured at NAV</b>				
Fixed Income	\$ 16,970,977			
Hedge Funds	6,497,104			
Private Equity	13,803,331			
Real Estate	4,534,296			
Real Assets	4,010,516			
Total Investments Measured at NAV	<u>45,816,224</u>			
<b>Total Investments</b>	<u>\$ 84,940,528</u>			
<b>Derivatives</b>				
Foreign Exchange Contracts	\$ (101,012)	\$	\$ (101,012)	\$
Foreign Equity Derivatives	280	280		
U.S. Equity Derivatives	2,775	2,775		
U.S. Fixed Income Derivatives	44	44		
Total Derivatives	<u>\$ (97,913)</u>	<u>\$ 3,099</u>	<u>\$ (101,012)</u>	<u>\$</u>

COUNTY OF LOS ANGELES  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025

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, 2025  
(dollars in thousands)

	Fair Value	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Fixed Income Funds <sup>(1)</sup>	\$ 16,970,977	\$ 1,976,034	Daily, Monthly or Not Eligible	1-60 days or N/A
Hedge Funds <sup>(2)</sup>	6,497,104		Monthly, Quarterly, Semi-Annual, Annual; Self-Liquidating	5-180 days
Private Equity <sup>(3)</sup>	13,803,331	6,425,642	Not Eligible	N/A
Real Estate <sup>(3)</sup>	4,534,296	1,027,341	Quarterly or Not Eligible	30 days+ or N/A
Real Assets <sup>(3)</sup>	4,010,516	2,650,374	Not Eligible	N/A
Total Investments Measured at the NAV	<u>\$ 45,816,224</u>			

(1) Fixed Income Funds: 27 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 78% of assets are available for redemption within 12 months; these funds provide daily, monthly, or quarterly liquidity. Approximately 22% of the fund assets have liquidity beyond 12 months.

(2) Hedge Funds: This portfolio consists of 20 current funds and 1 fund-of-funds. Hedge Fund investments are valued at NAV per share. When considering liquidity terms of the current funds, 70% of the fund assets are available for redemption within 12 months; these funds provide monthly, quarterly, semi-annual, or annual liquidity. Some of these funds are subject to redemption notices and audit holdbacks that extend the time frame to receive redemptions beyond the next 12 months. Approximately 30% of fund assets are in funds that offer periodic liquidity that extends beyond the next 12 months.

LACERA's Hedge Funds portfolio invests in the following strategies:

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

(3) Private Equity, Real Assets, and Real Estate Funds: LACERA's Private Equity portfolio consists of 291 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 41 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 37 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 30 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. 10 out of 30 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, 2025

4. CASH AND INVESTMENTS-Continued

LACERA Investment Portfolio-Continued

Fair Value-Continued

Investments Measured at Fair Value - OPEB Trust  
As of June 30, 2025  
(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
<b>Fixed Income Securities</b>				
Asset-Backed Securities	\$ 10,944	\$	\$ 10,944	\$
Private Placement Fixed Income	327,408		327,408	
Corporate and Other Credit	553,756		553,331	425
Municipal / Revenue Bonds	3,723		3,723	
Non-U.S. Fixed Income	101,437		101,436	1
Pooled Investments	17,734	17,734		
U.S. Government Agency	238,557		238,557	
U.S. Treasuries	962,879		962,879	
Total Fixed Income Securities	<u>2,216,438</u>	<u>17,734</u>	<u>2,198,278</u>	<u>426</u>
<b>Equity Securities</b>				
Non-U.S. Equity	612,423	612,411	12	
Pooled Investments	242,960	242,960		
U.S. Equity	1,660,047	1,659,887	1	159
Total Equity Securities	<u>2,515,430</u>	<u>2,515,258</u>	<u>13</u>	<u>159</u>
Total Investments by Fair Value Level	<u>\$ 4,731,868</u>	<u>\$ 2,532,992</u>	<u>\$ 2,198,291</u>	<u>\$ 585</u>
<b>Investments Measured at Net Asset Value (NAV)</b>				
Fixed Income	\$ 41,361			
Private Equity	42,542			
Real Estate	44,367			
Real Assets	46,400			
Total Investments Measured at NAV	<u>174,670</u>			
Total Investments	<u>\$ 4,906,538</u>			

COUNTY OF LOS ANGELES  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025

4. CASH AND INVESTMENTS-Continued

LACERA Investment Portfolio-Continued

Fair Value-Continued

Investments Measured at Net Asset Value - OPEB Trust  
As of June 30, 2025  
(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 <sup>(1)</sup>	\$ 41,361	\$ 116,190	Daily, Monthly, or Not Eligible	1-60 days or N/A
Private Equity <sup>(2)</sup>	42,542	137,417	Not Eligible	N/A
Real Estate <sup>(3)</sup>	44,367	73,265	Not Eligible	N/A
Real Assets <sup>(4)</sup>	<u>46,400</u>	72,997	Not Eligible	N/A
Total Investments Measured at NAV <sup>(1)</sup>	<u>\$ 174,670</u>			

- (1) Fixed Income Funds: The portfolio consists of 8 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: 11 private equity funds are valued at NAV. Due to contractual limitations, none 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 8 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, 2025

5. CAPITAL ASSETS

As a result of the transfer of Martin Luther King, Jr. ambulatory care operations from the Harbor-UCLA Medical Center Hospital Enterprise Fund to governmental activities as described in Note 2, the capital asset balances as of July 1, 2024 were restated. LACDA also restated their beginning balances. The table below summarizes the changes (in thousands):

	Balance July 1, 2024, as previously reported	Restatement Amounts	Balance July 1, 2024, as restated
<u>Governmental Activities</u>			
Capital assets, not being depreciated/ amortized:			
Land	\$ 2,574,032	\$ 1,531	\$ 2,575,563
Construction in progress-buildings and improvements	1,654,987	3,192	1,658,179
Capital assets, being depreciated/amortized:			
Buildings and improvements	7,241,341	439,972	7,681,313
Equipment	1,999,182	18,768	2,017,950
Software	596,933	9,025	605,958
Accumulated depreciation/amortization:			
Buildings and improvements	(2,919,279)	(185,355)	(3,104,634)
Equipment	(1,516,400)	(14,222)	(1,530,622)
Software	(463,900)	(9,025)	(472,925)
Total governmental activities capital assets restatement		\$ 263,886	
<u>Business-type Activities</u>			
Capital assets, not being depreciated/ amortized:			
Land	\$ 134,932	\$ (1,531)	\$ 133,401
Construction in progress-buildings and improvements	560,154	(3,192)	556,962
Capital assets, being depreciated/amortized:			
Buildings and improvements	3,115,483	(439,972)	2,675,511
Equipment	440,759	(18,768)	421,991
Software	58,922	(9,025)	49,897
Accumulated depreciation/amortization:			
Buildings and improvements	(1,118,196)	185,355	(932,841)
Equipment	(288,399)	14,222	(274,177)
Software	(58,185)	9,025	(49,160)
Total business-type activities capital assets restatement		\$ (263,886)	
<u>LACDA:</u>			
Capital assets, being depreciated/amortized:			
Buildings and improvements	\$ 275,810	\$ 240	\$ 276,050
Accumulated depreciation/amortization:			
Buildings and improvements	(183,629)	(240)	(183,869)

COUNTY OF LOS ANGELES  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025

5. CAPITAL ASSETS-Continued

Capital assets activity for the year ended June 30, 2025 is as follows (in thousands):

<u>Governmental Activities</u>	Balance July 1, 2024, as restated	Additions	Deletions	Balance June 30, 2025
Capital assets, not being depreciated/ amortized:				
Land	\$ 2,575,563	43,170	(47)	\$ 2,618,686
Easements	5,098,045	8,645		5,106,690
Software in progress	120,238	45,211	(103,512)	61,937
Construction in progress-buildings and improvements	1,658,179	458,355	(378,940)	1,737,594
Construction in progress-infrastructure	915,847	202,947	(121,376)	997,418
Subscription assets in progress	13,819	5,259	(11,742)	7,336
Subtotal	<u>10,381,691</u>	<u>763,587</u>	<u>(615,617)</u>	<u>10,529,661</u>
Capital assets, being depreciated/amortized:				
Buildings and improvements	7,681,313	583,096	(16,307)	8,248,102
Equipment	2,017,950	265,509	(115,288)	2,168,171
Software	605,958	103,512		709,470
Infrastructure	8,260,354	84,556		8,344,910
Lease land	1,055		(4)	1,051
Lease buildings and improvements	1,834,346	297,323	(36,433)	2,095,236
Lease equipment	17,080	121	(22)	17,179
Subscription assets	148,763	61,627		210,390
Subtotal	<u>20,566,819</u>	<u>1,395,744</u>	<u>(168,054)</u>	<u>21,794,509</u>
Less accumulated depreciation/amortization for:				
Buildings and improvements	(3,104,634)	(216,562)	51,457	(3,269,739)
Equipment	(1,530,622)	(155,684)	113,948	(1,572,358)
Software	(472,925)	(37,066)		(509,991)
Infrastructure	(5,075,245)	(147,031)		(5,222,276)
Lease land	(381)	(156)	4	(533)
Lease buildings and improvements	(348,824)	(153,171)	22,548	(479,447)
Lease equipment	(7,594)	(3,412)	22	(10,984)
Subscription assets	(51,369)	(40,240)		(91,609)
Subtotal	<u>(10,591,594)</u>	<u>(753,322)</u>	<u>187,979</u>	<u>(11,156,937)</u>
Total capital assets, being depreciated/ amortized, net	<u>9,975,225</u>	<u>642,422</u>	<u>19,925</u>	<u>10,637,572</u>
Governmental activities capital assets, net	<u>\$20,356,916</u>	<u>1,406,009</u>	<u>(595,692)</u>	<u>\$ 21,167,233</u>

COUNTY OF LOS ANGELES  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025

5. CAPITAL ASSETS-Continued

<u>Business-type Activities</u>	Balance July 1, 2024, as restated	Additions	Deletions	Balance June 30, 2025
Capital assets, not being depreciated/ amortized:				
Land	\$ 133,401			\$ 133,401
Easements	33,418	240		33,658
Construction in progress-buildings and improvements	556,962	367,540	(56,134)	868,368
Construction in progress- infrastructure	75,446	15,311	(1,008)	89,749
Subtotal	<u>799,227</u>	<u>383,091</u>	<u>(57,142)</u>	<u>1,125,176</u>
Capital assets, being depreciated/ amortized:				
Buildings and improvements	2,675,511	63,797		2,739,308
Equipment	421,991	37,242	(10,855)	448,378
Software	49,897			49,897
Infrastructure	1,324,842			1,324,842
Lease buildings and improvements	2,801			2,801
Lease equipment	2,090			2,090
Subtotal	<u>4,477,132</u>	<u>101,039</u>	<u>(10,855)</u>	<u>4,567,316</u>
Less accumulated depreciation/ amortization for:				
Buildings and improvements	(932,841)	(55,860)		(988,701)
Equipment	(274,177)	(29,616)	10,448	(293,345)
Software	(49,160)	(44)		(49,204)
Infrastructure	(769,020)	(24,172)		(793,192)
Lease buildings and improvements	(985)	(594)		(1,579)
Lease equipment	(918)	(414)		(1,332)
Subtotal	<u>(2,027,101)</u>	<u>(110,700)</u>	<u>10,448</u>	<u>(2,127,353)</u>
Total capital assets, being depreciated/ amortized, net	<u>2,450,031</u>	<u>(9,661)</u>	<u>(407)</u>	<u>2,439,963</u>
Business-type activities capital assets, net	<u>3,249,258</u>	<u>373,430</u>	<u>(57,549)</u>	<u>3,565,139</u>
Total capital assets, net	<u>\$ 23,606,174</u>	<u>2,065,767</u>	<u>(939,569)</u>	<u>\$ 24,732,372</u>

COUNTY OF LOS ANGELES  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 2025

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	\$ 101,870
Public protection	246,921
Public ways and facilities	86,838
Health and sanitation	155,045
Public assistance	80,620
Education	7,784
Recreation and cultural services	51,702
Capital assets held by the County's internal service funds are charged to the various functions based on their usage of the assets	22,542
Total depreciation/amortization expense, governmental activities	<u>\$ 753,322</u>

Business-type activities:

Hospitals	\$ 83,749
Waterworks	23,651
Aviation	3,300
Total depreciation/amortization expense, business-type activities	<u>\$ 110,700</u>

COUNTY OF LOS ANGELES  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025

5. CAPITAL ASSETS-Continued

Discretely Presented Component Units

LACDA

Capital assets activity for the LACDA component unit for the year ended June 30, 2025, was as follows (in thousands):

	Balance July 1, 2024, as restated	Additions	Deletions	Balance June 30, 2025
Capital assets, not being depreciated/ amortized:				
Land	\$ 81,245		(69)	\$ 81,176
Construction in progress-buildings and improvements	10,008	7,019	(4,881)	12,146
Subtotal	<u>91,253</u>	<u>7,019</u>	<u>(4,950)</u>	<u>93,322</u>
Capital assets, being depreciated/amortized:				
Buildings and improvements	276,050	12,752	(80)	288,722
Equipment	9,363	1,462	(4,126)	6,699
Software	1,025			1,025
Lease equipment	107	2,214	(32)	2,289
Subscription assets	6,362	1,266	(34)	7,594
Subtotal	<u>292,907</u>	<u>17,694</u>	<u>(4,272)</u>	<u>306,329</u>
Less accumulated depreciation/amortization for:				
Buildings and improvements	(183,869)	(6,203)	66	(190,006)
Equipment	(8,083)	(768)	4,126	(4,725)
Software	(538)	(102)		(640)
Lease equipment	(6)	(361)	3	(364)
Subscription assets	(1,768)	(1,780)	33	(3,515)
Subtotal	<u>(194,264)</u>	<u>(9,214)</u>	<u>4,228</u>	<u>(199,250)</u>
Total capital assets being depreciated/ amortized, net	<u>98,643</u>	<u>8,480</u>	<u>(44)</u>	<u>107,079</u>
LACDA capital assets, net	<u>\$ 189,896</u>	<u>15,499</u>	<u>(4,994)</u>	<u>\$ 200,401</u>

COUNTY OF LOS ANGELES  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025

5. CAPITAL ASSETS-Continued

First 5 LA

Capital assets activity for the First 5 LA component unit for the year ended June 30, 2025, was as follows (in thousands):

	Balance July 1, 2024	Additions	Deletions	Balance June 30, 2025
Capital assets, not being depreciated-				
Land	\$ 2,039			\$ 2,039
Construction in progress		512		512
Subtotal	<u>2,039</u>	<u>512</u>		<u>2,551</u>
Capital assets, being depreciated:				
Buildings and improvements	15,970			15,970
Equipment	2,360	54	(134)	2,280
Software	974			974
Subtotal	<u>19,304</u>	<u>54</u>	<u>(134)</u>	<u>19,224</u>
Less accumulated depreciation for:				
Buildings and improvements	(4,929)	(358)		(5,287)
Equipment	(2,179)	(90)	134	(2,135)
Software	(963)	(3)		(966)
Subtotal	<u>(8,071)</u>	<u>(451)</u>	<u>134</u>	<u>(8,388)</u>
Total capital assets being depreciated, net	<u>11,233</u>	<u>(397)</u>		<u>10,836</u>
First 5 LA capital assets, net	<u>\$ 13,272</u>	<u>115</u>		<u>\$ 13,387</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, 2025

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, 2025, the present value of the installment payments under contract is estimated to be \$80.50 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 1.87%, 3.55%, 3.70%, 4.20%, and 5.12% for the term of the agreement for each SCA. The lease terms for the twelve golf courses cover remaining periods ranging from 2 to 14 years as of June 30, 2025. The FY 2024-2025 total monthly installment payments are approximately \$812,000. The County primarily uses the proceeds to fund parks and recreation operations, 10% of which is set aside for future golf course capital improvements. The acquisition value of the golf courses, including land, buildings, and construction in progress, is reported at \$22.33 million as of June 30, 2025.

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](http://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, 2025

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 2024-2025:

July 1, 2024 - September 15, 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%			
September 16, 2024 - June 30, 2025	A	B	C	D	E	G
General Members	32.11%	26.12%	22.61%	24.23%	25.89%	24.15%
Safety Members	33.23%	36.22%	29.84%			

The rates were determined by the actuarial valuations performed as of June 30, 2023. The investment rate of return assumption used in the valuation performed as of June 30, 2023 remained at 7.00%. The employer contribution rates used in FY 2024-2025, beginning September 16, 2024, changed from (8.95)% to 0.59% over the rates used in FY 2023-2024 and may change again during the following fiscal year, with the exception of the Safety Plan A. The most significant factors causing the changes were changes to the normal cost rate. The rate for Safety Plan A members uses the normal cost rate for Safety Plan B members because there are no active members remaining in this plan.

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

During FY 2024-2025, 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 \$2.571 billion.

COUNTY OF LOS ANGELES  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025

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, 2025, the County reported a liability of \$12.983 billion for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2023, 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, 2024, the County's proportionate share was 96.09%, which was a decrease of (0.20)% from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the County recognized negative pension expense of \$(25.48) million which is reported as \$(11.40) million for governmental activities and \$(14.08) 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, 2025, 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	\$ 607,366	\$
Change in assumptions	183,633	1,533,276
Change in experience		2,086,106
Change in proportion and differences between County contributions and proportionate share of contributions	296,128	280,678
Contributions made subsequent to measurement date		2,571,141
Total	<u>\$ 1,087,127</u>	<u>\$ 6,471,201</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, 2024.

COUNTY OF LOS ANGELES  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 2025

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>
2026	\$ (246,648)
2027	1,922,315
2028	570,087
2029	134,475
2030	323,553
Thereafter	109,151

Deferred outflows of \$2.571 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 \$4.244 billion from interest and service costs, resulted in a decrease in net pension liability from \$14.618 billion to \$13.512 billion. The County's proportionate share of the Pension Plan's net pension liability was 96.09% as of June 30, 2024 and is historically above 96%.

Actuarial Assumptions

Valuation Timing	June 30, 2023, rolled forward to June 30, 2024
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, 2024 actuarial valuation for details. It can be found at <a href="http://www.LACERA.com">www.LACERA.com</a> .
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, 2025

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, 2024:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Rate of Return (After Expected 2.75% Inflation Rate) (Geometric)
Growth	53.00%	6.10 %
Global Equity	32.00 %	5.00 %
Private Equity	17.00 %	7.30 %
Non-Core Private Real Estate	4.00 %	5.90 %
Credit	11.00%	3.10 %
Liquid Credit	4.00 %	3.00 %
Illiquid Credit	7.00 %	4.00 %
Real Assets and Inflation Hedges	17.00%	3.90 %
Core Private Real Estate	6.00 %	2.50 %
Natural Resources and Commodities	3.00 %	4.00 %
Infrastructure	5.00 %	4.50 %
TIPS	3.00 %	0.70 %
Risk Reduction and Mitigation	19.00%	1.10 %
Investment Grade Bonds	7.00 %	1.00 %
Diversified Hedge Fund Portfolio	6.00 %	2.00 %
Long-Term Government Bonds	5.00 %	0.80 %
Cash Equivalents	1.00 %	(0.50)%

Discount Rate

The discount rate used to measure the total pension liability was 7.15%. This is equal to the 7.00% long-term investment return assumption adopted by LACERA (net of investment and administrative expenses), plus 0.15% 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, 2025

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 7.15%, 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 (6.15%) or 1-percentage point higher (8.15%) than the current rate (in thousands):

	1% Decrease (6.15%)	Discount Rate (7.15%)	1% Increase (8.15%)
Net Pension Liability	\$ 24,757,895	\$ 12,982,670	\$ 3,220,013

Pension Plan Fiduciary Net Position

Detailed information about pension plan fiduciary net position as of June 30, 2024 is available in the separately issued LACERA financial report, which can be found at [www.LACERA.com](http://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, 2025, 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, 2025, were \$340.19 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, 2025, 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, 2025, were \$94.33 million.

COUNTY OF LOS ANGELES  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025

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, 2025, were \$11.31 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, 2024.

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, 2025

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](http://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, 2025

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

	2024	
	Medical	Dental/ Vision
Retired Participants		
Retired Members and Survivors	56,365	58,524
Spouses and Dependents	28,706	33,396
Total Retired	85,071	91,920
Inactive Members - Vested	9,719	9,719
Active Members - Vested	75,427	75,427
Total Membership Eligible for Benefits	170,217	177,066

COUNTY OF LOS ANGELES  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 2025

8. OTHER POSTEMPLOYMENT BENEFITS-Continued

Retiree Healthcare-Continued

Employees Covered by Benefit Terms-Continued

Death Benefits

	2024
Retired with Eligibility for Death Benefits	64,651
Active Members - Vested	9,719
Inactive Members - Vested	75,427
Total Membership Eligible for Benefits	149,797

Contributions

The current funding policy requires the County to contribute on a pay-as-you-go basis. During FY 2024-2025, the County made payments to LACERA totaling \$832.51 million for retiree healthcare benefits. Included in this amount was \$110.26 million for Medicare Part B reimbursements and \$8.87 million in death benefits. Additionally, \$54.32 million was paid by member participants. During FY 2024-2025, the County also contributed \$571.23 million in excess of the pay-as-you-go amounts.

Net OPEB Liability

At June 30, 2025, the County reported a net RHC OPEB liability of \$22.560 billion. The net RHC OPEB liability was measured as of June 30, 2024, and the total RHC OPEB liability used to calculate the net RHC OPEB liability was determined by an actuarial valuation as July 1, 2023 projected forward to the measurement date.

COUNTY OF LOS ANGELES  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
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8. OTHER POSTEMPLOYMENT BENEFITS-Continued

Retiree Healthcare-Continued

Actuarial Methods and Assumptions

Valuation Timing	July 1, 2023, rolled forward to June 30, 2024
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, 2023 actuarial valuation of retirement benefits. It can be found at: <a href="http://www.LACERA.com">www.LACERA.com</a> .
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	5.36%
Long-term expected rate of return, net of investment expenses	6.25%
20 Year Tax-Exempt Municipal Bond Yield	3.93%

Healthcare Cost Trend rates:

	<u>Initial Year</u>	<u>Ultimate</u>
LACERA Medical Under 65	6.40%	4.20%
LACERA Medical Over 65	7.50%	4.20%
Part B Premiums	6.70%	4.20%
Dental/Vision	3.00%	3.70%
Weighted Average Trend	6.75%	4.19%

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.

COUNTY OF LOS ANGELES  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
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8. OTHER POSTEMPLOYMENT BENEFITS-Continued

Retiree Healthcare-Continued

Investments-Continued

The following was the adopted asset allocation policy as of June 30, 2024.

<u>Asset Class</u>	<u>Target Allocation</u>
Growth	45.00%
Global Equity	40.00 %
Private Equity	5.00 %
Credit	18.00%
Risk Reduction and Mitigation	17.00%
Cash Equivalents	2.00 %
Investment Grade Bonds	10.00 %
Long-term Government Bonds	5.00 %
Real Assets and Inflation Hedges	20.00%
Real Estate	8.00 %
Natural Resources	2.00 %
Commodities	2.00 %
Infrastructure	2.00 %
TIPS	6.00 %

Money-Weighted Rate of Return

As of the measurement date, June 30, 2024, the annual money-weighted rate of return on OPEB Trust investments, net of OPEB Trust investment expense, was 6.25%. 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, 2023, the annual money-weighted rate of return was 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 3.93% as of June 30, 2024. For 2024, the long-term expected rate of return of 6.25% was applied to projected benefit payments from 2024 to 2064. 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, 2024 was 5.36%, an increase of 0.32% from the rate as of June 30, 2023.

COUNTY OF LOS ANGELES  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025

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, 2023	\$ 26,923,134	3,009,326	\$ 23,913,808
Service cost	845,144		845,144
Interest on Total OPEB Liability	1,380,556		1,380,556
Effect of economic/demographic gains or losses	(501,725)		(501,725)
Effect of assumption changes or inputs	(1,454,388)		(1,454,388)
Benefit payments	(761,943)	(761,943)	
Employer contributions		1,274,838	(1,274,838)
Net investment income		358,676	(358,676)
Administrative expenses		(10,064)	10,064
Balance as of June 30, 2024	<u>\$ 26,430,778</u>	<u>3,870,833</u>	<u>\$ 22,559,945</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 5.36%, 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 (4.36%) or 1-percentage point higher (6.36%) than the current rate (in thousands):

	1% Decrease (4.36%)	Discount Rate (5.36%)	1% Increase (6.36%)
Net RHC OPEB Liability	\$ 26,884,322	\$ 22,559,945	\$ 19,069,571

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	\$ 18,448,043	\$ 22,559,945	\$ 27,843,388

COUNTY OF LOS ANGELES  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025

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, 2025, the County recognized negative OPEB expense of \$(552.72) million which is reported as \$(404.81) million for governmental activities and \$(147.91) 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, 2025, 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	\$ 81,384	\$
Change of assumptions	6,040,335	2,142,113
Change in experience	1,546,343	179,462
Change in proportion and differences between contributions and the proportionate share of contributions	1,135,138	1,135,138
Contributions made subsequent to measurement date		1,403,737
Total	\$ 8,803,200	\$ 4,860,450

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, 2024. 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
2026	\$ (1,193,029)
2027	(938,527)
2028	(674,532)
2029	(918,703)
2030	(1,098,751)
Thereafter	(522,945)

Deferred outflows of resources of \$1.404 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, 2025

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, 2025

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/domestic partner 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, 2025

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, 2024, 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, 2025, the County reported a total LTD OPEB liability of \$1.214 billion. The total LTD OPEB liability was determined by an actuarial valuation as of June 30, 2024.

COUNTY OF LOS ANGELES  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 2025

8. OTHER POSTEMPLOYMENT BENEFITS-Continued

Long-Term Disability-Continued

Actuarial Methods and Assumptions

Valuation Timing	June 30, 2024
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, 2023 RHC OPEB Program's actuarial valuation report which can be found at <a href="http://www.LACERA.com">www.LACERA.com</a> .
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 3.65% as of June 30, 2023, and 3.93% as of June 30, 2024.

Healthcare Cost Trend rates:

Year	Rate (pre Medicare/ post Medicare)	Year	Rate (pre Medicare/ post Medicare)
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%		
2031-2032	4.90%/4.90%		

COUNTY OF LOS ANGELES  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025

8. OTHER POSTEMPLOYMENT BENEFITS-Continued

Long-Term Disability-Continued

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

Total LTD OPEB Liability at 6/30/2023	\$	1,211,863
Service cost		51,479
Interest		45,072
Differences between expected and actual experience		5
Changes of assumptions or other inputs		(36,808)
Benefit payments		(57,465)
Net Changes		2,283
Total LTD OPEB Liability at 6/30/2024	\$	1,214,146

Changes of assumptions or other inputs reflect a change in the discount rate from 3.65% as of June 30, 2023 to 3.93% as of June 30, 2024.

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 3.93%, 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 (2.93%) or 1-percentage point higher (4.93%) than the current rate (in thousands):

	1% Decrease (2.93%)	Discount Rate (3.93%)	1% Increase (4.93%)
Total LTD OPEB Liability	\$ 1,344,204	\$ 1,214,146	\$ 1,096,672

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	\$ 1,200,720	\$ 1,214,146	\$ 1,230,740

COUNTY OF LOS ANGELES  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 2025

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, 2025, the County recognized LTD OPEB expense of \$25.37 million which is reported as \$32.25 million for governmental activities and \$(6.88) million for business-type activities. OPEB expense represents the change in the total LTD OPEB liability during the measurement period, adjusted for the deferred recognition of change in actuarial gain/loss, actuarial assumptions or methods, and plan benefits.

At June 30, 2025, 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	\$ 91,183	\$ 79,635
Change of assumptions	279,854	153,234
Change in proportionate share	140,626	140,627
Total	\$ 511,663	\$ 373,496

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
2026	\$ (13,724)
2027	(13,724)
2028	(13,724)
2029	(13,724)
2030	(4,924)
Thereafter	(78,347)

COUNTY OF LOS ANGELES  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025

8. OTHER POSTEMPLOYMENT BENEFITS-Continued

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

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

	RHC OPEB	LTD OPEB	Total
Net RHC OPEB Liability	\$ 22,559,945		\$ 22,559,945
Total LTD OPEB Liability		1,214,146	1,214,146
Total OPEB Liability	22,559,945	1,214,146	23,774,091
Deferred Outflows of Resources	4,860,450	373,496	5,233,946
Deferred Inflows of Resources	8,803,200	511,663	9,314,863
OPEB Expense	(552,718)	25,366	(527,352)

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, 2025

9. LEASES-Continued

Lease Liabilities-Continued

The following is a schedule of future minimum lease payments for the lease liabilities as of June 30, 2025 (in thousands):

Year Ending June 30	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2026	\$ 135,175	\$ 55,013	\$ 885	\$ 74
2027	128,635	50,766	788	39
2028	124,851	46,716	420	14
2029	118,886	42,741	73	
2030	111,315	38,986		
2031-2035	449,337	146,389		
2036-2040	315,750	84,765		
2041-2045	195,354	39,487		
2046-2050	79,295	16,084		
2051-2055	44,964	7,610		
2056-2060	26,219	1,594		
2061-2065	825	25		
2066-2068	129	5		
Total	<u>\$ 1,730,735</u>	<u>\$ 530,181</u>	<u>\$ 2,166</u>	<u>\$ 127</u>

Rent expenses related to leases for governmental activities were \$126.19 million and \$1.02 million for business-type activities, for the year ended June 30, 2025. Variable payments not previously included in the measurement of the lease liability were \$18.65 million for the year ended June 30, 2025.

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, 2025, (in thousands):

	Governmental Activities	Business-type Activities
Lease land	\$ 1,051	\$
Lease buildings and improvements	2,095,236	2,801
Lease equipment	17,179	2,090
Lease asset accumulated amortization	(490,964)	(2,911)
Total	<u>\$ 1,622,502</u>	<u>\$ 1,980</u>

COUNTY OF LOS ANGELES  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025

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 2 to 89 years, regional parks leases covering remaining periods from 1 to 53 years, roads leases with remaining periods of 32 years, and the MLK Hospital lease with a remaining period of 59 years are all accounted for in the General Fund. The Flood Control District leases cover remaining periods ranging from 10 to 65 years and are accounted for in the Flood Control District Fund. The airport leases cover remaining periods from 6 to 34 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 \$812.3 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, 2025

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, 2025 (in thousands):

Year Ending June 30,	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2026	\$ 35,462	\$ 35,530	\$ 878	\$ 338
2027	35,377	34,872	895	322
2028	33,757	34,240	911	305
2029	33,785	33,622	928	288
2030	34,348	32,974	945	271
2031-2035	182,591	154,695	3,370	1,140
2036-2040	192,674	137,060	3,070	864
2041-2045	193,208	118,598	3,204	572
2046-2050	196,254	100,272	2,556	305
2051-2055	205,846	80,770	1,307	124
2056-2060	208,920	60,566	792	30
2061-2065	148,954	41,550		
2066-2070	92,781	29,619		
2071-2075	83,045	22,114		
2076-2080	89,886	14,226		
2081-2085	70,404	5,876		
2086-2090	7,871	2,541		
2091-2095	1,548	1,815		
2096-2100	3,361	1,076		
2101-2105	2,259	239		
2106-2110	570	64		
2111-2114	410	13		
<b>Total</b>	<b>\$ 1,853,311</b>	<b>\$ 942,332</b>	<b>\$ 18,856</b>	<b>\$ 4,559</b>

The following is a schedule of lease payment income for leases for the year ended June 30, 2025 (in thousands):

	Governmental Activities	Business-type Activities
Minimum lease payments	\$ 34,829	\$ 862
Variable lease payments	48,853	2,163
<b>Total</b>	<b>\$ 83,682</b>	<b>\$ 3,025</b>

COUNTY OF LOS ANGELES  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025

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, 2025 is \$36.54 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, 2025 (in thousands):

Year Ending June 30,	Governmental Activities	
	Principal	Interest
2026	\$ 28,973	\$ 2,621
2027	20,387	1,817
2028	16,436	1,406
2029	10,597	1,039
2030	8,629	745
2031-2035	18,399	750
2036-2038	22	
Total	\$ 103,443	\$ 8,378

COUNTY OF LOS ANGELES  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025

10. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS-Continued

SBITA variable payments not included in the measurement of the subscription liability for governmental activities were \$65.12 million for the year ended June 30, 2025. 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 assets and accumulated amortization for subscription leases at June 30, 2025, (in thousands):

	Governmental Activities
Subscription asset	\$ 210,390
Subscription asset accumulated amortization	(91,609)
Total	\$ 118,781

The development in progress for SBITAs that are not yet in production as of June 30, 2025 is \$7.34 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, 2025
NPC BANS, 4.70% to 4.88%	\$ 30,000	\$ 30,000
Public Buildings Bonds and Notes, 0.32% to 7.62%	2,243,462	2,372,962
Los Angeles County Securitization Corporation Tobacco Settlement Asset-Backed Bonds, 1.75% to 5.35%	349,584	323,278
Marina del Rey Loans, 4.50% to 4.70%	23,500	5,541
Lease Revenue Obligation Notes, 2.25% to 5.52%	353,951	353,951
Total	\$ 3,000,497	\$ 3,085,732

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, 2025
Public Buildings Bonds and Notes, 2.00% to 7.62%	\$ 1,091,088	\$ 1,040,484
Lease Revenue Obligation Notes, 2.25% to 5.52%	240,642	240,642
Waterworks District Loans, 1.40% to 2.28%	12,619	7,980
Aviation Loan, 2.95%	2,000	943
Total	\$ 1,346,349	\$ 1,290,049

COUNTY OF LOS ANGELES  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025

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, including the new bonds below.

During FY 2024-2025, LACF2 issued lease revenue bonds, which includes \$205.90 million in tax-exempt lease revenue bonds (Series 2024A) and \$6.23 million in federally taxable lease revenue bonds (Series 2024B), to finance 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. The proceeds from these bonds of \$213.13 million plus the associated premium of \$28.48 million less issuance costs of \$1.19 million were used to fund the Project Fund, totaling \$206.95 million, and the Capitalized Interest Fund, totaling \$32.47 million. The debt was only issued for governmental activities.

The County also issued the Lease Revenue Bonds, 2024 Series H, totaling \$569.27 million, of which \$110.07 million was for governmental activities and \$459.20 million was for business-type activities. The proceeds from these bonds of \$569.27 million plus the associated premium of \$76.93 million, of which \$16.49 million was for governmental activities and \$60.44 million was for business-type activities, plus the released funds from the refunded bond of \$5.45 million less issuance costs of \$1.71 million were used to refund the outstanding Lease Revenue Bonds (Multiple Capital Projects), 2015 Series A, totaling \$131.68 million, and repay LRON previously issued by the County for the Phase I Projects for the Harbor-UCLA Medical Center Replacement Program, totaling \$85.25 million, and will be used to finance Phase I Projects for the Harbor-UCLA Medical Center Replacement Program, totaling \$433.01 million. The County pledged one County-owned property as collateral for the debt.

COUNTY OF LOS ANGELES  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025

11. LONG-TERM OBLIGATIONS-Continued

Public Buildings Bonds-Continued

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>
2026	\$ 59,347	\$ 100,542	\$ 24,708	\$ 55,350
2027	62,352	97,257	25,938	53,719
2028	68,706	93,799	27,239	51,996
2029	72,188	90,022	28,607	50,188
2030	75,819	86,052	30,041	48,289
2031-2035	388,232	368,831	174,363	209,455
2036-2040	443,898	258,578	222,202	145,013
2041-2045	413,838	146,148	147,237	82,909
2046-2050	314,010	67,486	152,000	47,341
2051-2055	137,730	18,559	106,947	11,064
2056-2057	26,107	2,074		
Subtotal	2,062,227	<u>\$ 1,329,348</u>	939,282	<u>\$ 755,324</u>
Add: Unamortized bond premiums	310,735		101,202	
Total public building bonds	<u>\$ 2,372,962</u>		<u>\$1,040,484</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 2025 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, 2025

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
2026	\$ 6,445	\$ 8,123
2027	6,775	7,800
2028	7,070	7,462
2029	7,220	7,108
2030	7,325	6,747
2031-2035	37,020	28,256
2036-2040	41,755	20,139
2041-2045	38,310	11,948
2046-2050	35,500	4,082
2051-2055	83,629	446,441
Subtotal	271,049	548,106
Add: Accretions	25,125	(25,125)
Add: Unamortized bond premiums	27,104	
Total tobacco settlement asset-backed bonds	\$ 323,278	\$ 522,981

Notes, Loans, and Lease Revenue Obligation Notes

Notes from Direct Placements

BANs are issued by LACCAL to provide interim financing for equipment purchases. BANs are purchased by the County Treasury Pool and are payable within 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 LACCAL and a pledge of the acquired equipment. During FY 2024-2025, LACCAL, an Internal Service Fund, issued additional BANs in the amount of \$20.00 million and redeemed BANs in the amount of \$5.00 million as reflected in governmental activities. As of June 30, 2025, the note balance is \$30.00 million for governmental activities only.

COUNTY OF LOS ANGELES  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025

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, 2025, the balance is \$5.54 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, 2025, 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, 2025, the balance is \$4.44 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 2024-2025, the County did not obtain any additional airport development loans. As of June 30, 2025, the balance is \$940 thousand 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 2024-2025, the County did not obtain any additional Safe Drinking Water State Revolving loans. As of June 30, 2025, the balance is \$3.54 million for business-type activities.

COUNTY OF LOS ANGELES  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025

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.

On July 1, 2024, four 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 LOCs were issued for a five-year period with the an initial expiration date of July 31, 2029. The County has the option to extend the LOCs for an additional one-year period or to some other term mutually agreed to with the participating banks.

The aggregate maximum principal amount of the four LOCs is \$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 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% to 0.42% of the maximum principal amount of the LOC. As of June 30, 2025, \$594.59 million of LRON issued under the program were outstanding, including \$98.18 million of Series A, \$90.39 million of Series B, \$311.02 million of Series C, and \$95.00 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 2024-2025, the County reissued \$205.59 million for governmental activities and \$254.39 million for business-type activities, representing the total amounts outstanding at the beginning of the year. These reissues, along with new County LRON of \$164.93 million for governmental activities and \$71.50 million for business-type activities, totaling \$236.43 million, and redemptions of \$16.57 million for governmental activities and \$85.25 million for business-type activities, totaling \$101.82 million, are reflected as notes payable. The total outstanding LRON as of June 30, 2025 is \$594.59 million, which is reported as \$353.95 million for governmental activities and \$240.64 million for business-type activities. The average interest rate on CP Notes issued in FY 2024-2025 was 2.95%.

COUNTY OF LOS ANGELES  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025

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
2026	\$ 380,244	\$ 249	\$ 241,092	\$ 128
2027	6,354	191	687	166
2028	1,415	130	703	150
2029	1,479	67	719	134
2030			736	118
2031-2035			3,196	343
2036-2040			616	153
2041-2045			660	109
2046-2050			707	60
2051-2055			449	12
Total notes, loans, and LRON	<u>\$ 389,492</u>	<u>\$ 637</u>	<u>\$ 249,565</u>	<u>\$ 1,373</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
2026	\$ 2,687	\$ 199
2027	2,667	147
2028	2,616	96
2029	2,350	50
2030	2,165	18
2031	182	
Total financed purchase obligations	<u>\$ 12,667</u>	<u>\$ 510</u>

COUNTY OF LOS ANGELES  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025

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	\$ 2,062,227	\$ 1,329,348	\$ 939,282	\$ 755,324
Tobacco settlement asset-backed bonds	271,049	548,106		
Notes, Loans, and LRON from direct borrowings and placements	389,492	637	249,565	1,373
Subtotal	2,722,768	\$ 1,878,091	1,188,847	\$ 756,697
Add: Accretions	25,125	(25,125)		
Unamortized premiums on bonds payable	337,839		101,202	
Total bonds and notes	<u>\$ 3,085,732</u>	<u>\$ 1,852,966</u>	<u>\$ 1,290,049</u>	

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

Current Refunding of Debt

On September 5, 2024, the County issued \$569.27 million of Lease Revenue Bonds, 2024 Series H, of which \$110.07 million was for a current refunding of the outstanding Lease Revenue Bonds (Multiple Capital Projects), 2015 Series A. These bonds, maturing on various dates between 2024 and 2044, with an effective interest rate of 3.47%, were issued to refund the outstanding principal amount of \$130.08 million of bonds for governmental activities. The effective interest rate of the refunded bonds, issued in 2015, was 2.76%.

Proceeds from the sale of the bonds were deposited in an irrevocable trust with an escrow agent to provide for the prepayment of debt service payments on the refunding bonds. Accordingly, the refunded bonds were considered to be defeased and the liabilities for those bonds were removed from the Government-Wide Statement of Net Position – Governmental Activities. Specific disclosures related to the refunding issue are as follows (in thousands):

	2024 Series H
Proceeds of refunding bonds issued	\$ 110,070
Prior years' bond reserves and/or premiums	21,607
Deposit to escrow	<u>131,677</u>
Future years' aggregate debt service payment reduction	\$ 33,844
Net present value savings (economic gain)	\$ 19,052

For the refunding transaction, the net carrying amount of the refunded debt of \$153.37 million was more than the reacquisition price of \$131.68 million. The difference of \$21.69 million was for governmental activities and is reported as a deferred inflow of resources to be amortized over the life of the related debt.

COUNTY OF LOS ANGELES  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025

11. LONG-TERM OBLIGATIONS-Continued

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 financial statements. At June 30, 2025, there were no outstanding bonds considered defeased.

Changes in Long-term Liabilities

The following is a summary of the restatement of beginning balances as a result of the implementation of GASB 101, transfer of Martin Luther King, Jr. ambulatory care operations from the Harbor-UCLA Medical Center Hospital Enterprise Fund to governmental activities, and error correction, as described in Note 2 (in thousands):

	Balance at July 1, 2024, as previously reported	Restatement Amounts	Balance at July 1, 2024, as restated
Governmental activities:			
Liabilities for compensated absences	\$ 2,258,649	189,852	\$ 2,448,501
Bonds Payable	2,034,291	178,875	2,213,166
Unamortized premium on bonds payable	282,828	41,619	324,447
Business-type activities:			
Liabilities for compensated absences	304,853	38,461	343,314
Bonds Payable	688,441	(178,875)	509,566
Unamortized premium on bonds payable	84,649	(41,619)	43,030
LACDA			
Governmental activities:			
Liabilities for compensated absences	2,172	1,271	3,443
Business-type activities:			
Liabilities for compensated absences	1,240	670	1,910
First 5 LA			
Liabilities for compensated absences	974	290	1,264

COUNTY OF LOS ANGELES  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025

11. LONG-TERM OBLIGATIONS-Continued

Changes in Long-term Liabilities-Continued

The following is a summary of long-term liabilities and corresponding activity for the year ended June 30, 2025 (in thousands):

	Balance July 1, 2024, as restated	Additions/ Accretions	Transfers/ Maturities	Balance June 30, 2025	Due Within One Year
<u>Governmental activities:</u>					
Bonds payable	\$ 2,213,166	322,201	202,091	\$ 2,333,276	\$ 65,792
Notes, loans, and LRON from direct borrowings and placements	212,370	353,951	206,829	359,492	355,244
	<u>2,425,536</u>	<u>676,152</u>	<u>408,920</u>	<u>2,692,768</u>	<u>421,036</u>
ISF bonds payable and notes from direct placements	15,000	20,000	5,000	30,000	25,000
Total bonds payable, notes, loans and LRON	2,440,536	696,152	413,920	2,722,768	446,036
Interest accretion on capital appreciation bonds payable	19,533	5,592		25,125	
Unamortized premium on bonds payable	324,447	44,970	31,578	337,839	10,425
Other long-term liabilities:					
Lease liability (Note 9)	1,574,849	297,443	141,557	1,730,735	135,175
Subscription liability (Note 10)	83,947	53,130	33,634	103,443	28,973
Financed purchase obligations	15,572		2,905	12,667	2,687
Liabilities for compensated absences <sup>(1)</sup>	2,448,501	103,514		2,552,015	699,831
Workers' compensation (Note 18)	3,288,891	932,291	709,803	3,511,379	740,531
Litigation and self-insurance (Note 18)	4,344,298	1,093,764	137,329	5,300,733	1,374,994
Pollution remediation obligation (Note 19)	55,136	130	1,385	53,881	1,465
Net pension liability (Note 7)	12,149,505		959,913	11,189,592	
Net OPEB liability (Note 8)	21,347,820		1,056,541	20,291,279	53,625
Third party payor	349,530	136,371	39,897	446,004	269,722
Total governmental activities	<u>\$ 48,442,565</u>	<u>3,363,357</u>	<u>3,528,462</u>	<u>\$ 48,277,460</u>	<u>\$ 3,763,464</u>
<u>Business-type activities:</u>					
Bonds payable	\$ 509,566	459,200	29,484	\$ 939,282	\$ 24,708
Add: Unamortized premium on bonds payable	43,030	60,440	2,268	101,202	1,670
Notes, loans, and LRON from direct borrowings and placements	263,973	240,642	255,050	249,565	241,092
Total bonds payable, notes, loans and LRON	816,569	760,282	286,802	1,290,049	267,470
Other long-term liabilities:					
Lease liability (Note 9)	3,188		1,022	2,166	885
Liabilities for compensated absences (1)	343,314	12,484		355,798	125,506
Workers' compensation (Note 18)	401,964	45,004	33,537	413,431	36,839
Litigation and self-insurance (Note 18)	12,193		7,121	5,072	1,658
Net pension liability (Note 7)	1,924,458		131,380	1,793,078	
Net OPEB liability (Note 8)	3,777,851		295,039	3,482,812	8,834
Third party payor (Note 14)	531,450	22,964		554,414	162,167
Total business-type activities	<u>\$ 7,810,987</u>	<u>840,734</u>	<u>754,901</u>	<u>\$ 7,896,820</u>	<u>\$ 603,359</u>

(1) The change in the liabilities for compensated absences is presented as a net change.

COUNTY OF LOS ANGELES  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025

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, 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 2024-2025, thereby increasing liabilities for bonds by \$5.59 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, 2025, were as follows (in thousands):

	Balance July 1, 2024 <u>as restated</u>	<u>Additions</u>	<u>Maturities</u>	Balance June 30, 2025	Due Within One Year
<u>LACDA</u>					
<u>Governmental activities:</u>					
Bonds payable	\$ 30,430		705	\$ 29,725	\$ 745
Unamortized premium on bonds payable	3,566		59	3,507	
Notes from direct borrowing	12,048		1,102	10,946	1,144
Liabilities for compensated absences (1)	3,443	1,168		4,611	4,150
Lease liability	66	1,680	264	1,482	317
Subscription liability	4,072	1,266	1,777	3,561	1,771
Claims payable	6,914	3,650	4,327	6,237	624
Net pension liability	40,785		5,119	35,666	
Total governmental activities	<u>\$ 101,324</u>	<u>7,764</u>	<u>13,353</u>	<u>\$ 95,735</u>	<u>\$ 8,751</u>
<u>Business-type activities:</u>					
Subscription liability	\$ 345		124	\$ 221	\$ 135
Notes from direct borrowing	2,200			2,200	
Liabilities for compensated absences (1)	1,910	444		2,354	2,118
Net pension liability	25,682		2,945	22,737	
Total business-type activities	<u>\$ 30,137</u>	<u>444</u>	<u>3,069</u>	<u>\$ 27,512</u>	<u>\$ 2,253</u>
Total long-term obligations-LACDA	<u>\$ 131,461</u>	<u>8,208</u>	<u>16,422</u>	<u>\$ 123,247</u>	<u>\$ 11,004</u>
<u>First 5 LA</u>					
Liabilities for compensated absences	\$ 1,264	832		\$ 2,096	\$ 112
Total long-term obligations-First 5 LA	<u>\$ 1,264</u>	<u>832</u>		<u>\$ 2,096</u>	<u>\$ 112</u>
Total long-term obligations-Discretely presented component units	<u>\$ 132,725</u>	<u>9,040</u>	<u>16,422</u>	<u>\$ 125,343</u>	<u>\$ 11,116</u>

(1) The change in the liabilities for compensated absences is presented as a net change.

COUNTY OF LOS ANGELES  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025

12. SHORT-TERM DEBT

On July 1, 2024, the County issued \$700.00 million of short-term Tax and Revenue Anticipation Notes at an effective interest rate of 3.25%. 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 2024. The notes matured and were redeemed on June 30, 2025.

13. CONDUIT DEBT OBLIGATIONS

Community Facilities and Improvement District Bonds

As of June 30, 2025, various community facilities and improvement districts established by the County had outstanding special tax bonds payable totaling \$88.04 million and limited obligation improvement bonds totaling \$310 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, 2025.

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, 2025, the amount of redevelopment refunding bonds outstanding was \$312.28 million.

COUNTY OF LOS ANGELES  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025

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.

Additional information regarding categories of net patient service revenue and material adjustments to the calculation are included below for reference.

California Advancing and Innovating Medi-Cal

Some reported net patient services revenues are authorized pursuant to the State's California Advancing and Innovating Medi-Cal (CalAIM) Section 1115 demonstration and CalAIM Section 1915(b) waiver, which are effective through December 31, 2026.

CalAIM revenue programs include (among other sources):

1. Global Payment Program (GPP)
2. Community Support (CS)

CalAIM revenues are depicted below, consistent with historical reporting to facilitate year-to-year comparisons.

Global Payment Program

The Global Payment Program (GPP) is a payment reform program that aims to change the way 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.

Aggregate GPP funding is 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. Under the GPP, each participant PHS can earn a global budget for meeting a service threshold for individuals who are uninsured. Points toward this threshold 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, intensive care unit stays, recuperative care, respite care, sober center stays, skilled nursing facility stays).

COUNTY OF LOS ANGELES  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 2025

14. HOSPITAL AND OTHER PROGRAM REVENUES-Continued

California Advancing and Innovating Medi-Cal-Continued

Global Payment Program-Continued

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 for the medical centers in FY 2024-2025 are as follows (in thousands):

	GPP Revenues	Intergovernmental Transfers Expense
Harbor-UCLA Medical Center	\$ 139,087	\$ 78,675
Olive View-UCLA Medical Center	143,453	72,657
Los Angeles General Medical Center	295,920	158,455
Rancho Los Amigos National Rehab Center	106,696	52,666
Total	<u>\$ 685,156</u>	<u>\$ 362,453</u>

The estimated GPP for General Fund is \$548.42 million for services at the Ambulatory Care Network with \$310.48 million of related estimated IGTs, which were recorded as "Charges for Services" revenue and "Health and Sanitation" expenditures, respectively, on the governmental funds statement.

The estimated GPP revenue reflects Department of Health Services (DHS) receiving payments equal to approximately 75% of its threshold. A number of factors make GPP revenue uncertain. For example, calculation of the threshold and payments may be impacted by implementation of federal reductions in the State's DSH allotment, a portion of which may impact GPP revenue for Calendar Year 2025, including payments within the last six months of FY 2024-2025. DHS' ability to achieve the threshold also depends on the ability to identify the number and type of services furnished. Anticipated GPP payments may also be impacted by changes in federal policy.

Community Supports

Under CalAIM, Medi-Cal managed care plans may choose to reimburse certain CS, which are non-traditional benefits that address complex barriers to health and drivers of health care costs, such as homelessness, unstable or unsafe housing, and food insecurity. 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.

The General Fund recorded an estimated \$57.76 million for CS, which were recorded as "Charges for Services" revenue on the governmental funds statement. This estimate includes offsets to reflect estimated adjustments and reconciliations that are part of ongoing conversations with the contract health plans.

COUNTY OF LOS ANGELES  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 2025

14. HOSPITAL AND OTHER PROGRAM REVENUES-Continued

California Advancing and Innovating Medi-Cal-Continued

Historic Medi-Cal Program Adjustments

Disproportionate Share Hospital Program

In FY 2024-2025, the Department of Health Care Services (DHCS) initiated their final reconciliation of the DSH for Fiscal Year 2010-2011. DSH estimated net revenues recorded in FY 2024-2025 are as follows (in thousands):

	DSH Revenue
Harbor-UCLA Medical Center	\$ (2,846)
Olive View-UCLA Medical Center	(8,160)
LA General Medical Center	(1,967)
Rancho Los Amigos National Rehab Center	2,523
Total	\$ (10,450)

Safety Net Care Pool

In FY 2024-2025, the DHCS initiated their final reconciliation of the SNCP for Program Year 2010-2011 and reopened the final reconciliation for Program Year 2011-2012. SNCP estimated revenues recorded in FY 2024-2025 are as follows (in thousands):

	SNCP Revenues
Harbor-UCLA Medical Center	\$ 3,806
Olive View-UCLA Medical Center	(2,734)
LA General Medical Center	(454)
Rancho Los Amigos National Rehab Center	5,234
Total	\$ 5,852

Medicaid Coverage Expansion (MCE) - Historical Payments

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. No changes have been raised in connection with the CID and, as a result, any potential liabilities are too speculative to reasonably estimate at this time.

COUNTY OF LOS ANGELES  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025

14. HOSPITAL AND OTHER PROGRAM REVENUES-Continued

Historic Medi-Cal Program Adjustments-Continued

CMS Audits of State Medi-Cal Payment Programs

The federal Centers for Medicare and Medicaid Services (CMS) are currently working with the State DHCS to determine whether historical claims for federal Medi-Cal funding were appropriately supported, including to determine whether federal funds were appropriately claimed for individuals with unsatisfactory immigration status. While these reviews are ongoing, they may potentially impact Medi-Cal payment programs that affect DHS historical revenues, particularly for programs where DHS provides the non-federal share. Programs within the scope of the review include, but may not be limited to: SB 1732, Medi-Cal managed care Graduate Medical Education (GME), physician and non-physician fee-for-service payments, Medi-Cal outpatient hospital fee-for-service payments.

Other Medi-Cal Programs

Cost Based Reimbursement Clinics

Cost Based Reimbursement Clinics (CBRC) reimburse 100% of allowable costs for outpatient services provided to Medi-Cal Fee-For-Service (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 2024-2025, CBRC revenues were \$109.96 million for the enterprise funds and were recorded as net patient services revenue.

As of June 30, 2025, the County estimated that approximately \$8.76 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 \$73.09 million for CBRC, which was recorded as "Charges for Services" revenue on the governmental funds statement. As of June 30, 2025, the County estimated that approximately \$27.34 million of CBRC accounts receivable would not be collectible within 12 months.

Medi-Cal Cost Report Settlements

In FY 2024-2025, the County recognized final inpatient hospital FFS settlements of \$18.71 million related to both the FY 2014-2015 and FY 2015-2016. In addition, the County received CBRC audit settlements of \$13.93 million related to FY 2020-2021, FY2021-2022, and FY 2022-2023. The County's appeal of certain CBRC audit adjustments at various levels to the Office of Administrative Appeals have been favorably resolved resulting in \$1.59 million of final settlement revenues.

The State is in the process of auditing the FY 2021-2022 and FY 2022-2023 non-hospital CBRC and FY 2023-2024 hospital cost reports. Settlements are expected by the 4th quarter of FY 2025-2026.

COUNTY OF LOS ANGELES  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 2025

14. HOSPITAL AND OTHER PROGRAM REVENUES-Continued

Other Medi-Cal Managed Care Programs

Rate Range - Medi-Cal Managed Care Rate Supplements

Each year, the County contracts with its managed care plans (LA Care and Health Net) to receive supplemental funding to the extent that the plans receive from the State increases to the capitation payments that are funded by County IGTs. The State is obtaining CMS' approval for the increased capitation payments for the Rate Range - Medi-Cal Managed Care Rate Supplements (MCRS) paid to LA Care, Health Net, and Kaiser Permanente Health Plans for calendar year 2025, and the County will seek to renew its contracts with the plans.

In connection with the payment of the IGTs, 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 IGTs related to the non-Medical Coverage Expansion population. This amount is also recorded as part of the IGT.

The total estimated managed care rate supplement revenues and related estimated IGTs recorded in FY 2024-2025, including prior year over/under realization, are as follows (in thousands):

	Rate Range Revenues	Intergovernmental Transfers Expense
Harbor-UCLA Medical Center	\$ 66,664	\$ 33,709
Olive View-UCLA Medical Center	78,628	43,740
Los Angeles General Medical Center	674,503	266,048
Rancho Los Amigos National Rehab Center	142,470	64,964
Total	<u>\$ 962,265</u>	<u>\$ 408,461</u>

Enhanced Payment Program

The Enhanced Payment Program (EPP) is a state-directed payment program designed to supplement the base rates public health care systems receive through Medi-Cal managed care contracts.

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 currently approved structure, health plans receive an add-on to their managed care rates and provide interim payments to providers throughout the year. Payments are reconciled at the end of the year.

COUNTY OF LOS ANGELES  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025

14. HOSPITAL AND OTHER PROGRAM REVENUES-Continued

Other Medi-Cal Managed Care Programs-Continued

Enhanced Payment Program-Continued

The estimated EPP revenues and related IGTs reported in FY 2024-2025 are as follows (in thousands):

	EPP Revenues	Intergovernmental Transfers Expense
Harbor-UCLA Medical Center	\$ 226,222	\$ 109,686
Olive View-UCLA Medical Center	104,614	49,462
Los Angeles General Medical Center	223,380	111,364
Rancho Los Amigos National Rehab Center	25,211	13,907
Total	<u>\$ 579,427</u>	<u>\$ 284,419</u>

The General Fund received \$148.63 million for EPP and paid \$63.66 million of related IGTs, which were recorded as "Charges for Services" revenue and "Health and Sanitation" expenditures, respectively, on the governmental funds statement.

Revenue estimates for the EPP reflect DHS earning 62% of its maximum available funding. EPP revenue depends on a variety of factors, including the value and volume of services furnished or assigned member months. Anticipated EPP payments may also be impacted by changes in federal policy.

Quality Incentive Program

The Quality Incentive Program (QIP) is a state-directed payment that requires Medi-Cal managed care plans to make supplemental payments to certain public health care systems, including DHS.

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 2024-2025 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	\$ 137,018	\$ 43,264
Olive View-UCLA Medical Center	92,597	27,049
Los Angeles General Medical Center	202,883	59,101
Rancho Los Amigos National Rehab Center	28,428	8,844
Total	<u>\$ 460,926</u>	<u>\$ 138,258</u>

COUNTY OF LOS ANGELES  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025

14. HOSPITAL AND OTHER PROGRAM REVENUES-Continued

Other Medi-Cal Managed Care Programs-Continued

Quality Incentive Program-Continued

The General Fund received \$41.09 million for QIP and paid \$12.54 million of related IGTs, which were recorded as "Intergovernmental Revenues - Federal" and "Health and Sanitation" expenditures, respectively, on the governmental funds statement.

Revenue estimates for the QIP reflect DHS earning 62% of its maximum available funding. QIP revenue depends on a variety of factors, including performance on identified measures and data reporting. Anticipated QIP payments may also be impacted by changes in federal policy.

Medicare Program

The DHS hospitals participate in the federal Medicare program, under which inpatient hospital services are reimbursed under the Prospective Payment System (PPS) based on diagnosis-related groups (DRGs), outpatient services are reimbursed under the Outpatient Prospective Payment System (OPPS), and other services such as therapy and ancillary services are reimbursed under established fee schedules. Hospital-based physician services, along with supplemental payments for GME and the DSH adjustment, are determined and settled through the annual Medicare cost report process.

Revenues are subject to audit and retroactive adjustment. Estimated settlements are accrued, or liabilities established, in the year services are rendered and revised in future periods as final determinations are made.

Audit and Settlement Status

Medicare cost reports are filed annually for each DHS hospital. As of June 30, 2025, audits by the Medicare Administrative Contractor (MAC) for various prior years have been completed. A total of 69 Notices of Program Reimbursement (NPRs), including revised NPRs (RNPRs), have been issued resulting in \$48.59 million in net patient service revenue.

The large volume of NPRs and RNPRs issued in FY 2024-2025 reflects re-openings required under CMS Change Request 13294, which directed MACs to adjust the treatment of Medicare Part C days in the DSH calculation for cost reporting periods prior to October 1, 2013 (using a 2013 or earlier Supplemental Security Income ratio). CMS also issued related guidance to resolve long-standing DSH calculation issues, leading to multiple settlements for older cost report years. Related appeals remain pending before the Provider Reimbursement Review Board (PRRB) and in federal courts.

LA General Medical Center: NPRs and RNPRs, including Tentative Settlements, were issued for FYs 1998-1999 through 2010-2011, 2013-2014, and 2017-2018, resulting in \$33.22 million net patient service revenue.

Harbor-UCLA Medical Center: NPRs and RNPRs, including Tentative Settlements, were issued for FYs 1999-2000, 2002-2003 through 2013-2014, and 2017-2018, resulting in \$14.03 million net patient service revenue.

COUNTY OF LOS ANGELES  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 2025

14. HOSPITAL AND OTHER PROGRAM REVENUES-Continued

Medicare Program-Continued

Rancho Los Amigos National Rehabilitation Center: NPRs and RNPRs, including Tentative Settlements, were issued for FY's 1998-1999, 2002-2003 through 2006-2007, 2009-2010, and 2011-2012, resulting in \$1.85 million net patient service revenue. NPRs have been issued through FY 2018-2019.

Olive View-UCLA Medical Center: RNPRs were issued for FYs 1997-1998 through 2003-2004, 2006-2007, 2011-2012, and 2012-2013, resulting in (\$0.09) million net patient service revenue. NPRs have been issued through FY 2017-2018, and FY 2018-2019 is currently under audit.

Third Party Payor Liability

The County's Hospitals reported third party payor liabilities of \$554.41 million (see Note 11) as of June 30, 2025, as reported on the statement of net position for proprietary funds. The current liabilities for amounts due within one year are \$162.17 million.

The noncurrent liabilities for third party payors related to enterprise funds are \$392.25 million. The primary programs associated with third party payors liabilities include Medi-Cal (\$53.14 million), Medicare (\$31.62 million), SPD (\$175.69 million), MCE (\$39.45 million), AB 915 (\$30.70 million), In-home Supportive Services (IHSS) (\$43.67 million), Medi-Cal Physician State Plan Amendment (\$9.57 million), CBRC (\$6.21 million), and other miscellaneous programs (\$2.20 million).

Accounts Receivable-Net

The following is a summary, by hospital, of accounts receivable and allowances for uncollectible amounts as of June 30, 2025 (in thousands):

	<u>H-UCLA</u>	<u>OV-UCLA</u>	<u>Los Angeles General</u>	<u>Rancho</u>	<u>Total</u>
Accounts receivable	\$ 3,954,056	2,232,612	8,766,029	965,495	\$ 15,918,192
Less: Allowance for uncollectible amounts	<u>3,320,752</u>	<u>1,962,794</u>	<u>7,770,519</u>	<u>696,516</u>	<u>13,750,581</u>
Accounts receivable - net	<u>\$ 633,304</u>	<u>269,818</u>	<u>995,510</u>	<u>268,979</u>	<u>\$ 2,167,611</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, 2025 was \$384.01 million.

COUNTY OF LOS ANGELES  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 2025

14. HOSPITAL AND OTHER PROGRAM REVENUES-Continued

Charity Care-Continued

The total amount of such charity care provided by the hospitals for the year ended June 30, 2025 is as follows (in thousands):

Charity care at established rates	\$ 1,189,438
GPP reimbursements	111,476
Other reimbursements	5,852
Charges forgone	<u>\$ 1,072,110</u>

Realignment

State law from 2013, Assembly Bill 85 (AB85), as amended by Senate Bill 98, lays out the process and formula by which a portion of the 1991 County Health Realignment funds will be redirected away from the County to the State. AB85, as amended, provides a unique formula for the County to determine the amount to be redirected.

In FY 2024-2025, 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 2024-2025 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 2023-2024, the State did not withhold any of the County's Health Realignment funds. Based on updated revenues realized for FY 2023-2024 services in FY 2024-2025, the projected redirection amount remains at \$0.00.

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 2024-2025, 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.

COUNTY OF LOS ANGELES  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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14. HOSPITAL AND OTHER PROGRAM REVENUES-Continued

Martin Luther King, Jr. Community Hospital-Continued

As of June 30, 2025, the 30-year loan has an outstanding balance of \$35.71 million. In May 2023, MLK-LA drew down \$20.00 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, 2025, 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 IGTs 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 \$644.76 million as of June 30, 2025 and is reflected in governmental activities and the governmental funds.

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, 2025.

COUNTY OF LOS ANGELES  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025

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, 2025 are as follows (in thousands):

Receivable Fund	Payable Fund	Amount
General Fund	Fire Protection District	\$ 25,200
	Flood Control District	2,700
	LA County Library	5,505
	Regional Park and Open Space District	5,193
	Mental Health Services Act	427,641
	Nonmajor Governmental Funds	333,568
	Harbor-UCLA Medical Center	89,434
	Olive View-UCLA Medical Center	40,991
	Los Angeles General Medical Center	227,995
	Rancho Los Amigos Nat'l Rehab Center	27,047
	Waterworks	1,005
	Nonmajor Aviation	35
	Internal Service Funds	12,506
		<u>1,198,820</u>
Fire Protection District	General Fund	833
	Nonmajor Governmental Funds	8,051
	Los Angeles General Medical Center	28
	Internal Service Funds	2
	<u>8,914</u>	
Flood Control District	General Fund	2,229
	Fire Protection District	7
	Nonmajor Governmental Funds	57,909
	Waterworks	386
	Nonmajor Aviation	39
	Internal Service Funds	25,590
	<u>86,160</u>	
LA County Library	General Fund	2,299
	Nonmajor Governmental Funds	172
	<u>2,471</u>	

COUNTY OF LOS ANGELES  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025

15. INTERFUND TRANSACTIONS-Continued

Interfund Receivables/Payables-Continued

Receivable Fund	Payable Fund	Amount
Regional Park and Open Space District	General Fund	\$ 3
Mental Health Services Act	General Fund	27,842
Nonmajor Governmental Funds	General Fund	12,763
	Fire Protection District	16,547
	Flood Control District	50
	LA County Library	34
	Nonmajor Governmental Funds	16,096
	Harbor-UCLA Medical Center	2,198
	Olive View-UCLA Medical Center	72
	Rancho Los Amigos Nat'l Rehab Center	13
	Internal Service Funds	26,007
		<u>73,780</u>
Harbor-UCLA Medical Center	General Fund	50,838
	Fire Protection District	6
	Nonmajor Governmental Funds	47,934
	Olive View-UCLA Medical Center	1,016
	Los Angeles General Medical Center	280,379
	Rancho Los Amigos Nat'l Rehab Center	309
		<u>380,482</u>
Olive View-UCLA Medical Center	General Fund	32,064
	Fire Protection District	145
	Nonmajor Governmental Funds	20,536
	Harbor-UCLA Medical Center	30
	Los Angeles General Medical Center	310,233
	Rancho Los Amigos Nat'l Rehab Center	101
		<u>363,109</u>
Los Angeles General Medical Center	General Fund	57,582
	Fire Protection District	79
	Nonmajor Governmental Funds	44,635
	Harbor-UCLA Medical Center	490,565
	Olive View-UCLA Medical Center	743,735
	Rancho Los Amigos Nat'l Rehab Center	514,917
		<u>1,851,513</u>

COUNTY OF LOS ANGELES  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025

15. INTERFUND TRANSACTIONS-Continued

Interfund Receivables/Payables-Continued

Receivable Fund	Payable Fund	Amount
Rancho Los Amigos Nat'l Rehab Center	General Fund	\$ 3,568
	Harbor-UCLA Medical Center	53
	Olive View-UCLA Medical Center	24
	Los Angeles General Medical Center	585,045
		<u>588,690</u>
Waterworks	General Fund	196
	Flood Control District	35
	Nonmajor Governmental Funds	6
	Internal Service Funds	3,834
		<u>4,071</u>
Nonmajor Aviation	General Fund	57
	Fire Protection District	8
	Internal Service Funds	364
		<u>429</u>
Internal Service Funds	General Fund	34,134
	Fire Protection District	578
	Flood Control District	54,499
	LA County Library	40
	Regional Park and Open Space District	2
	Nonmajor Governmental Funds	39,704
	Harbor-UCLA Medical Center	465
	Olive View-UCLA Medical Center	1,454
	Los Angeles General Medical Center	876
	Rancho Los Amigos Nat'l Rehab Center	35
	Waterworks	7,889
Nonmajor Aviation	784	
		<u>140,460</u>
Total Interfund Receivables/Payables		<u>\$ 4,726,744</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, 2025

15. INTERFUND TRANSACTIONS-Continued

Interfund Transfers-Continued

Interfund transfers to/from other funds for the year ended June 30, 2025 are as follows (in thousands):

Transfer From	Transfer To	Amount
General Fund	Fire Protection District	\$ 50,380
	LA County Library	46,442
	Nonmajor Governmental Funds	104,740
	Harbor-UCLA Medical Center	86,410
	Olive View-UCLA Medical Center	111,728
	Los Angeles General Medical Center	201,233
	Rancho Los Amigos Nat'l Rehab Center	102,771
	Internal Service Funds	37
		<u>703,741</u>
Fire Protection District	General Fund	215
	Nonmajor Governmental Funds	57,614
		<u>57,829</u>
Flood Control District	Internal Service Funds	<u>4,517</u>
LA County Library	General Fund	1,926
	Nonmajor Governmental Funds	4,147
		<u>6,073</u>
Mental Health Services Act	General Fund	<u>972,758</u>
Nonmajor Governmental Funds	General Fund	673,299
	Fire Protection District	12,476
	Flood Control District	55,000
	LA County Library	1,103
	Nonmajor Governmental Funds	404,992
	Harbor-UCLA Medical Center	75,556
	Olive View-UCLA Medical Center	38,718
	Los Angeles General Medical Center	103,321
	Rancho Los Amigos Nat'l Rehab Center	3,603
	Internal Service Funds	974
		<u>1,369,042</u>
Harbor-UCLA Medical Center	Olive View-UCLA Medical Center	241
	Los Angeles General Medical Center	85,363
	Rancho Los Amigos Nat'l Rehab Center	217
		<u>85,821</u>

COUNTY OF LOS ANGELES  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025

15. INTERFUND TRANSACTIONS-Continued

Interfund Transfers-Continued

Transfer From	Transfer To	Amount
Olive View-UCLA Medical Center	Los Angeles General Medical Center	\$ 579,853
	Rancho Los Amigos Nat'l Rehab Center	66
		<u>579,919</u>
Los Angeles General Medical Center	General Fund	126,272
	Harbor-UCLA Medical Center	11,489
	Olive View-UCLA Medical Center	126,331
	Rancho Los Amigos Nat'l Rehab Center	328,256
		<u>592,348</u>
Rancho Los Amigos Nat'l Rehab Center	Nonmajor Governmental Funds	1,555
	Harbor-UCLA Medical Center	3,928
	Olive View-UCLA Medical Center	861
	Los Angeles General Medical Center	128,521
		<u>134,865</u>
Waterworks Enterprise Funds	Internal Service Funds	<u>1,009</u>
Nonmajor Aviation Funds	Internal Service Funds	<u>4</u>
Internal Service Funds	Nonmajor Governmental Funds	<u>1,921</u>
Total Interfund Transfers		<u>\$ 4,509,847</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, 2025

15. INTERFUND TRANSACTIONS-Continued

Interfund Advances-Continued

Advances from/to other funds at June 30, 2025 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	6,400
	Rancho Los Amigos Nat'l Rehab Center	1,265
	Internal Service Funds	2,997
		<u>17,951</u>
Flood Control District	Internal Service Funds	<u>5,982</u>
Nonmajor Governmental Funds	Internal Service Funds	<u>11,221</u>
Waterworks	Internal Service Funds	<u>1,538</u>
Nonmajor Aviation	Internal Service Funds	<u>262</u>
Total Interfund Advances		<u><u>\$ 36,954</u></u>

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, 2025

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

- For the General Fund, obligations for 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, 2025.

COUNTY OF LOS ANGELES  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025

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	\$ 4,026,893	\$ 87,092	\$ 96,810	\$ 43,549	\$ 221,472	\$ 604,249
Budgetary fund balances	4,036,927	187,697	117,493	149,080	697,070	1,190,611
Subtotal	<u>8,063,820</u>	<u>274,789</u>	<u>214,303</u>	<u>192,629</u>	<u>918,542</u>	<u>1,794,860</u>
Adjustments:						
Accrual of estimated liability for litigation and self-insurance claims	384,391	2,171		591		
Accrual of compensated absences	121,014					
Unamortized balance of sale of tobacco settlement revenue	(167,386)					
Change in revenue accruals	(568,476)	(31,052)	(11,954)	(8,226)	(22,464)	(53,938)
Change in OPEB Custodial Fund	272,872	16,147		2,381		
Subtotal	<u>42,415</u>	<u>(12,734)</u>	<u>(11,954)</u>	<u>(5,254)</u>	<u>(22,464)</u>	<u>(53,938)</u>
Fund balance - GAAP basis	<u>\$ 8,106,235</u>	<u>\$ 262,055</u>	<u>\$202,349</u>	<u>\$187,375</u>	<u>\$ 896,078</u>	<u>\$1,740,922</u>

17. OTHER COMMITMENTS AND CONTINGENCIES

Construction and Other Significant Commitments

At June 30, 2025, there were contractual commitments of approximately \$10.87 million for various governmental construction projects and approximately \$522.44 million for various hospital construction projects that were financed by bonds and lease revenue obligation notes.

LACERA Capital Commitments

At June 30, 2025, LACERA had outstanding capital commitments to various investment managers, approximating \$12.500 billion.

COUNTY OF LOS ANGELES  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 2025

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. As of June 30, 2025, the encumbrance balances for the governmental funds (in thousands) are reported as follows:

General Fund	\$ 1,237,208
Fire Protection District	51,017
Flood Control District	74,492
LA County Library	29,188
Regional Park and Open Space District	113,415
Nonmajor Governmental Funds	270,857
Total Encumbrances	\$ 1,776,177

Contingent Gain - Opioid Settlement

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 \$92.83 million in FY 2024-2025 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, 2025

17. OTHER COMMITMENTS AND CONTINGENCIES-Continued

Contingent Gain - Wildfire Recovery

In January 2025, LA County experienced a windstorm and wildfire event that destroyed homes and businesses in the Eaton and Palisades areas. The State passed Assembly Bill 100 that provided relief to the County in the form of funding for unmet response and recovery needs and funding for property tax revenue losses occurring in FY 2024-2025 and FY 2025-2026. The County reported revenue of \$110.07 million under Intergovernmental revenue - State in FY 2024-2025 as reflected in the government-wide governmental activities and governmental fund statements. The property tax revenue losses are estimated to be \$121.50 million but were not recorded in the financial statements.

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 2022-2023, FY 2023-2024 or FY 2024-2025.

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, 2025 was approximately \$3.925 billion. This amount is undiscounted and is based on an actuarial study of the County's self-insured program as of June 30, 2025. Approximately \$187.66 million of the total liabilities pertain to salary continuation payments and other related costs mandated by the State Labor Code.

COUNTY OF LOS ANGELES  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025

18. RISK MANAGEMENT-Continued

As of June 30, 2025, the County's estimate of these liabilities is \$9.231 billion. Changes in the reported liability since July 1, 2024 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>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>
<u>2024-2025</u>				
Workers' Compensation	\$ 3,690,855	977,295	(743,340)	\$ 3,924,810
Other	4,356,491	1,093,764	(144,450)	5,305,805
Total	<u>\$ 8,047,346</u>	<u>2,071,059</u>	<u>(887,790)</u>	<u>\$ 9,230,615</u>

In addition to the above estimated liabilities, the County has determined that claims seeking damages of approximately \$2.482 billion 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.

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.

COUNTY OF LOS ANGELES  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025

19. POLLUTION REMEDIATION-Continued

As of June 30, 2025, the County's estimated pollution remediation obligation totaled \$53.88 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, 2025 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.
- 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	\$ 5,028		\$ 5,028
Pension	5,588,394	882,807	6,471,201
OPEB	4,596,741	637,205	5,233,946
Total government-wide deferred outflows of resources	<u>\$ 10,190,163</u>	<u>1,520,012</u>	<u>\$ 11,710,175</u>
Deferred inflows of resources:			
Unamortized gain on refunding of debt	\$ 41,884		\$ 41,884
Public-private partnerships	80,496		80,496
Leases	1,853,311	18,856	1,872,167
Pension	932,346	154,781	1,087,127
OPEB	7,751,255	1,563,608	9,314,863
Total government-wide deferred inflows of resources	<u>\$ 10,659,292</u>	<u>1,737,245</u>	<u>\$ 12,396,537</u>

COUNTY OF LOS ANGELES  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025

20. DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES-Continued

Proprietary Funds

Statement of Net Position (in thousands):

	H-UCLA	OV-UCLA	LA GEN	Rancho	Aviation	Total	ISF Funds
Deferred outflows of resources:							
Pension	\$ 269,588	159,311	370,263	83,645		\$ 882,807	\$ 222,497
OPEB	182,413	105,073	276,318	73,401		637,205	204,494
Total proprietary funds deferred outflows of resources	<u>\$ 452,001</u>	<u>264,384</u>	<u>646,581</u>	<u>157,046</u>		<u>\$ 1,520,012</u>	<u>\$ 426,991</u>
Deferred inflows of resources:							
Leases					18,856	18,856	
Pension	46,073	32,937	63,033	12,738		154,781	29,335
OPEB	462,338	288,555	671,613	141,102		1,563,608	320,264
Total proprietary funds deferred inflows of resources	<u>\$ 508,411</u>	<u>321,492</u>	<u>734,646</u>	<u>153,840</u>	<u>18,856</u>	<u>\$ 1,737,245</u>	<u>\$ 349,599</u>

Deferred outflows and inflows of resources balances in the governmental funds balance sheet as of June 30, 2025 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	<u>\$</u>					<u>167,386</u>	<u>\$ 167,386</u>
Deferred inflows of resources:							
Tobacco settlement revenues	\$ 167,386						\$ 167,386
Leases	1,815,135		33,306			4,870	1,853,311
Property tax revenues	255,587	51,972	13,073	7,446	1,349	19,620	349,047
Other long-term receivables	300,470	20,132	10,286			4,609	335,497
Total governmental funds deferred inflows of resources	<u>\$2,538,578</u>	<u>72,104</u>	<u>56,665</u>	<u>7,446</u>	<u>1,349</u>	<u>29,099</u>	<u>\$2,705,241</u>

COUNTY OF LOS ANGELES  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025

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, 2025 (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	\$ 130,601	\$ 13,180	\$ 1,761	\$	\$	\$	\$ 1
Long-term receivables	149,250						
Permanent fund principal							2,251
Total Nonspendable	<u>279,851</u>	<u>13,180</u>	<u>1,761</u>				<u>2,252</u>
Restricted for:							
Purpose of fund		248,875	200,489	119,875	896,078	1,740,922	2,684,437
Purpose of utility users tax	88,404						
Sheriff Pitchess landfill	2,262						
La Alameda project	2,000						
Capital projects							235,017
Debt service							249,194
Endowments and annuities							186
Total Restricted	<u>92,666</u>	<u>248,875</u>	<u>200,489</u>	<u>119,875</u>	<u>896,078</u>	<u>1,740,922</u>	<u>3,168,834</u>
Committed to:							
Purpose of fund							88,168
Capital projects and extraordinary maintenance	72,689						96,160
Affordable housing	3,966						
American Rescue Plan-enabled capital programs	129,724						
Board budget policies and priorities	11,429						
Budget uncertainties	95,838						
CFCI year-end savings	427,286						
DPSS building purchase	33,944						
Emission compliance instruments	1,122						
Financial system (eCAPS)	36,101						
Health services future financial requirements	1,510						
Health services-tobacco settlement	179,495						
Alternatives to incarceration-facilities and programs	140,767						
Information technology enhancements	32,972						
Library services	1,496						

COUNTY OF LOS ANGELES  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025

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	32,082						
Woolsey fire recovery efforts	29,885						
Total Committed	1,403,913						184,328
Assigned to:							
Purpose of fund			99	67,500			167,790
Future purchases	1,238,583						
Capital projects							61,683
Total Assigned	1,238,583		99	67,500			229,473
Unassigned	5,091,222						
Total Fund Balances	\$8,106,235	\$ 262,055	\$202,349	\$187,375	\$896,078	\$1,740,922	\$ 3,584,887

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.

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 \$1.077 billion is reported as unassigned fund balance in the General Fund.

COUNTY OF LOS ANGELES  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025

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 2024-2025, the County recorded \$385.15 million as revenue on the fund and government-wide financial statements and \$74.79 million is reported as advances payable.

COUNTY OF LOS ANGELES  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025

22. CORONAVIRUS DISEASE 2019 (COVID-19)-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 2024-2025, the County recorded \$1.89 million as revenue on the fund and government-wide financial statements, and \$1.17 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	\$ 385,154	\$ 74,789
LATCF	1,893	1,172
Total	\$ 387,047	\$ 75,961

23. SUBSEQUENT EVENTS

Tax and Revenue Anticipation Notes (TRANS)

On July 1, 2025, the County issued \$700.00 million in FY 2025-2026 TRANS, which will mature on June 30, 2026. The TRANS are collateralized by taxes and other revenues attributable to FY 2025-2026 and were issued in the form of Fixed Rate Notes at an effective interest rate of 2.82%.

Lease Revenue Commercial Paper Obligation Notes (LRON)

On July 17, 2025, LACCAL issued an additional \$25.00 million in tax-exempt LRON with an interest rate of 2.75%. On September 11, 2025, LACCAL redeemed \$223.00 million in tax-exempt LRON using a portion of the proceeds from 2025 Series J. On September 23, 2025, LACCAL redeemed \$400 thousand in taxable LRON. The proceeds are being used to fund capital requirements of various capital projects. LRON issuances are supported and secured by four separate series of letters of credit and pledged County properties.

LACCAL Lease Revenue Bonds, 2025 Series A

On August 7, 2025, LACCAL issued \$15.85 million in Lease Revenue Bonds, 2025 Series A with interest rates from 4.00% to 5.00%. The proceeds will be used to pay off BANS that were used to purchase new LACCAL equipment.

COUNTY OF LOS ANGELES  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025

23. SUBSEQUENT EVENTS-Continued

Public Works Financing Authority (PWFA) - Lease Revenue Bonds, 2025 Series J

On September 10, 2025, PWFA issued \$824.48 million of lease revenue bonds (2025 Series J), with an associated premium of \$51.31 million, resulting in proceeds of \$875.79 million. These bonds are maturing from 2025 to 2054, with yields from 2.00% to 4.86%. Proceeds of \$650.40 million will be used to finance Phase II of the Harbor-UCLA Medical Center Replacement Project which is the construction of the Inpatient Tower, \$223.00 million was used to refinance LRON previously issued by the County for the Inpatient Tower construction for the Harbor-UCLA Medical Center Replacement Project, and \$2.39 million of the proceeds covered the cost of issuance.

LACCAL BANS

On September 25, 2025, LACCAL issued a \$10.00 million Bond Anticipation Note with an interest rate of 4.37%. The rates are adjustable on January 2 and July 1 of each year. The note was purchased by the Los Angeles County Treasury Pool and is due on June 30, 2028. Proceeds of the notes are being used to purchase equipment. The notes are to be paid from the proceeds of future lease revenue bonds.

Labor Negotiations

On October 17, 2025, the Service Employees International Union (SEIU) 721 ratified the Memorandum of Understanding (MOU) with the County. The MOU provided a one time payment of \$5,000 to most full time employees in lieu of a cost of living increase for FY 2025-2026. The payment was made on the November 30, 2025 payroll and resulted in an additional \$358.00 million in salary payments to SEIU 721 members and designated non-represented employees.

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 Years<sup>1</sup>  
(Dollar amounts in thousands)

	6/30/2024	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
Pension Plan's fiduciary net position as percentage of total pension liability	85.430 %	83.480 %	83.750 %	90.920 %	76.400 %	82.910 %	83.960 %	82.370 %	81.749 %	86.296 %
County's proportionate share of the collective net pension liability	\$12,982,670	\$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
County's proportion as percentage of the collective net pension liability	96.085 %	96.281 %	96.472 %	96.415 %	96.268 %	96.223 %	96.169 %	96.119 %	96.170 %	96.081 %
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
County's proportionate share of the collective net pension liability as a percentage of its covered payroll	137.382 %	155.511 %	150.286 %	80.671 %	207.642 %	143.942 %	135.561 %	148.211 %	147.046 %	107.190 %

Schedule of County's Pension Contributions  
Last Ten Fiscal Years<sup>2</sup>  
(Dollar amounts in thousands)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially Determined Contribution (ADC)	\$2,571,141	\$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
Less: Contributions in relation to the ADC	2,571,141	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
Contribution Deficiency (excess)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Covered payroll	\$9,970,387	\$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
Contributions as a percentage of total covered payroll	25.788 %	25.512 %	24.487 %	22.269 %	22.269 %	20.686 %	19.986 %	17.768 %	17.768 %	19.892 %

- (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.

The discount rate increased from 7.13% as of June 30, 2024 to 7.15% as of June 30, 2025.

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 <sup>1,2,3</sup>  
(Dollar amounts in thousands)

	06/30/2024	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	845,144	853,253	1,024,895	1,166,558	967,482	779,965
Interest on Total OPEB Liability	1,380,556	1,274,585	1,217,398	1,147,426	1,250,934	1,197,607
Effect of economic/demographic gains or losses	(501,725)	(689,452)	(168,643)	323,030	(432,634)	
Effect of assumption changes or inputs	(1,454,388)	418,154	(3,365,579)	(3,729,953)	2,346,920	2,356,270
Benefit payments	(761,943)	(712,101)	(689,511)	(664,932)	(631,917)	(601,985)
Net change in Total OPEB Liability	(492,356)	1,144,439	(1,981,440)	(1,757,871)	3,500,785	1,527,114
Total OPEB Liability, beginning	26,923,134	25,778,695	27,760,135	29,518,006	26,017,221	24,490,107
Total OPEB liability, ending (a)	26,430,778	26,923,134	25,778,695	27,760,135	29,518,006	26,017,221
Fiduciary Net Position						
Employer contributions	1,274,838	1,163,076	1,071,024	1,031,058	886,821	840,965
Net Investment income	358,676	240,868	(280,358)	437,417	5,918	59,606
Benefit payments	(761,943)	(712,101)	(689,511)	(664,932)	(631,917)	(601,985)
Administrative expenses	(10,064)	(9,952)	(9,534)	(9,127)	(8,830)	(8,601)
Net change in plan Fiduciary Net Position	861,507	681,891	91,621	794,416	251,992	289,985
Fiduciary Net Position, beginning	3,009,326	2,327,435	2,235,814	1,441,398	1,189,406	899,421
Fiduciary Net Position, ending (b)	3,870,833	3,009,326	2,327,435	2,235,814	1,441,398	1,189,406
Net OPEB Liability, ending = (a) - (b)	<u>\$22,559,945</u>	<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>14.65 %</u>	<u>11.18 %</u>	<u>9.03 %</u>	<u>8.05 %</u>	<u>4.88 %</u>	<u>4.57 %</u>
Covered-employee payroll <sup>4</sup>	<u>\$10,785,762</u>	<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>209.16 %</u>	<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 5.04% as of June 30, 2023 to 5.36% as of June 30, 2024.

- (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 six 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<sup>1,2</sup>

(Dollar amounts in thousands)

	2025	2024	2023	2022	2021	2020	2019	2018
Actuarially Determined Contribution (ADC)	\$ 1,585,700	\$ 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	1,403,737	1,264,001	1,154,487	1,064,859	1,025,851	880,949	787,366	679,872
Contribution Deficiency (excess)	\$ 181,963	\$ 275,999	\$ 405,113	\$ 373,041	\$ 482,549	\$ 601,251	\$ 762,134	\$ 1,221,128
Covered-employee payroll <sup>3</sup>	\$ 11,534,395	\$ 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	12.170%	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, 2023, rolled forward to June 30, 2024
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, 2023 actuarial valuation of retirement benefits. It can be found at <a href="http://www.LACERA.com">www.LACERA.com</a> .
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	5.36%
Long-term expected rate of return, net of investment expenses	6.25%
20 Year Tax-Exempt Municipal Bond Yield	3.93%

COUNTY OF LOS ANGELES  
REQUIRED SUPPLEMENTARY INFORMATION  
(Unaudited)

Schedule of Changes in the Total LTD OPEB Liability and Related Ratios  
Last Ten Fiscal Years<sup>1</sup>  
(Dollar amounts in thousands)

	6/30/2024	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	\$ 51,479	\$ 55,362	\$ 68,827	\$ 62,563	\$ 47,316	\$ 41,832	\$ 43,162	\$ 49,068
Interest	45,072	46,487	32,594	29,275	38,779	41,028	38,818	33,546
Differences between expected and actual experience	5	(80,333)	(512)	111,863	8,067	(55,159)	1,111	589
Changes of assumptions or other inputs	(36,808)	(35,491)	(218,398)	37,166	170,346	78,190	(43,574)	(106,200)
Benefit payments	(57,465)	(63,487)	(66,425)	(59,149)	(66,671)	(60,451)	(64,313)	(63,430)
Net Change in Total OPEB Liability	2,283	(77,462)	(183,914)	181,718	197,837	45,440	(24,796)	(86,427)
Total LTD OPEB Liability - beginning	1,211,863	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>\$ 1,214,146</u>	<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	\$10,785,762	\$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	11.257 %	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 %
As of June 30, 2024	3.93 %

(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 3.65% as of June 30, 2024 to 3.93% as of June 30, 2025.

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, 2025 (in thousands)

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL ON BUDGETARY BASIS	VARIANCE FROM FINAL BUDGET POSITIVE (NEGATIVE)
<b>GENERAL GOVERNMENT:</b>				
Salaries and employee benefits	\$ 1,567,163	1,547,884	1,368,569	179,315
Services and supplies	3,272,906	3,042,377	1,253,852	1,788,525
Other charges	184,055	200,284	251,244	(50,960)
Capital assets	27,045	29,127	20,802	8,325
Intrafund transfers	(1,093,130)	(1,095,307)	(945,263)	(150,044)
<b>TOTAL GENERAL GOVERNMENT</b>	<b>3,958,039</b>	<b>3,724,365</b>	<b>1,949,204</b>	<b>1,775,161</b>
<b>PUBLIC PROTECTION:</b>				
Salaries and employee benefits	6,029,068	6,081,148	5,871,127	210,021
Services and supplies	1,374,843	1,484,509	1,307,519	176,990
Other charges	395,714	412,097	394,094	18,003
Capital assets	54,431	79,269	74,956	4,313
Intrafund transfers	(186,668)	(209,747)	(194,012)	(15,735)
<b>TOTAL PUBLIC PROTECTION</b>	<b>7,667,388</b>	<b>7,847,276</b>	<b>7,453,684</b>	<b>393,592</b>
<b>HEALTH AND SANITATION:</b>				
Salaries and employee benefits	3,537,044	3,394,201	3,239,404	154,797
Services and supplies	5,758,648	6,009,819	5,748,695	261,124
Other charges	860,480	797,393	674,214	123,179
Capital assets	44,148	72,644	45,985	26,659
Intrafund transfers	(662,018)	(639,130)	(548,461)	(90,669)
<b>TOTAL HEALTH AND SANITATION</b>	<b>9,538,302</b>	<b>9,634,927</b>	<b>9,159,837</b>	<b>475,090</b>
<b>PUBLIC ASSISTANCE:</b>				
Salaries and employee benefits	3,550,478	3,548,680	3,424,674	124,006
Services and supplies	1,892,620	1,882,861	1,435,616	447,245
Other charges	5,108,238	5,316,522	4,823,041	493,481
Capital assets	8,101	13,242	9,955	3,287
Intrafund transfers	(142,455)	(142,455)	(101,524)	(40,931)
<b>TOTAL PUBLIC ASSISTANCE</b>	<b>10,416,982</b>	<b>10,618,850</b>	<b>9,591,762</b>	<b>1,027,088</b>
<b>RECREATION AND CULTURAL SERVICES:</b>				
Salaries and employee benefits	275,092	259,624	255,095	4,529
Services and supplies	258,828	267,413	257,259	10,154
Other charges	55,191	57,218	54,533	2,685
Capital assets	6,157	6,875	5,076	1,799
Intrafund transfers	(8,946)	(9,186)	(9,007)	(179)
<b>TOTAL RECREATION AND CULTURAL SERVICES</b>	<b>586,322</b>	<b>581,944</b>	<b>562,956</b>	<b>18,988</b>
<b>DEBT SERVICE-</b>				
Interest	23,701	23,701	23,701	
<b>CAPITAL OUTLAY</b>	<b>2,025,594</b>	<b>2,292,155</b>	<b>588,144</b>	<b>1,704,011</b>
<b>TOTAL GENERAL FUND</b>	<b>\$ 34,216,328</b>	<b>34,723,218</b>	<b>29,329,288</b>	<b>5,393,930</b>



## 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.

HOMELESS INITIATIVE MEASURE A FUND

The Homeless Initiative Measure A Fund is used to account for preventing homelessness, reducing homelessness, and making housing more affordable in the County by funding proven and innovative homelessness prevention programs and housing solutions that address the root causes of homelessness, including mental health services; substance use treatment, strategies to make housing more affordable for critical populations, and to ensure a significant reduction in individuals and families living on the streets or in other public places through outreach, supportive services, and housing. 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.

Continued...

COUNTY OF LOS ANGELES  
NONMAJOR GOVERNMENTAL FUNDS  
NONMAJOR SPECIAL REVENUE FUNDS

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.

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.

Continued...

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  
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 Bonds, Series 2024A (LACF2)  
Lease Revenue Bonds, Series 2024B (LACF2)  
Lease Revenue Bonds, 2024 Series H  
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.

Continued...

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, 2025 (in thousands)

	SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS	CAPITAL PROJECTS FUNDS	PERMANENT FUNDS	TOTAL NONMAJOR GOVERNMENTAL FUNDS
<b>ASSETS</b>					
Pooled cash and investments:					
Operating	\$ 3,232,634	32,078	190,561	2,250	\$ 3,457,523
Other	56,627		1,541	7	58,175
Total pooled cash and investments	<u>3,289,261</u>	<u>32,078</u>	<u>192,102</u>	<u>2,257</u>	<u>3,515,698</u>
Other investments		49,471	202,777		252,248
Taxes receivable	28,632				28,632
Interest receivable	5,567	259	1,026	4	6,856
Lease receivable	4,870				4,870
Other receivables	315,007		101		315,108
Due from other funds	50,435		23,345		73,780
Advances to other funds	11,038		183		11,221
Inventories	1				1
<b>TOTAL ASSETS</b>	<u>3,704,811</u>	<u>81,808</u>	<u>419,534</u>	<u>2,261</u>	<u>4,208,414</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		<u>167,386</u>			<u>167,386</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u>\$ 3,704,811</u>	<u>249,194</u>	<u>419,534</u>	<u>2,261</u>	<u>\$ 4,375,800</u>
<b>LIABILITIES</b>					
Accounts payable	\$ 106,755		18,145		\$ 124,900
Accrued payroll	50				50
Due to other funds	560,116		8,485	10	568,611
Advances payable	67,963		44		68,007
Third party payor	246				246
<b>TOTAL LIABILITIES</b>	<u>735,130</u>		<u>26,674</u>	<u>10</u>	<u>761,814</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>29,099</u>				<u>29,099</u>
<b>FUND BALANCES</b>					
Nonspendable	1			2,251	2,252
Restricted	2,684,623	249,194	235,017		3,168,834
Committed	88,168		96,160		184,328
Assigned	167,790		61,683		229,473
<b>TOTAL FUND BALANCES</b>	<u>2,940,582</u>	<u>249,194</u>	<u>392,860</u>	<u>2,251</u>	<u>3,584,887</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<u>\$ 3,704,811</u>	<u>249,194</u>	<u>419,534</u>	<u>2,261</u>	<u>\$ 4,375,800</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, 2025 (in thousands)

	SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS	CAPITAL PROJECTS FUNDS	PERMANENT FUNDS	TOTAL NONMAJOR GOVERNMENTAL FUNDS
<b>REVENUES</b>					
Taxes	\$ 1,059,074				\$ 1,059,074
Licenses, permits and franchises	27,618				27,618
Fines, forfeitures and penalties	30,412				30,412
Revenue from use of money and property:					
Investment income	139,808	3,007	18,134	110	161,059
Rents and concessions	53,911				53,911
Lease revenue	283				283
Royalties	3				3
Intergovernmental revenues:					
Federal	22,685				22,685
State	531,090		267		531,357
Other	18,566				18,566
Charges for services	429,385		7,992		437,377
Miscellaneous	131,395	21,405	7,895		160,695
<b>TOTAL REVENUES</b>	<b>2,444,230</b>	<b>24,412</b>	<b>34,288</b>	<b>110</b>	<b>2,503,040</b>
<b>EXPENDITURES</b>					
Current:					
General government	12,483			39	12,522
Public protection	293,825				293,825
Public ways and facilities	569,981				569,981
Health and sanitation	267,443				267,443
Public assistance	306,752				306,752
Education	596				596
Recreation and cultural services	21,955				21,955
Debt service:					
Principal		277,600			277,600
Interest and other charges		125,235			125,235
Refunding escrow		21,607			21,607
Capital outlay			127,269		127,269
<b>TOTAL EXPENDITURES</b>	<b>1,473,035</b>	<b>424,442</b>	<b>127,269</b>	<b>39</b>	<b>2,024,785</b>
<b>EXCESS (DEFICIENCY) OF REVENUES     OVER EXPENDITURES</b>	<b>971,195</b>	<b>(400,030)</b>	<b>(92,981)</b>	<b>71</b>	<b>478,255</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	116,553	192,214	266,202		574,969
Transfers out	(976,602)	(252,183)	(140,257)		(1,369,042)
Issuance of debt		401,159	164,927		566,086
Refunding bonds issued		110,070			110,070
Payment to refunded bonds escrow agent		(110,070)			(110,070)
Bond premium proceeds		44,970			44,970
Sales of capital assets	1,435				1,435
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(858,614)</b>	<b>386,160</b>	<b>290,872</b>		<b>(181,582)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>112,581</b>	<b>(13,870)</b>	<b>197,891</b>	<b>71</b>	<b>296,673</b>
FUND BALANCES, JULY 1, 2024, as restated	2,828,001	263,064	194,969	2,180	3,288,214
<b>FUND BALANCES, JUNE 30, 2025</b>	<b>\$ 2,940,582</b>	<b>249,194</b>	<b>392,860</b>	<b>2,251</b>	<b>\$ 3,584,887</b>



COUNTY OF LOS ANGELES  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE  
 JUNE 30, 2025 (in thousands)

	Streets, Highways, Roads and Bridges		Street Lighting Districts	Garbage Disposal Districts	Sewer Maintenance Districts	Health Services Measure B
	Road	Other				
<b>ASSETS</b>						
Pooled cash and investments:						
Operating	\$ 44,176	333,124	148,738	54,405	29,458	242,043
Other	26,510	7,487	789	410	120	1,823
Total pooled cash and investments	<u>70,686</u>	<u>340,611</u>	<u>149,527</u>	<u>54,815</u>	<u>29,578</u>	<u>243,866</u>
Taxes receivable		626	2,361	1,478	945	11,826
Interest receivable	163	594	256	125	65	499
Lease receivable	4,870					
Other receivables	42,469	27,523	53	1,260	1,339	
Due from other funds	27,903	1,875	3,541	45	2,479	
Advances to other funds	7,714	1,151	148		1,038	
Inventories	1					
<b>TOTAL ASSETS</b>	<u>\$ 153,806</u>	<u>372,380</u>	<u>155,886</u>	<u>57,723</u>	<u>35,444</u>	<u>256,191</u>
<b>LIABILITIES</b>						
Accounts payable	\$ 6,384	5,162	2,277	3,540	215	11,338
Accrued payroll						
Due to other funds	24,051	15,219	3,968	2,459	6,834	152,989
Advances payable	44,875	18,921	1,324			
Third party payor	246					
<b>TOTAL LIABILITIES</b>	<u>75,556</u>	<u>39,302</u>	<u>7,569</u>	<u>5,999</u>	<u>7,049</u>	<u>164,327</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>5,018</u>	<u>3,830</u>	<u>1,631</u>	<u>1,641</u>	<u>952</u>	<u>7,514</u>
<b>FUND BALANCES</b>						
Nonspendable	1					
Restricted	73,231	329,248	146,686	50,083	27,443	84,350
Committed						
Assigned						
<b>TOTAL FUND BALANCES</b>	<u>73,232</u>	<u>329,248</u>	<u>146,686</u>	<u>50,083</u>	<u>27,443</u>	<u>84,350</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<u>\$ 153,806</u>	<u>372,380</u>	<u>155,886</u>	<u>57,723</u>	<u>35,444</u>	<u>256,191</u>

Health and Sanitation	Safe, Clean Water Program Measure W	Other Public Protection	Public Assistance	Homeless and Housing Measure H	Homeless Initiative Measure A	Recreation	
							ASSETS
							Pooled cash and investments:
\$ 235,241	703,333	695,464	17,213	408,965	38,781	79,222	Operating
2,309	4,410	3,675	466	1,440		1,968	Other
<u>237,550</u>	<u>707,743</u>	<u>699,139</u>	<u>17,679</u>	<u>410,405</u>	<u>38,781</u>	<u>81,190</u>	Total pooled cash and investments
34	11,362						Taxes receivable
487	1,198	855	8	985		157	Interest receivable
							Lease receivable
16,391		926	583	84,730	138,068	1,520	Other receivables
2,305	382	516				219	Due from other funds
730	257						Advances to other funds
							Inventories
<u>\$ 257,497</u>	<u>720,942</u>	<u>701,436</u>	<u>18,270</u>	<u>496,120</u>	<u>176,849</u>	<u>83,086</u>	TOTAL ASSETS
							LIABILITIES
\$ 7,085	14,625	6,006	478	42,920		2,133	Accounts payable
							Accrued payroll
53,855	68,596	46,272	382	162,394		3,258	Due to other funds
2,843							Advances payable
							Third party payor
<u>63,783</u>	<u>83,221</u>	<u>52,278</u>	<u>860</u>	<u>205,314</u>		<u>5,391</u>	TOTAL LIABILITIES
<u>1,111</u>	<u>7,402</u>						DEFERRED INFLOWS OF RESOURCES
							FUND BALANCES
							Nonspendable
192,603	630,319	558,974	17,410	290,806	176,849	37,465	Restricted
		77,516					Committed
		12,668				40,230	Assigned
<u>192,603</u>	<u>630,319</u>	<u>649,158</u>	<u>17,410</u>	<u>290,806</u>	<u>176,849</u>	<u>77,695</u>	TOTAL FUND BALANCES
<u>\$ 257,497</u>	<u>720,942</u>	<u>701,436</u>	<u>18,270</u>	<u>496,120</u>	<u>176,849</u>	<u>83,086</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, 2025 (in thousands)

	Courthouse Temporary Construction	Criminal Justice Temporary Construction	Registrar- Recorder Improvement	Other Special Revenue	Total
<b>ASSETS</b>					
Pooled cash and investments:					
Operating	\$ 20,107	35,255	23,049	124,060	\$ 3,232,634
Other	716	829	554	3,121	56,627
Total pooled cash and investments	20,823	36,084	23,603	127,181	3,289,261
Taxes receivable					28,632
Interest receivable	34	63		78	5,567
Lease receivable					4,870
Other receivables			145		315,007
Due from other funds	10,454	5		711	50,435
Advances to other funds					11,038
Inventories					1
<b>TOTAL ASSETS</b>	<b>\$ 31,311</b>	<b>36,152</b>	<b>23,748</b>	<b>127,970</b>	<b>\$ 3,704,811</b>
<b>LIABILITIES</b>					
Accounts payable	\$	4,021		571	\$ 106,755
Accrued payroll				50	50
Due to other funds	2,678	109	452	16,600	560,116
Advances payable					67,963
Third party payor					246
<b>TOTAL LIABILITIES</b>	<b>2,678</b>	<b>4,130</b>	<b>452</b>	<b>17,221</b>	<b>735,130</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
					29,099
<b>FUND BALANCES</b>					
Nonspendable					1
Restricted	28,633	12,078	23,296	5,149	2,684,623
Committed				10,652	88,168
Assigned		19,944		94,948	167,790
<b>TOTAL FUND BALANCES</b>	<b>28,633</b>	<b>32,022</b>	<b>23,296</b>	<b>110,749</b>	<b>2,940,582</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 31,311</b>	<b>36,152</b>	<b>23,748</b>	<b>127,970</b>	<b>\$ 3,704,811</b>



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, 2025 (in thousands)

	Streets, Highways, Roads and Bridges		Street Lighting Districts	Garbage Disposal Districts	Sewer Maintenance Districts	Health Services Measure B
	Road	Other				
<b>REVENUES</b>						
Taxes	\$ 8,230	93,821	34,213	10,100		332,679
Licenses, permits and franchises	7,308					
Fines, forfeitures and penalties	4	32	131	220	81	1,122
Revenue from use of money and property:						
Investment income (loss)	4,922	16,216	6,342	3,411	1,680	9,191
Rents and concessions	164	120	7			
Lease revenue	283					
Royalties						
Intergovernmental revenues:						
Federal	11,521	11,164				
State	348,339	12,392	114	386		
Other	518	16,375	250	56	41	
Charges for services	22,210	4,936	3,717	22,152	38,048	
Miscellaneous	804	60			3	93
<b>TOTAL REVENUES</b>	<b>404,303</b>	<b>155,116</b>	<b>44,774</b>	<b>36,325</b>	<b>39,853</b>	<b>343,085</b>
<b>EXPENDITURES</b>						
Current:						
General government						
Public protection						
Public ways and facilities	414,264	133,383	22,334			
Health and sanitation				44,487	44,465	77,031
Public assistance						
Education						
Recreation and cultural services						
<b>TOTAL EXPENDITURES</b>	<b>414,264</b>	<b>133,383</b>	<b>22,334</b>	<b>44,487</b>	<b>44,465</b>	<b>77,031</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(9,961)</b>	<b>21,733</b>	<b>22,440</b>	<b>(8,162)</b>	<b>(4,612)</b>	<b>266,054</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	6,179				835	
Transfers out		(15)	(234)			(272,591)
Sales of capital assets	1,109	7				
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>7,288</b>	<b>(8)</b>	<b>(234)</b>		<b>835</b>	<b>(272,591)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(2,673)</b>	<b>21,725</b>	<b>22,206</b>	<b>(8,162)</b>	<b>(3,777)</b>	<b>(6,537)</b>
FUND BALANCES, JULY 1, 2024	75,905	307,523	124,480	58,245	31,220	90,887
FUND BALANCES, JUNE 30, 2025	\$ 73,232	329,248	146,686	50,083	27,443	84,350

Health and Sanitation	Safe, Clean Water Program Measure W	Other Public Protection	Public Assistance	Homeless and Housing Measure H	Homeless Initiative Measure A	Recreation	
				374,947	202,681		REVENUES
\$							Taxes
16,221			1,208			414	Licenses, permits and franchises
8,165	898	2,359	1,320				Fines, forfeitures and penalties
							Revenue from use of money and property:
10,087	29,038	23,160	172	25,056	(23)	4,076	Investment income (loss)
60		22,032				24,571	Rents and concessions
							Lease revenue
							Royalties
							Intergovernmental revenues:
							Federal
5,216		164,483				159	State
1,310		15				1	Other
25,658	276,231	11,911	6,212			5,884	Charges for services
106,979	1	20,738	63	4		2,639	Miscellaneous
<u>173,696</u>	<u>306,168</u>	<u>244,698</u>	<u>8,975</u>	<u>400,007</u>	<u>202,658</u>	<u>37,744</u>	TOTAL REVENUES
							EXPENDITURES
							Current:
	165,545	85,908			25,809		General government
							Public protection
							Public ways and facilities
101,459		1					Health and sanitation
			6,971	299,781			Public assistance
							Education
						21,955	Recreation and cultural services
<u>101,459</u>	<u>165,545</u>	<u>85,909</u>	<u>6,971</u>	<u>299,781</u>	<u>25,809</u>	<u>21,955</u>	TOTAL EXPENDITURES
<u>72,237</u>	<u>140,623</u>	<u>158,789</u>	<u>2,004</u>	<u>100,226</u>	<u>176,849</u>	<u>15,789</u>	EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES
							OTHER FINANCING SOURCES (USES)
		50,181		6,103		9,147	Transfers in
(53,688)	(78,800)	(154,978)	(344)	(351,155)		(18,936)	Transfers out
		152					Sales of capital assets
<u>(53,688)</u>	<u>(78,800)</u>	<u>(104,645)</u>	<u>(344)</u>	<u>(345,052)</u>		<u>(9,789)</u>	TOTAL OTHER FINANCING SOURCES (USES)
18,549	61,823	54,144	1,660	(244,826)	176,849	6,000	NET CHANGE IN FUND BALANCES
174,054	568,496	595,014	15,750	535,632		71,695	FUND BALANCES, JULY 1, 2024
<u>\$ 192,603</u>	<u>630,319</u>	<u>649,158</u>	<u>17,410</u>	<u>290,806</u>	<u>176,849</u>	<u>77,695</u>	FUND BALANCES, JUNE 30, 2025

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, 2025 (in thousands)

	Courthouse Temporary Construction	Criminal Justice Temporary Construction	Registrar- Recorder Improvement	Other Special Revenue	Total
<b>REVENUES</b>					
Taxes	\$			2,403	\$ 1,059,074
Licenses, permits and franchises				2,467	27,618
Fines, forfeitures and penalties	7,682	8,396		2	30,412
Revenue from use of money and property:					
Investment income (loss)	919	2,317		3,244	139,808
Rents and concessions				6,957	53,911
Lease revenue					283
Royalties				3	3
Intergovernmental revenues:					
Federal					22,685
State				1	531,090
Other					18,566
Charges for services			10,982	1,444	429,385
Miscellaneous				11	131,395
<b>TOTAL REVENUES</b>	<b>8,601</b>	<b>10,713</b>	<b>10,982</b>	<b>16,532</b>	<b>2,444,230</b>
<b>EXPENDITURES</b>					
Current:					
General government				12,483	12,483
Public protection	695	15,868			293,825
Public ways and facilities					569,981
Health and sanitation					267,443
Public assistance					306,752
Education				596	596
Recreation and cultural services					21,955
<b>TOTAL EXPENDITURES</b>	<b>695</b>	<b>15,868</b>		<b>13,079</b>	<b>1,473,035</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>7,906</b>	<b>(5,155)</b>	<b>10,982</b>	<b>3,453</b>	<b>971,195</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	10,454			33,654	116,553
Transfers out	(14,788)		(10,988)	(20,085)	(976,602)
Sales of capital assets				167	1,435
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(4,334)</b>		<b>(10,988)</b>	<b>13,736</b>	<b>(858,614)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>3,572</b>	<b>(5,155)</b>	<b>(6)</b>	<b>17,189</b>	<b>112,581</b>
<b>FUND BALANCES, JULY 1, 2024</b>	<b>25,061</b>	<b>37,177</b>	<b>23,302</b>	<b>93,560</b>	<b>2,828,001</b>
<b>FUND BALANCES, JUNE 30, 2025</b>	<b>\$ 28,633</b>	<b>32,022</b>	<b>23,296</b>	<b>110,749</b>	<b>\$ 2,940,582</b>

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, 2025 (in thousands)

	TOTALS			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL ON BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<b>REVENUES</b>				
Taxes	\$ 1,040,021	1,104,639	1,060,147	(44,492)
Licenses, permits and franchises	28,210	28,210	27,618	(592)
Fines, forfeitures and penalties	34,183	34,183	30,413	(3,770)
Revenue from use of money and property:				
Investment income	60,761	64,779	105,984	41,205
Rents and concessions	47,129	50,476	54,194	3,718
Royalties	4	4	3	(1)
Intergovernmental revenues:				
Federal	19,987	19,987	27,294	7,307
State	502,885	503,025	531,089	28,064
Other	39,607	39,607	18,566	(21,041)
Charges for services	444,449	445,499	430,279	(15,220)
Miscellaneous	90,071	97,832	131,393	33,561
<b>TOTAL REVENUES</b>	<b>2,307,307</b>	<b>2,388,241</b>	<b>2,416,980</b>	<b>28,739</b>
<b>EXPENDITURES</b>				
Current:				
General government	62,724	43,248	8,167	35,081
Public protection	1,404,158	1,365,208	325,334	1,039,874
Public ways and facilities	960,920	982,820	610,240	372,580
Health and sanitation	359,276	368,520	272,840	95,680
Public assistance	340,648	405,255	332,359	72,896
Education	9,324	9,324	595	8,729
Recreation and cultural services	55,139	72,081	21,180	50,901
<b>TOTAL EXPENDITURES</b>	<b>3,192,189</b>	<b>3,246,456</b>	<b>1,570,715</b>	<b>1,675,741</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(884,882)</b>	<b>(858,215)</b>	<b>846,265</b>	<b>1,704,480</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sales of capital assets	415	1,515	1,435	(80)
Transfers in	374,606	464,073	442,516	(21,557)
Transfers out	(1,450,224)	(1,640,039)	(1,290,834)	349,205
Appropriations for contingencies	(239,249)	(188,761)		188,761
Changes in fund balances	92,875	114,968	150,047	35,079
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(1,221,577)</b>	<b>(1,248,244)</b>	<b>(696,836)</b>	<b>551,408</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(2,106,459)</b>	<b>(2,106,459)</b>	<b>149,429</b>	<b>2,255,888</b>
<b>FUND BALANCES, JULY 1, 2024</b>	<b>2,106,459</b>	<b>2,106,459</b>	<b>2,106,459</b>	
<b>FUND BALANCES, JUNE 30, 2025</b>	<b>\$</b>		<b>2,255,888</b>	<b>2,255,888</b>

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, 2025 (in thousands)

	ROAD			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL ON BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<b>REVENUES</b>				
Taxes	\$ 9,374	9,374	8,230	(1,144)
Licenses, permits and franchises	8,059	8,059	7,308	(751)
Fines, forfeitures and penalties			4	4
Revenue from use of money and property:				
Investment income	4,794	4,794	4,016	(778)
Rents and concessions	275	275	447	172
Intergovernmental revenues:				
Federal	5,608	5,608	11,669	6,061
State	341,173	341,173	348,339	7,166
Other			518	518
Charges for services	27,367	28,417	22,210	(6,207)
Miscellaneous	43	43	804	761
<b>TOTAL REVENUES</b>	<b>396,693</b>	<b>397,743</b>	<b>403,545</b>	<b>5,802</b>
<b>EXPENDITURES</b>				
Current-Public ways and facilities:				
Services and supplies	365,438	391,538	372,656	18,882
Other charges	14,446	10,446	3,907	6,539
Capital assets	4,205	3,205	27	3,178
Capital outlay	48,320	49,370	45,888	3,482
<b>TOTAL EXPENDITURES</b>	<b>432,409</b>	<b>454,559</b>	<b>422,478</b>	<b>32,081</b>
<b>DEFICIENCY OF REVENUES OVER EXPENDITURES</b>	<b>(35,716)</b>	<b>(56,816)</b>	<b>(18,933)</b>	<b>37,883</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sales of capital assets		1,100	1,109	9
Transfers in	7,287	7,287	6,179	(1,108)
Transfers out	(21,983)	(1,983)		1,983
Changes in fund balance			10,467	10,467
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(14,696)</b>	<b>6,404</b>	<b>17,755</b>	<b>11,351</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(50,412)</b>	<b>(50,412)</b>	<b>(1,178)</b>	<b>49,234</b>
<b>FUND BALANCE, JULY 1, 2024</b>	<b>50,412</b>	<b>50,412</b>	<b>50,412</b>	
<b>FUND BALANCE, JUNE 30, 2025</b>	<b>\$</b>		<b>49,234</b>	<b>49,234</b>

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, 2025 (in thousands)

	OTHER STREETS, HIGHWAYS, ROADS, AND BRIDGES			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL ON BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<b>REVENUES</b>				
Taxes	\$ 104,726	104,726	93,887	(10,839)
Fines, forfeitures and penalties	31	31	33	2
Revenue from use of money and property:				
Investment income	10,955	10,955	12,332	1,377
Rents and concessions	103	103	120	17
Intergovernmental revenues:				
Federal	14,379	14,379	14,558	179
State	2,478	2,478	12,391	9,913
Other	37,946	37,946	16,375	(21,571)
Charges for services	13,485	13,485	4,936	(8,549)
Miscellaneous	50	50	60	10
<b>TOTAL REVENUES</b>	<b>184,153</b>	<b>184,153</b>	<b>154,692</b>	<b>(29,461)</b>
<b>EXPENDITURES</b>				
Current-Public ways and facilities:				
Services and supplies	366,795	364,535	131,668	232,867
Other charges	13,096	14,856	5,004	9,852
Capital assets	6,950	6,950	1,471	5,479
Capital outlay	66,888	67,388	25,581	41,807
<b>TOTAL EXPENDITURES</b>	<b>453,729</b>	<b>453,729</b>	<b>163,724</b>	<b>290,005</b>
<b>DEFICIENCY OF REVENUES OVER EXPENDITURES</b>	<b>(269,576)</b>	<b>(269,576)</b>	<b>(9,032)</b>	<b>260,544</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sales of capital assets			7	7
Transfers out	(515)	(515)	(15)	500
Changes in fund balance	(20)	(20)	5,460	5,480
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(535)</b>	<b>(535)</b>	<b>5,452</b>	<b>5,987</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(270,111)</b>	<b>(270,111)</b>	<b>(3,580)</b>	<b>266,531</b>
FUND BALANCE, JULY 1, 2024	270,111	270,111	270,111	
<b>FUND BALANCE, JUNE 30, 2025</b>	<b>\$</b>		<b>266,531</b>	<b>266,531</b>

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, 2025 (in thousands)

	STREET LIGHTING DISTRICTS			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL ON BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES				
Taxes	\$ 34,644	34,644	34,465	(179)
Fines, forfeitures and penalties	125	125	131	6
Revenue from use of money and property:				
Investment income	4,029	4,029	5,112	1,083
Rents and Concessions	3	3	7	4
Intergovernmental revenues:				
State	119	119	114	(5)
Other	280	280	250	(30)
Charges for services	3,624	3,624	3,717	93
TOTAL REVENUES	42,824	42,824	43,796	972
EXPENDITURES				
Current-Public ways and facilities:				
Services and supplies	73,322	73,072	24,011	49,061
Other charges	50	50	27	23
Capital assets	10	10		10
Capital outlay	1,400	1,400		1,400
TOTAL EXPENDITURES	74,782	74,532	24,038	50,494
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(31,958)	(31,708)	19,758	51,466
OTHER FINANCING SOURCES (USES)				
Transfers in	3,208	3,208	3,119	(89)
Transfers out	(3,234)	(3,484)	(3,353)	131
Changes in fund balance	(29,641)	(29,641)	(28,576)	1,065
TOTAL OTHER FINANCING SOURCES (USES)	(29,667)	(29,917)	(28,810)	1,107
NET CHANGE IN FUND BALANCE	(61,625)	(61,625)	(9,052)	52,573
FUND BALANCE, JULY 1, 2024	61,625	61,625	61,625	
FUND BALANCE, JUNE 30, 2025	\$		52,573	52,573

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, 2025 (in thousands)

	GARBAGE DISPOSAL DISTRICTS			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL ON BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES				
Taxes	\$ 10,162	10,162	10,176	14
Fines, forfeitures and penalties	223	223	220	(3)
Revenue from use of money and property-				
Investment income	2,239	2,239	2,273	34
Intergovernmental revenues:				
State	35	35	386	351
Other			57	57
Charges for services	22,269	22,269	22,247	(22)
TOTAL REVENUES	34,928	34,928	35,359	431
EXPENDITURES				
Current-Health and sanitation-				
Services and supplies	62,711	62,711	45,193	17,518
TOTAL EXPENDITURES	62,711	62,711	45,193	17,518
DEFICIENCY OF REVENUES OVER EXPENDITURES	(27,783)	(27,783)	(9,834)	17,949
OTHER FINANCING SOURCES				
Changes in fund balance	5,500	5,500	6,334	834
TOTAL OTHER FINANCING SOURCES	5,500	5,500	6,334	834
NET CHANGE IN FUND BALANCE	(22,283)	(22,283)	(3,500)	18,783
FUND BALANCE, JULY 1, 2024	22,283	22,283	22,283	
FUND BALANCE, JUNE 30, 2025	\$		18,783	18,783

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, 2025 (in thousands)

	SEWER MAINTENANCE DISTRICTS			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL ON BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<b>REVENUES</b>				
Fines, forfeitures and penalties	\$ 194	194	81	(113)
Revenue from use of money and property-				
Investment income	1,506	1,506	1,178	(328)
Intergovernmental revenues-				
Other	41	41	41	
Charges for services	38,208	38,208	38,036	(172)
Miscellaneous			3	3
<b>TOTAL REVENUES</b>	<b>39,949</b>	<b>39,949</b>	<b>39,339</b>	<b>(610)</b>
<b>EXPENDITURES</b>				
Current-Health and sanitation:				
Services and supplies	68,123	68,083	45,843	22,240
Other charges	607	607	278	329
Capital outlay	500	500		500
<b>TOTAL EXPENDITURES</b>	<b>69,230</b>	<b>69,190</b>	<b>46,121</b>	<b>23,069</b>
<b>DEFICIENCY OF REVENUES OVER EXPENDITURES</b>	<b>(29,281)</b>	<b>(29,241)</b>	<b>(6,782)</b>	<b>22,459</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in			835	835
Transfers out		(40)		40
Changes in fund balance			1,366	1,366
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>		<b>(40)</b>	<b>2,201</b>	<b>2,241</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(29,281)</b>	<b>(29,281)</b>	<b>(4,581)</b>	<b>24,700</b>
FUND BALANCE, JULY 1, 2024	29,281	29,281	29,281	
<b>FUND BALANCE, JUNE 30, 2025</b>	<b>\$</b>		<b>24,700</b>	<b>24,700</b>

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, 2025 (in thousands)

	HEALTH SERVICES MEASURE B			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL ON BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES				
Taxes	\$ 333,820	333,935	333,358	(577)
Fines, forfeitures and penalties	894	894	1,122	228
Revenue from use of money and property-				
Investment income	2,000	6,012	6,012	
Miscellaneous			93	93
TOTAL REVENUES	336,714	340,841	340,585	(256)
EXPENDITURES				
Current-Health and sanitation:				
Services and supplies	44,121	44,371	38,492	5,879
Other charges	48,818	48,818	31,939	16,879
TOTAL EXPENDITURES	92,939	93,189	70,431	22,758
EXCESS OF REVENUES OVER EXPENDITURES	243,775	247,652	270,154	22,502
OTHER FINANCING USES				
Transfers out	(274,133)	(276,883)	(272,591)	4,292
Appropriations for contingencies	(23,249)	(24,376)		24,376
TOTAL OTHER FINANCING USES	(297,382)	(301,259)	(272,591)	28,668
NET CHANGE IN FUND BALANCE	(53,607)	(53,607)	(2,437)	51,170
FUND BALANCE, JULY 1, 2024	53,607	53,607	53,607	
FUND BALANCE, JUNE 30, 2025	\$		51,170	51,170

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, 2025 (in thousands)

	HEALTH AND SANITATION			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL ON BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<b>REVENUES</b>				
Licenses, permits and franchises	\$ 14,161	14,161	16,221	2,060
Fines, forfeitures and penalties	11,140	11,140	8,165	(2,975)
Revenue from use of money and property:				
Investment income	8,770	8,776	9,067	291
Rents and concessions		60	60	
Intergovernmental revenues:				
Federal			1,067	1,067
State	755	895	5,216	4,321
Other	1,340	1,340	1,310	(30)
Charges for services	27,542	27,542	25,663	(1,879)
Miscellaneous	85,349	85,349	106,978	21,629
<b>TOTAL REVENUES</b>	<b>149,057</b>	<b>149,263</b>	<b>173,747</b>	<b>24,484</b>
<b>EXPENDITURES</b>				
Current-Health and sanitation:				
Services and supplies	102,447	101,700	70,348	31,352
Other charges	30,692	40,451	40,450	1
Capital assets	1,157	1,179	297	882
Capital outlay	100	100		100
<b>TOTAL EXPENDITURES</b>	<b>134,396</b>	<b>143,430</b>	<b>111,095</b>	<b>32,335</b>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<b>14,661</b>	<b>5,833</b>	<b>62,652</b>	<b>56,819</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(36,239)	(78,110)	(56,053)	22,057
Appropriations for contingencies	(122,762)	(72,136)		72,136
Changes in fund balance	(335)	(262)	847	1,109
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(159,336)</b>	<b>(150,508)</b>	<b>(55,206)</b>	<b>95,302</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(144,675)</b>	<b>(144,675)</b>	<b>7,446</b>	<b>152,121</b>
FUND BALANCE, JULY 1, 2024	144,675	144,675	144,675	
<b>FUND BALANCE, JUNE 30, 2025</b>	<b>\$</b>		<b>152,121</b>	<b>152,121</b>

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, 2025 (in thousands)

	SAFE, CLEAN WATER PROGRAM MEASURE W			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL ON BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<b>REVENUES</b>				
Fines, forfeitures and penalties	\$ 583	583	898	315
Revenue from use of money and property-				
Investment income	15,127	15,127	23,547	8,420
Charges for services	281,000	281,000	277,037	(3,963)
Miscellaneous			1	1
<b>TOTAL REVENUES</b>	<b>296,710</b>	<b>296,710</b>	<b>301,483</b>	<b>4,773</b>
<b>EXPENDITURES</b>				
Current-Public Protection:				
Services and supplies	172,437	106,817	22,278	84,539
Other charges	672,072	670,755	138,561	532,194
<b>TOTAL EXPENDITURES</b>	<b>844,509</b>	<b>777,572</b>	<b>160,839</b>	<b>616,733</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(547,799)</b>	<b>(480,862)</b>	<b>140,644</b>	<b>621,506</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	287,099	287,099	276,799	(10,300)
Transfers out	(312,451)	(379,388)	(355,599)	23,789
Changes in fund balance			293	293
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(25,352)</b>	<b>(92,289)</b>	<b>(78,507)</b>	<b>13,782</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(573,151)</b>	<b>(573,151)</b>	<b>62,137</b>	<b>635,288</b>
<b>FUND BALANCE, JULY 1, 2024</b>	<b>573,151</b>	<b>573,151</b>	<b>573,151</b>	
<b>FUND BALANCE, JUNE 30, 2025</b>	<b>\$</b>		<b>635,288</b>	<b>635,288</b>

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, 2025 (in thousands)

	OTHER PUBLIC PROTECTION			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL ON BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<b>REVENUES</b>				
Fines, forfeitures and penalties	\$ 3,806	3,806	2,359	(1,447)
Revenue from use of money and property:				
Investment income	7,498	7,498	16,961	9,463
Rents and concessions	19,628	19,628	22,032	2,404
Intergovernmental revenues:				
State	158,195	158,195	164,483	6,288
Other			15	15
Charges for services	10,267	10,267	11,911	1,644
Miscellaneous	3,260	3,260	20,737	17,477
<b>TOTAL REVENUES</b>	<b>202,654</b>	<b>202,654</b>	<b>238,498</b>	<b>35,844</b>
<b>EXPENDITURES</b>				
Current-Public protection:				
Services and supplies	376,706	372,018	78,425	293,593
Other charges	4,302	3,722	1,103	2,619
Capital assets	85,124	107,925	53,616	54,309
Capital outlay	1,459	1,459		1,459
<b>TOTAL EXPENDITURES</b>	<b>467,591</b>	<b>485,124</b>	<b>133,144</b>	<b>351,980</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(264,937)</b>	<b>(282,470)</b>	<b>105,354</b>	<b>387,824</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sales of capital assets	45	45	152	107
Transfers in	50,381	50,432	50,182	(250)
Transfers out	(227,639)	(232,177)	(154,978)	77,199
Appropriations for contingencies	(22,525)	(22,525)		22,525
Changes in fund balance	(20,297)	1,723	11,397	9,674
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(220,035)</b>	<b>(202,502)</b>	<b>(93,247)</b>	<b>109,255</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(484,972)</b>	<b>(484,972)</b>	<b>12,107</b>	<b>497,079</b>
FUND BALANCE, JULY 1, 2024	484,972	484,972	484,972	
<b>FUND BALANCE, JUNE 30, 2025</b>	<b>\$</b>		<b>497,079</b>	<b>497,079</b>

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, 2025 (in thousands)

	PUBLIC ASSISTANCE			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL ON BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<b>REVENUES</b>				
Licenses, permits and franchises	\$ 1,096	1,096	1,208	112
Fines, forfeitures and penalties	1,187	1,187	1,320	133
Revenue from use of money and property-				
Investment income	5	5	149	144
Charges for services	5,100	5,100	6,212	1,112
Miscellaneous	60	60	63	3
<b>TOTAL REVENUES</b>	<b>7,448</b>	<b>7,448</b>	<b>8,952</b>	<b>1,504</b>
<b>EXPENDITURES</b>				
Current-Public assistance-				
Services and supplies	11,554	11,554	5,746	5,808
<b>TOTAL EXPENDITURES</b>	<b>11,554</b>	<b>11,554</b>	<b>5,746</b>	<b>5,808</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(4,106)</b>	<b>(4,106)</b>	<b>3,206</b>	<b>7,312</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(1,173)	(1,173)	(1,037)	136
Appropriations for contingencies	(6,399)	(6,399)		6,399
Changes in fund balance	224	224	510	286
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(7,348)</b>	<b>(7,348)</b>	<b>(527)</b>	<b>6,821</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(11,454)</b>	<b>(11,454)</b>	<b>2,679</b>	<b>14,133</b>
FUND BALANCE, JULY 1, 2024	11,454	11,454	11,454	
<b>FUND BALANCE, JUNE 30, 2025</b>	<b>\$</b>		<b>14,133</b>	<b>14,133</b>

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, 2025 (in thousands)

	HOMELESS AND HOUSING - MEASURE H			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL ON BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES				
Taxes	\$ 545,195	545,195	374,947	(170,248)
Revenue from use of money and property-				
Investment income			17,325	17,325
Miscellaneous			4	4
TOTAL REVENUES	545,195	545,195	392,276	(152,919)
EXPENDITURES				
Current-Public assistance:				
Services and supplies		5,104	4,266	838
Other charges	329,094	324,094	297,477	26,617
TOTAL EXPENDITURES	329,094	329,198	301,743	27,455
EXCESS OF REVENUES OVER EXPENDITURES	216,101	215,997	90,533	(125,464)
OTHER FINANCING SOURCES (USES)				
Transfers in		6,104	6,103	(1)
Transfers out	(511,772)	(517,772)	(351,155)	166,617
Changes in fund balance	137,444	137,444	140,549	3,105
TOTAL OTHER FINANCING SOURCES (USES)	(374,328)	(374,224)	(204,503)	169,721
NET CHANGE IN FUND BALANCE	(158,227)	(158,227)	(113,970)	44,257
FUND BALANCE, JULY 1, 2024	158,227	158,227	158,227	
FUND BALANCE, JUNE 30, 2025	\$		44,257	44,257

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, 2025 (in thousands)

	HOMELESS INITIATIVE - MEASURE A			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL ON BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES				
Taxes	\$	64,503	202,681	138,178
Revenue from use of money and property-				
Investment income			44	44
TOTAL REVENUES		64,503	202,725	138,222
EXPENDITURES				
Current-Public assistance:				
Services and supplies		323		323
Other charges		64,180	24,870	39,310
TOTAL EXPENDITURES		64,503	24,870	39,633
EXCESS OF REVENUES OVER EXPENDITURES			177,855	177,855
OTHER FINANCING SOURCES (USES)				
Transfers in		46,045	46,044	(1)
Transfers out		(46,045)	(46,044)	1
Changes in fund balance			(3)	(3)
TOTAL OTHER FINANCING SOURCES (USES)			(3)	(3)
NET CHANGE IN FUND BALANCE			177,852	177,852
FUND BALANCE, JULY 1, 2024				
FUND BALANCE, JUNE 30, 2025	\$		177,852	177,852

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, 2025 (in thousands)

	RECREATION			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL ON BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<b>REVENUES</b>				
Licenses, permits and franchises	\$ 1,894	1,894	414	(1,480)
Revenue from use of money and property:				
Investment income	891	891	2,757	1,866
Rents and concessions	21,099	24,386	24,571	185
Intergovernmental revenues-				
State	130	130	159	29
Charges for services	5,174	5,174	5,884	710
Miscellaneous	1,284	9,045	2,639	(6,406)
<b>TOTAL REVENUES</b>	<b>30,472</b>	<b>41,520</b>	<b>36,424</b>	<b>(5,096)</b>
<b>EXPENDITURES</b>				
Current-Recreation and cultural services:				
Services and supplies	54,330	71,272	20,595	50,677
Other charges	709	709	585	124
Capital assets	100	100		100
<b>TOTAL EXPENDITURES</b>	<b>55,139</b>	<b>72,081</b>	<b>21,180</b>	<b>50,901</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(24,667)</b>	<b>(30,561)</b>	<b>15,244</b>	<b>45,805</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	592	9,147	9,147	
Transfers out	(44,715)	(47,376)	(18,936)	28,440
Appropriations for contingencies	(2,041)	(2,041)		2,041
Changes in fund balance			187	187
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(46,164)</b>	<b>(40,270)</b>	<b>(9,602)</b>	<b>30,668</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(70,831)</b>	<b>(70,831)</b>	<b>5,642</b>	<b>76,473</b>
<b>FUND BALANCE, JULY 1, 2024</b>	<b>70,831</b>	<b>70,831</b>	<b>70,831</b>	
<b>FUND BALANCE, JUNE 30, 2025</b>	<b>\$</b>		<b>76,473</b>	<b>76,473</b>

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, 2025 (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	7,682	182
Revenue from use of money and property- Investment income	500	500	919	419
<b>TOTAL REVENUES</b>	<b>8,000</b>	<b>8,000</b>	<b>8,601</b>	<b>601</b>
EXPENDITURES				
Current-Public protection:				
Services and supplies	28,544	28,544	695	27,849
Other charges	14,971	25,425	14,788	10,637
<b>TOTAL EXPENDITURES</b>	<b>43,515</b>	<b>53,969</b>	<b>15,483</b>	<b>38,486</b>
<b>DEFICIENCY OF REVENUES OVER EXPENDITURES</b>	<b>(35,515)</b>	<b>(45,969)</b>	<b>(6,882)</b>	<b>39,087</b>
OTHER FINANCING SOURCES				
Transfers in	10,454	20,908	10,454	(10,454)
<b>TOTAL OTHER FINANCING SOURCES</b>	<b>10,454</b>	<b>20,908</b>	<b>10,454</b>	<b>(10,454)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(25,061)</b>	<b>(25,061)</b>	<b>3,572</b>	<b>28,633</b>
FUND BALANCE, JULY 1, 2024	25,061	25,061	25,061	
<b>FUND BALANCE, JUNE 30, 2025</b>	<b>\$</b>		<b>28,633</b>	<b>28,633</b>

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, 2025 (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	\$ 8,500	8,500	8,396	(104)
Revenue from use of money and property-				
Investment income	1,100	1,100	1,443	343
TOTAL REVENUES	9,600	9,600	9,839	239
EXPENDITURES				
Current-Public protection-				
Services and supplies	48,543	48,543	15,868	32,675
TOTAL EXPENDITURES	48,543	48,543	15,868	32,675
DEFICIENCY OF REVENUES OVER EXPENDITURES	(38,943)	(38,943)	(6,029)	32,914
NET CHANGE IN FUND BALANCE	(38,943)	(38,943)	(6,029)	32,914
FUND BALANCE, JULY 1, 2024	38,943	38,943	38,943	
FUND BALANCE, JUNE 30, 2025	\$		32,914	32,914

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, 2025 (in thousands)

	REGISTRAR-RECORDER IMPROVEMENT			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL ON BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES				
Charges for services	\$ 9,867	9,867	10,982	1,115
OTHER FINANCING USES				
Transfers out	(11,448)	(12,200)	(10,988)	1,212
Appropriations for contingencies	(21,719)	(20,967)		20,967
Changes in fund balance			(1)	(1)
TOTAL OTHER FINANCING USES	(33,167)	(33,167)	(10,989)	22,178
NET CHANGE IN FUND BALANCE	(23,300)	(23,300)	(7)	23,293
FUND BALANCE, JULY 1, 2024	23,300	23,300	23,300	
FUND BALANCE, JUNE 30, 2025	\$		23,293	23,293

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, 2025 (in thousands)

	OTHER SPECIAL REVENUE			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL ON BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<b>REVENUES</b>				
Taxes	\$ 2,100	2,100	2,403	303
Licenses, permits and franchises	3,000	3,000	2,467	(533)
Fines, forfeitures and penalties			2	2
Revenue from use of money and property:				
Investment income	1,347	1,347	2,849	1,502
Rents and concessions	6,021	6,021	6,957	936
Royalties	4	4	3	(1)
Intergovernmental revenues-				
State			1	1
Charges for services	546	546	1,444	898
Miscellaneous	25	25	11	(14)
<b>TOTAL REVENUES</b>	<b>13,043</b>	<b>13,043</b>	<b>16,137</b>	<b>3,094</b>
<b>EXPENDITURES</b>				
Current:				
General government:				
Salaries and employee benefits	6,689	6,689	5,534	1,155
Services and supplies	54,746	35,270	2,467	32,803
Capital assets	1,289	1,289	166	1,123
Total general government	62,724	43,248	8,167	35,081
Education-				
Services and supplies	9,324	9,324	595	8,729
<b>TOTAL EXPENDITURES</b>	<b>72,048</b>	<b>52,572</b>	<b>8,762</b>	<b>43,810</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(59,005)</b>	<b>(39,529)</b>	<b>7,375</b>	<b>46,904</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sales of capital assets	370	370	167	(203)
Transfers in	15,585	33,843	33,654	(189)
Transfers out	(4,922)	(42,893)	(20,085)	22,808
Appropriations for contingencies	(40,554)	(40,317)		40,317
Changes in fund balance			1,217	1,217
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(29,521)</b>	<b>(48,997)</b>	<b>14,953</b>	<b>63,950</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(88,526)</b>	<b>(88,526)</b>	<b>22,328</b>	<b>110,854</b>
FUND BALANCE, JULY 1, 2024	88,526	88,526	88,526	
<b>FUND BALANCE, JUNE 30, 2025</b>	<b>\$</b>		<b>110,854</b>	<b>110,854</b>

COUNTY OF LOS ANGELES  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS - DEBT SERVICE  
 JUNE 30, 2025 (in thousands)

	Public Buildings	LA County Securitization Corporation	Total
ASSETS			
Pooled cash and investments-			
Operating	\$ 32,078		\$ 32,078
Total pooled cash and investments	32,078		32,078
Other investments	27,061	22,410	49,471
Interest receivable	259		259
TOTAL ASSETS	59,398	22,410	81,808
DEFERRED OUTFLOWS OF RESOURCES		167,386	167,386
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 59,398	189,796	\$ 249,194
FUND BALANCES - RESTRICTED	\$ 59,398	189,796	\$ 249,194
TOTAL FUND BALANCES	\$ 59,398	189,796	\$ 249,194

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, 2025 (in thousands)

	Public Buildings	LA County Securitization Corporation	Total
<b>REVENUES</b>			
Revenue from use of money and property-			
Investment income	\$ 1,905	1,102	\$ 3,007
Rents and concessions			
Charges for services			
Miscellaneous		21,405	21,405
<b>TOTAL REVENUES</b>	<b>1,905</b>	<b>22,507</b>	<b>24,412</b>
<b>EXPENDITURES - Debt service</b>			
Principal	263,520	14,080	277,600
Interest and other charges	116,378	8,857	125,235
Refunding escrow	21,607		21,607
<b>TOTAL EXPENDITURES</b>	<b>401,505</b>	<b>22,937</b>	<b>424,442</b>
<b>DEFICIENCY OF REVENUES OVER EXPENDITURES</b>	<b>(399,600)</b>	<b>(430)</b>	<b>(400,030)</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	192,214		192,214
Transfers out	(244,481)	(7,702)	(252,183)
Issuance of debt	401,159		401,159
Refunding bonds issued	110,070		110,070
Payment to refunded bonds escrow agent	(110,070)		(110,070)
Bond premium proceeds	44,970		44,970
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>393,862</b>	<b>(7,702)</b>	<b>386,160</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(5,738)</b>	<b>(8,132)</b>	<b>(13,870)</b>
<b>FUND BALANCES, JULY 1, 2024</b>	<b>65,136</b>	<b>197,928</b>	<b>263,064</b>
<b>FUND BALANCES, JUNE 30, 2025</b>	<b>\$ 59,398</b>	<b>189,796</b>	<b>\$ 249,194</b>

COUNTY OF LOS ANGELES  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS - CAPITAL PROJECTS  
 JUNE 30, 2025 (in thousands)

	Accumulative Capital Outlay	Improvement Districts	Public Buildings	Gap Loan	Total
<b>ASSETS</b>					
Pooled cash and investments:					
Operating	\$ 141,565	13	11,475	37,508	\$ 190,561
Other	1,412		10	119	1,541
Total pooled cash and investments	<u>142,977</u>	<u>13</u>	<u>11,485</u>	<u>37,627</u>	<u>192,102</u>
Other investments			202,777		202,777
Interest receivable	268		691	67	1,026
Other receivables	101				101
Advances to other funds	183				183
Due from other funds	21,345		2,000		23,345
<b>TOTAL ASSETS</b>	<u>\$ 164,874</u>	<u>13</u>	<u>216,953</u>	<u>37,694</u>	<u>\$ 419,534</u>
<b>LIABILITIES</b>					
Accounts payable	\$ 324		17,821		\$ 18,145
Due to other funds	6,676		1,475	334	8,485
Advances payable	44				44
<b>TOTAL LIABILITIES</b>	<u>7,044</u>		<u>19,296</u>	<u>334</u>	<u>26,674</u>
<b>FUND BALANCES</b>					
Restricted			197,657	37,360	235,017
Committed	96,160				96,160
Assigned	61,670	13			61,683
<b>TOTAL FUND BALANCES</b>	<u>157,830</u>	<u>13</u>	<u>197,657</u>	<u>37,360</u>	<u>392,860</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 164,874</u>	<u>13</u>	<u>216,953</u>	<u>37,694</u>	<u>\$ 419,534</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, 2025 (in thousands)

	Accumulative Capital Outlay	Improvement Districts	Public Buildings	Gap Loan	Total
REVENUES					
Revenue from use of money and property-					
Investment income	\$ 7,270		8,978	1,886	\$ 18,134
Intergovernmental revenues-					
State	267				267
Charges for services	7,992				7,992
Miscellaneous	7,895				7,895
<b>TOTAL REVENUES</b>	<b>23,424</b>		<b>8,978</b>	<b>1,886</b>	<b>34,288</b>
<b>EXPENDITURES - Capital outlay</b>	<b>27,884</b>		<b>99,385</b>		<b>127,269</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(4,460)</b>		<b>(90,407)</b>	<b>1,886</b>	<b>(92,981)</b>
OTHER FINANCING SOURCES (USES)					
Transfers in	26,302		239,900		266,202
Transfers out	(2,943)		(136,980)	(334)	(140,257)
Issuance of debt			164,927		164,927
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>23,359</b>		<b>267,847</b>	<b>(334)</b>	<b>290,872</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>18,899</b>		<b>177,440</b>	<b>1,552</b>	<b>197,891</b>
FUND BALANCES, JULY 1, 2024, as restated	138,931	13	20,217	35,808	194,969
<b>FUND BALANCES, JUNE 30, 2025</b>	<b>\$ 157,830</b>	<b>13</b>	<b>197,657</b>	<b>37,360</b>	<b>\$ 392,860</b>

COUNTY OF LOS ANGELES  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS - PERMANENT FUNDS  
 JUNE 30, 2025 (in thousands)

	<u>Annuities</u>	<u>Endowments</u>	<u>Total</u>
<b>ASSETS</b>			
Pooled cash and investments:			
Operating	\$ 394	1,856	\$ 2,250
Other	1	6	7
Total pooled cash and investments	<u>395</u>	<u>1,862</u>	<u>2,257</u>
Interest receivable	1	3	4
<b>TOTAL ASSETS</b>	<u><u>\$ 396</u></u>	<u><u>1,865</u></u>	<u><u>\$ 2,261</u></u>
<b>LIABILITIES</b>			
Due to other funds	<u>\$</u>	10	<u>\$ 10</u>
<b>FUND BALANCES</b>			
Nonspendable	<u>396</u>	<u>1,855</u>	<u>2,251</u>
<b>TOTAL FUND BALANCES</b>	<u><u>396</u></u>	<u><u>1,855</u></u>	<u><u>2,251</u></u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u><u>\$ 396</u></u>	<u><u>1,865</u></u>	<u><u>\$ 2,261</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, 2025 (in thousands)

	<u>Annuities</u>	<u>Endowments</u>	<u>Total</u>
REVENUES			
Revenue from use of money and property-			
Investment income	\$ 20	90	\$ 110
EXPENDITURES - General government	<u>16</u>	<u>23</u>	<u>39</u>
NET CHANGE IN FUND BALANCES	4	67	71
FUND BALANCES, JULY 1, 2024	<u>392</u>	<u>1,788</u>	<u>2,180</u>
FUND BALANCES, JUNE 30, 2025	<u>\$ 396</u>	<u>1,855</u>	<u>\$ 2,251</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, 2025 (in thousands)

	Public Works	Equipment Acquisition	Total
<b>ASSETS</b>			
Current assets:			
Pooled cash and investments:			
Operating	\$ 79,865	7,991	\$ 87,856
Other	9,823	45	9,868
Total pooled cash and investments	89,688	8,036	97,724
Interest receivable	145	47	192
Other receivables	25,991		25,991
Due from other funds	140,419	41	140,460
Inventories	12,211		12,211
Total current assets	268,454	8,124	276,578
Noncurrent assets:			
Restricted assets		4,423	4,423
Capital assets:			
Equipment	270,401	29,843	300,244
Lease assets	1,373		1,373
Subscription assets	1,562		1,562
Subscription assets in development	513		513
Less accumulated depreciation/amortization	(164,724)	(8,599)	(173,323)
Total capital assets - net	109,125	21,244	130,369
Total noncurrent assets	109,125	25,667	134,792
<b>TOTAL ASSETS</b>	<b>377,579</b>	<b>33,791</b>	<b>411,370</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<b>426,991</b>		<b>426,991</b>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	13,106	1,159	14,265
Accrued payroll	27,677		27,677
Other payables	2,981		2,981
Accrued interest payable		609	609
Due to other funds	68,303		68,303
Advances from other funds	22,000		22,000
Advances payable	26		26
Current portion of long-term liabilities	44,163	25,000	69,163
Total current liabilities	178,256	26,768	205,024
Noncurrent liabilities:			
Liabilities for compensated absences	62,371		62,371
Bonds and notes		5,000	5,000
Lease liability	517		517
Subscription liability	819		819
Workers' compensation	59,371		59,371
Net pension liability	445,264		445,264
Net OPEB liability	911,402		911,402
Total noncurrent liabilities	1,479,744	5,000	1,484,744
<b>TOTAL LIABILITIES</b>	<b>1,658,000</b>	<b>31,768</b>	<b>1,689,768</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<b>349,599</b>		<b>349,599</b>
<b>NET POSITION</b>			
Net investment in capital assets	107,442	(4,333)	103,109
Unrestricted (deficit)	(1,310,471)	6,356	(1,304,115)
<b>TOTAL NET POSITION (DEFICIT)</b>	<b>\$ (1,203,029)</b>	<b>2,023</b>	<b>\$ (1,201,006)</b>

COUNTY OF LOS ANGELES  
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION  
 INTERNAL SERVICE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2025 (in thousands)

	Public Works	Equipment Acquisition	Total
OPERATING REVENUES-			
Charges for services	\$ 843,215		\$ 843,215
TOTAL OPERATING REVENUES	<u>843,215</u>		<u>843,215</u>
OPERATING EXPENSES:			
Salaries and employee benefits	642,559		642,559
Services and supplies	65,510	9	65,519
Other professional services	92,875		92,875
Depreciation and amortization	17,100	5,442	22,542
TOTAL OPERATING EXPENSES	<u>818,044</u>	<u>5,451</u>	<u>823,495</u>
OPERATING INCOME (LOSS)	<u>25,171</u>	<u>(5,451)</u>	<u>19,720</u>
NONOPERATING REVENUES (EXPENSES):			
Investment income	1,471	317	1,788
Gain on disposal of capital assets	195		195
Lease and interest revenue		6,943	6,943
Interest expense	(13)	(1,374)	(1,387)
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>1,653</u>	<u>5,886</u>	<u>7,539</u>
INCOME BEFORE TRANSFERS	26,824	435	27,259
Transfers in	6,541		6,541
Transfers out		(1,921)	(1,921)
CHANGE IN NET POSITION	33,365	(1,486)	31,879
TOTAL NET POSITION (DEFICIT), JULY 1, 2024, as restated	<u>(1,236,394)</u>	<u>3,509</u>	<u>(1,232,885)</u>
TOTAL NET POSITION (DEFICIT), JUNE 30, 2025	<u>\$ (1,203,029)</u>	<u>2,023</u>	<u>\$ (1,201,006)</u>

COUNTY OF LOS ANGELES  
 COMBINING STATEMENT OF CASH FLOWS  
 INTERNAL SERVICE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2025 (in thousands)

	Public Works	Equipment Acquisition	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash received from charges for services	\$ 101,656		\$ 101,656
Cash received for services provided to other funds	738,102		738,102
Cash paid for salaries and employee benefits	(650,124)		(650,124)
Cash paid for services and supplies	(47,579)	(9)	(47,588)
Other operating expenses	(92,875)		(92,875)
Net cash provided by (required for) operating activities	<u>49,180</u>	<u>(9)</u>	<u>49,171</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Cash advances paid to other funds	(115)		(115)
Transfers in	6,541		6,541
Transfers out		(1,921)	(1,921)
Net cash provided by (required for) noncapital financing activities	<u>6,426</u>	<u>(1,921)</u>	<u>4,505</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Proceeds from bonds and notes		20,000	20,000
Interest paid on capital borrowing	(13)	(1,106)	(1,119)
Lease and interest revenue		6,943	6,943
Principal payments on bonds and notes		(5,000)	(5,000)
Leases paid	(689)		(689)
Subscriptions paid	(160)		(160)
Acquisition and construction of capital assets	(13,902)	(12,675)	(26,577)
Net cash provided by (required for) capital and related financing activities	<u>(14,764)</u>	<u>8,162</u>	<u>(6,602)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Investment income	1,456	289	1,745
Net increase in cash and cash equivalents	42,298	6,521	48,819
Cash and cash equivalents, July 1, 2024	47,390	5,938	53,328
Cash and cash equivalents, June 30, 2025	<u>\$ 89,688</u>	<u>12,459</u>	<u>\$ 102,147</u>

Continued..

COUNTY OF LOS ANGELES  
 COMBINING STATEMENT OF CASH FLOWS - Continued  
 INTERNAL SERVICE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2025 (in thousands)

	Public Works	Equipment Acquisition	Total
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (REQUIRED FOR) OPERATING ACTIVITIES:</b>			
Operating income (loss)	\$ 25,171	(5,451)	\$ 19,720
Adjustments to reconcile operating income (loss) to net cash provided by (required for) operating activities:			
Depreciation and amortization	17,100	5,442	22,542
(Increase) decrease in:			
Other receivables	(12,945)		(12,945)
Due from other funds	6,082		6,082
Inventories	(1,181)		(1,181)
Increase (decrease) in:			
Accounts payable	6,320		6,320
Accrued payroll	1,442		1,442
Other payables	102		102
Liabilities for compensated absences	2,402		2,402
Due to other funds	12,792		12,792
Workers' compensation	2,263		2,263
Net pension liability and related changes in deferred outflows and inflows of resources	1,339		1,339
Net OPEB liability and related changes in deferred outflows and inflows of resources	(11,707)		(11,707)
<b>TOTAL ADJUSTMENTS</b>	<b>24,009</b>	<b>5,442</b>	<b>29,451</b>
<b>NET CASH PROVIDED BY (REQUIRED FOR) OPERATING ACTIVITIES</b>	<b>\$ 49,180</b>	<b>(9)</b>	<b>\$ 49,171</b>
<b>SCHEDULE OF NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:</b>			
Gain on disposal of capital assets	\$ 195		\$ 195
Lease asset acquisition	462		462
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION:</b>			
Pooled cash and investments	\$ 89,688	8,036	\$ 97,724
Restricted assets		4,423	4,423
<b>TOTAL</b>	<b>\$ 89,688</b>	<b>12,459</b>	<b>\$ 102,147</b>

# 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, 2025 (in thousands)

	Pension Trust	OPEB Trust	Total
<b>ASSETS</b>			
Pooled cash and investments	\$ 149,812		\$ 149,812
Other investments:			
Short-term investments	2,449,579	225,887	2,675,466
Equity	27,882,122	2,515,430	30,397,552
Fixed income	25,667,373	2,257,799	27,925,172
Private equity	13,803,331	42,542	13,845,873
Real estate	4,534,296	44,367	4,578,663
Real assets	4,010,516	46,400	4,056,916
Hedge funds	6,497,104		6,497,104
Cash collateral on loaned securities	2,548,885		2,548,885
Interest receivable	241,779	37,578	279,357
Other receivables	1,511,756	22,761	1,534,517
<b>TOTAL ASSETS</b>	<b>89,296,553</b>	<b>5,192,764</b>	<b>94,489,317</b>
<b>LIABILITIES</b>			
Accounts payable	464,200	156,195	620,395
Other payables	2,644,735	562	2,645,297
<b>TOTAL LIABILITIES</b>	<b>3,108,935</b>	<b>156,757</b>	<b>3,265,692</b>
<b>NET POSITION</b>			
Net position restricted for pension and other postemployment benefits	<u>\$ 86,187,618</u>	<u>5,036,007</u>	<u>\$ 91,223,625</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, 2025 (in thousands)

	Pension Trust	OPEB Trust	Total
<b>ADDITIONS</b>			
Contributions:			
Pension and OPEB trust contributions:			
Employer	\$ 2,670,874	1,460,060	\$ 4,130,934
Member	919,148	54,315	973,463
Total contributions	<u>3,590,022</u>	<u>1,514,375</u>	<u>5,104,397</u>
Investment earnings:			
Investment income	5,027,708	285,773	5,313,481
Net increase in the fair value of investments	3,413,648	195,527	3,609,175
Securities lending income	141,680		141,680
Total investment earnings	<u>8,583,036</u>	<u>481,300</u>	<u>9,064,336</u>
Less - Investment expenses:			
Expense from investing activities	167,079	9,649	176,728
Expense from securities lending activities	123,717		123,717
Total net investment expense	<u>290,796</u>	<u>9,649</u>	<u>300,445</u>
Net investment earnings	<u>8,292,240</u>	<u>471,651</u>	<u>8,763,891</u>
Miscellaneous	<u>6,770</u>		<u>6,770</u>
<b>TOTAL ADDITIONS</b>	<u>11,889,032</u>	<u>1,986,026</u>	<u>13,875,058</u>
<b>DEDUCTIONS</b>			
Administrative expenses:			
Salaries and employee benefits	93,579		93,579
Services and supplies	33,606	900	34,506
Total administrative expenses	<u>127,185</u>	<u>900</u>	<u>128,085</u>
Benefit payments	4,734,319	926,990	5,661,309
Miscellaneous	42,135		42,135
<b>TOTAL DEDUCTIONS</b>	<u>4,903,639</u>	<u>927,890</u>	<u>5,831,529</u>
<b>CHANGE IN NET POSITION</b>	6,985,393	1,058,136	8,043,529
<b>NET POSITION, JULY 1, 2024</b>	<u>79,202,225</u>	<u>3,977,871</u>	<u>83,180,096</u>
<b>NET POSITION, JUNE 30, 2025</b>	<u>\$ 86,187,618</u>	<u>5,036,007</u>	<u>\$ 91,223,625</u>

COUNTY OF LOS ANGELES  
 COMBINING STATEMENT OF FIDUCIARY NET POSITION  
 FIDUCIARY FUNDS - CUSTODIAL - EXTERNAL INVESTMENT POOLS  
 JUNE 30, 2025 (in thousands)

	External Investment Pool	External Specific Investment Pool	Total
<b>ASSETS</b>			
Pooled cash and investments	\$ 35,476,480		\$ 35,476,480
Other investments		210,786	210,786
Interest receivable	52,125	1,013	53,138
<b>NET POSITION</b>			
Net position restricted for pool participants	<u>\$ 35,528,605</u>	<u>211,799</u>	<u>\$ 35,740,404</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, 2025 (in thousands)

	External Investment Pool	External Specific Investment Pool	Total
ADDITIONS			
Contributions to investment pools	\$ 68,178,111	326,243	\$ 68,504,354
Investment income	1,626,547	10,727	1,637,274
TOTAL ADDITIONS	69,804,658	336,970	70,141,628
DEDUCTIONS			
Distributions from investment pools	70,051,160	351,871	70,403,031
CHANGE IN NET POSITION	(246,502)	(14,901)	(261,403)
FUND BALANCE, JULY 1, 2024	35,775,107	226,700	36,001,807
NET POSITION, JUNE 30, 2025	<u>\$ 35,528,605</u>	<u>211,799</u>	<u>\$ 35,740,404</u>

COUNTY OF LOS ANGELES  
 COMBINING STATEMENT OF FIDUCIARY NET POSITION  
 FIDUCIARY FUNDS - CUSTODIAL - OTHER CUSTODIAL  
 JUNE 30, 2025 (in thousands)

	Property Tax	Other Custodial	Total
<b>ASSETS</b>			
Pooled cash and investments	\$ 655,047	1,045,843	\$ 1,700,890
Other investments		307	307
Taxes receivable		1,157,691	1,157,691
Other receivables	25,456	357,793	383,249
Due from other governments	26		26
<b>TOTAL ASSETS</b>	<b>680,529</b>	<b>2,561,634</b>	<b>3,242,163</b>
<b>LIABILITIES</b>			
Accounts payable		3,472	3,472
Other payables	574,187	536,100	1,110,287
Due to other governments		120,023	120,023
<b>TOTAL LIABILITIES</b>	<b>574,187</b>	<b>659,595</b>	<b>1,233,782</b>
<b>NET POSITION</b>			
Net position restricted for individuals, organizations, and other governments	<u>\$ 106,342</u>	<u>1,902,039</u>	<u>\$ 2,008,381</u>

COUNTY OF LOS ANGELES  
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
 FIDUCIARY FUNDS - CUSTODIAL - OTHER CUSTODIAL  
 FOR THE YEAR ENDED JUNE 30, 2025 (in thousands)

	Property Tax	Other Custodial	Total
<b>ADDITIONS</b>			
Contributions to custodial funds	\$ 26,827,495	2,403,335	\$ 29,230,830
Other additions		3,105,164	3,105,164
<b>TOTAL ADDITIONS</b>	<b>26,827,495</b>	<b>5,508,499</b>	<b>32,335,994</b>
<b>DEDUCTIONS</b>			
Distributions from custodial funds	26,841,120	2,346,541	29,187,661
Other deductions		3,069,774	3,069,774
<b>TOTAL DEDUCTIONS</b>	<b>26,841,120</b>	<b>5,416,315</b>	<b>32,257,435</b>
<b>CHANGE IN NET POSITION</b>	<b>(13,625)</b>	<b>92,184</b>	<b>78,559</b>
<b>NET POSITION, JULY 1, 2024</b>	<b>119,967</b>	<b>1,809,855</b>	<b>1,929,822</b>
<b>NET POSITION, JUNE 30, 2025</b>	<b>\$ 106,342</b>	<b>1,902,039</b>	<b>\$ 2,008,381</b>





## 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.

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These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.	
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The schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.	
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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)*

	2015 - 2016	2016 - 2017	2017 - 2018	2018 - 2019	2019 - 2020	2020 - 2021	2021 - 2022	2022 - 2023	2023 - 2024	2024 - 2025
			(1)			(2)	(3)	(4)		(5)
<b>Governmental activities</b>										
Net investment in capital assets	\$ 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	16,741,481
Restricted	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	5,905,368
Unrestricted (deficit)	(17,719,601)	(18,728,499)	(29,158,786)	(29,366,455)	(28,834,009)	(30,171,770)	(29,350,156)	(31,960,081)	(31,970,600)	(32,227,216)
Subtotal governmental activities net position	583,050	(171,823)	(10,649,724)	(10,388,710)	(9,602,750)	(10,224,569)	(9,115,455)	(11,042,614)	(9,952,635)	(9,580,367)
<b>Business-type activities</b>										
Net investment in capital assets	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	2,584,618
Restricted	92,699	112,775	134,647	138,686	67,499	66,423	65,363	84,718	85,492	91,639
Unrestricted (deficit)	(3,446,986)	(3,383,795)	(5,323,163)	(5,351,572)	(4,997,187)	(4,831,786)	(3,849,887)	(3,426,470)	(3,170,562)	(3,277,574)
Subtotal business-type activities net position	(1,084,452)	(965,970)	(2,868,260)	(3,103,470)	(2,833,863)	(2,693,779)	(1,474,720)	(816,322)	(494,739)	(601,317)
<b>Primary government</b>										
Net investment in capital assets	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	19,326,099
Restricted	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	5,997,007
Unrestricted (deficit)	(21,166,587)	(22,112,294)	(34,481,949)	(34,718,027)	(33,831,196)	(35,003,556)	(33,200,043)	(35,386,551)	(35,141,162)	(35,504,790)
Total primary government net position	\$ (501,402)	(1,137,793)	(13,517,984)	(13,492,180)	(12,436,613)	(12,918,348)	(10,590,175)	(11,858,936)	(10,447,374)	(10,181,684)

**Notes:**

- (1) The County adopted GASB 75 in FY 2017-2018 and prior year amounts were not restated.
- (2) The County adopted GASB 84 in FY 2020-2021 and prior year amounts were not restated.
- (3) The County adopted GASB 87 in FY 2021-2022 and prior year amounts were not restated.
- (4) The County adopted GASB 96 in FY 2022-2023 and prior year amounts were not restated.
- (5) The County adopted GASB 101 in FY 2024–2025, resulting in a restatement of the beginning balance as of July 1, 2024 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)

	2015 - 2016	2016 - 2017	2017 - 2018	2018 - 2019	2019 - 2020	2020 - 2021	2021 - 2022	2022 - 2023	2023 - 2024	2024 - 2025
<b>Expenses</b>			(1)			(2)	(3)	(4)		(5)
Governmental activities:										
General government	\$ 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	1,667,383
Public protection	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	10,975,331
Public ways and facilities	375,295	397,231	415,805	453,758	417,325	471,131	468,413	543,472	585,307	591,349
Health and sanitation	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	9,648,717
Public assistance	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	9,506,353
Education	141,195	127,901	160,097	161,012	146,480	174,937	152,330	154,258	173,303	179,496
Recreation and cultural services	388,284	276,625	487,173	320,838	476,798	514,751	568,447	588,735	534,164	661,621
Interest on long-term debt	93,022	104,899	106,425	124,549	199,528	107,106	147,433	161,604	178,369	198,327
Subtotal governmental activities expenses	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	33,428,577
Business-type activities:										
Hospitals	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	6,307,475
Waterworks	86,463	90,517	95,301	104,906	109,259	110,955	111,190	113,074	118,530	129,934
Aviation	5,661	2,776	11,148	5,954	5,598	6,195	17,582	19,677	19,951	16,275
Subtotal business-type activities expenses	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	6,453,684
Total primary government expenses	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	39,882,261
<b>Program Revenues</b>										
Governmental activities:										
Charges for services										
General government	514,167	556,361	530,893	570,425	584,296	666,991	632,043	691,118	689,191	728,238
Public protection	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	1,844,776
Health and sanitation	620,468	715,414	762,326	1,606,315	1,921,273	1,532,582	1,550,591	1,743,967	2,086,480	1,833,157
Recreation and cultural services	149,032	154,686	251,160	160,111	117,960	114,517	141,906	142,312	152,765	159,156
Other charges for services	48,362	41,164	53,449	62,014	57,646	47,033	58,625	60,459	50,679	53,382
Subtotal governmental activities charges for services	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	4,618,709
Operating grants and contributions	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	16,551,675
Capital grants and contributions	24,860	64,055	26,310	72,955	52,174	56,073	42,426	64,023	58,660	52,191
Total governmental activities program revenues	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	21,222,575
Business-type activities:										
Charges for services										
Hospitals	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	5,452,169
Other charges for services	83,286	81,694	90,526	89,468	91,121	101,841	112,920	106,057	116,771	135,683
Subtotal business-type activities charges for services	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	5,587,852
Operating grants and contributions	315,070	457,686	651,303	488,087	247,784	364,408	931,722	182,601	185,668	159,120
Capital grants and contributions	5,582	1,195	8,291	3,850	8,484	15,467	81	1,193	326	240
Total business-type activities program revenues	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	5,747,212
Total primary government program revenues	\$ 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	26,969,787

Notes:

- (1) The County adopted GASB 75 in FY 2017-2018 and prior year amounts were not restated.
- (2) The County adopted GASB 84 in FY 2020-2021 and prior year amounts were not restated.
- (3) The County adopted GASB 87 in FY 2021-2022 and prior year amounts were not restated.
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Continued..

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

	2015 - 2016	2016 - 2017	2017 - 2018	2018 - 2019	2019 - 2020	2020 - 2021	2021 - 2022	2022 - 2023	2023 - 2024	2024 - 2025
<b>Net (expenses) / revenues:</b>										
Governmental activities	\$ (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)	(12,206,002)
Business-type activities	(568,768)	(835,827)	(666,115)	(662,771)	(919,828)	(867,667)	(1,337,924)	189,806	(800,806)	(706,472)
Total primary government net expenses	(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)	(12,912,474)
<b>General Revenues and Transfers</b>										
Governmental activities:										
Taxes	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	11,297,734
Unrestricted grants and contributions	512,079	374,264	428,435	433,799	473,800	85,688	571,163	631,429	679,353	697,817
Investment income (loss)	74,220	122,763	53,363	101,730	380,361	238,439	(32,284)	(456,803)	863,672	1,013,797
Miscellaneous	181,119	141,146	178,922	149,384	269,931	255,931	205,748	175,385	253,977	324,579
Transfers (Net)	(603,762)	(581,699)	(777,901)	(747,863)	(671,446)	(1,123,224)	(1,469,751)	(936,810)	(1,058,209)	(601,402)
Subtotal governmental activities	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	12,732,525
Business-type activities:										
Taxes	4,919	5,309	5,676	6,013	6,504	6,832	8,302	7,730	9,101	9,990
Unrestricted grants and contributions					32	459	746	3	966	296
Investment income (loss)	1,289	1,463	898	675	6,600	5,950	(1,090)	(39,782)	53,810	62,137
Miscellaneous	26,012	61	122	110	36	809	299		303	127
Transfers (Net)	603,762	581,699	777,901	747,863	671,446	1,123,224	1,469,751	936,810	1,058,209	601,402
Subtotal business-type activities	635,982	588,532	784,597	754,661	684,618	1,137,274	1,478,008	904,761	1,122,389	673,952
Total primary government	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	13,406,477
<b>Changes in Net Position</b>										
Governmental activities	(358,541)	(539,991)	(754,873)	(1,026,664)	261,014	785,960	(621,819)	1,244,121	1,089,979	526,523
Business-type activities	67,214	(247,295)	118,482	91,890	(235,210)	269,607	140,084	1,094,567	321,583	(32,520)
Total primary government	\$ (291,327)	(787,286)	(636,391)	(934,774)	25,804	1,055,567	(481,735)	2,338,688	1,411,562	494,003

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

	2015 - 2016	2016 - 2017	2017 - 2018	2018 - 2019	2019 - 2020	2020 - 2021	2021 - 2022	2022 - 2023	2023 - 2024	2024 - 2025
<b>General Fund</b>										
Nonspendable	\$ 324,555	212,281	136,890	311,958	126,630	225,233	284,841	263,367	293,753	279,851
Restricted	67,880	70,157	77,406	79,210	83,372	55,061	64,516	77,629	88,654	92,666
Committed	364,679	429,440	704,954	780,517	594,193	597,337	759,944	832,792	1,070,313	1,403,913
Assigned	446,579	494,783	480,065	620,773	696,775	790,573	774,267	1,028,770	1,345,188	1,238,583
Unassigned	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	5,091,222
Total General Fund	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	8,106,235
<b>All Other Governmental Funds (1)</b>										
Nonspendable	12,817	13,859	15,979	16,040	14,324	13,667	14,152	15,263	100,040	17,193
Restricted	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	6,375,073
Committed	109,538	119,251	122,379	127,829	134,851	135,537	134,392	141,900	169,772	184,328
Assigned	197,022	213,021	220,586	226,468	246,725	257,280	274,438	285,524	283,833	297,072
Total All Other Governmental Funds	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	6,873,666
Total Governmental Fund Balance	\$ 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	14,979,901

**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)

Revenues (by source)	2015 - 2016	2016 - 2017	2017 - 2018	2018 - 2019	2019 - 2020	2020 - 2021	2021 - 2022	2022 - 2023	2023 - 2024	2024 - 2025
Taxes	\$ 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	11,105,940
Licenses, permits and franchises	93,069	98,554	98,800	102,365	110,805	105,333	117,419	121,189	134,188	133,661
Fines, forfeitures and penalties	251,321	242,837	222,072	236,611	227,304	197,506	212,369	222,314	227,716	231,513
Revenue from use of money and property:										
Investment income (loss)	122,423	57,043	102,130	379,249	237,915	(31,728)	(456,643)	349,321	862,610	1,012,947
Rents and concessions	134,627	157,590	149,423	161,772	151,890	149,437	103,812	106,234	114,215	138,798
Lease revenue (1)							69,889	70,224	69,698	71,013
Royalties	900	801	804	824	482	441	642	640	672	555
Intergovernmental revenues:										
Federal	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	5,753,295
State	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	11,370,109
Other	69,237	86,281	53,958	69,878	64,886	61,731	49,682	28,904	60,688	65,491
Charges for services	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	4,062,758
Miscellaneous	215,413	256,217	230,346	351,554	339,798	290,752	327,615	369,852	348,488	479,461
<b>Total Revenues</b>	<b>18,922,536</b>	<b>20,064,955</b>	<b>21,191,231</b>	<b>23,510,572</b>	<b>25,198,173</b>	<b>27,775,712</b>	<b>27,521,056</b>	<b>30,110,729</b>	<b>32,912,475</b>	<b>34,425,541</b>
<b>Expenditures (by function)</b>										
Current:										
General government	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	2,470,265
Public protection	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	9,854,437
Public ways and facilities	322,182	361,137	347,713	406,019	396,357	412,637	432,429	498,034	551,752	569,981
Health and sanitation	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	9,272,294
Public assistance	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	9,731,640
Education	132,397	130,056	150,032	152,112	153,282	153,787	156,824	159,505	172,117	176,033
Recreation and cultural services	376,270	401,564	447,846	441,641	483,498	441,409	470,768	505,031	536,048	611,202
Debt service:										
Principal	393,501	114,661	91,083	134,225	301,678	296,350	486,669	322,992	355,521	441,234
Interest and other charges	133,261	113,274	111,179	129,598	205,838	241,738	379,283	170,968	183,052	204,884
Refunding escrow							53,754			21,607
Capital outlay	61,518	19,997	69,646	237,052	201,510	459,490	241,622	495,507	277,496	477,932
<b>Total Expenditures</b>	<b>18,396,305</b>	<b>18,930,114</b>	<b>20,140,490</b>	<b>22,325,656</b>	<b>24,052,814</b>	<b>26,019,219</b>	<b>26,233,685</b>	<b>28,320,858</b>	<b>30,360,772</b>	<b>33,831,509</b>
Excess of Revenues over Expenditures	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	594,032
<b>Other Financing Sources (Uses)</b>										
Transfers in	572,677	662,781	927,210	1,558,376	1,338,201	1,652,029	1,611,729	1,635,854	1,685,319	2,514,840
Transfers out	(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)	(3,113,960)
Issuance of debt	305,527	34,642	75,489	541,555	632,392	660,364	313,834	135,467	205,589	566,086
Refunding bonds issued	199,885						167,925			110,070
Payment to refunded bonds escrow agent	(199,885)				(394,116)		(167,925)			(110,070)
Debt premium	50,300			44,179	48,516	63,605	70,739			44,970
Sales of capital assets	3,031	2,649	3,261	3,118	1,795	3,211	30,694	2,337	1,545	5,631
Capital leases (1)	547	404	17,661	1,586	2,016	21,596				
Leases (1)							59,032	284,364	148,997	296,981
Subscriptions (1)								61,038	45,742	53,682
Total other financing sources (uses)	(219,028)	(741,342)	(647,198)	(269,378)	(821,385)	(723,713)	(456,444)	(610,614)	(691,925)	368,230
Net change in fund balances	\$ 307,203	393,499	403,543	915,538	323,974	1,032,780	830,927	1,179,257	1,859,778	962,262
Debt service as a percentage of noncapital expenditures (2)	2.93 %	1.25 %	1.02 %	1.21 %	2.17 %	2.16 %	3.41 %	1.81 %	1.84 %	2.00 %

**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.

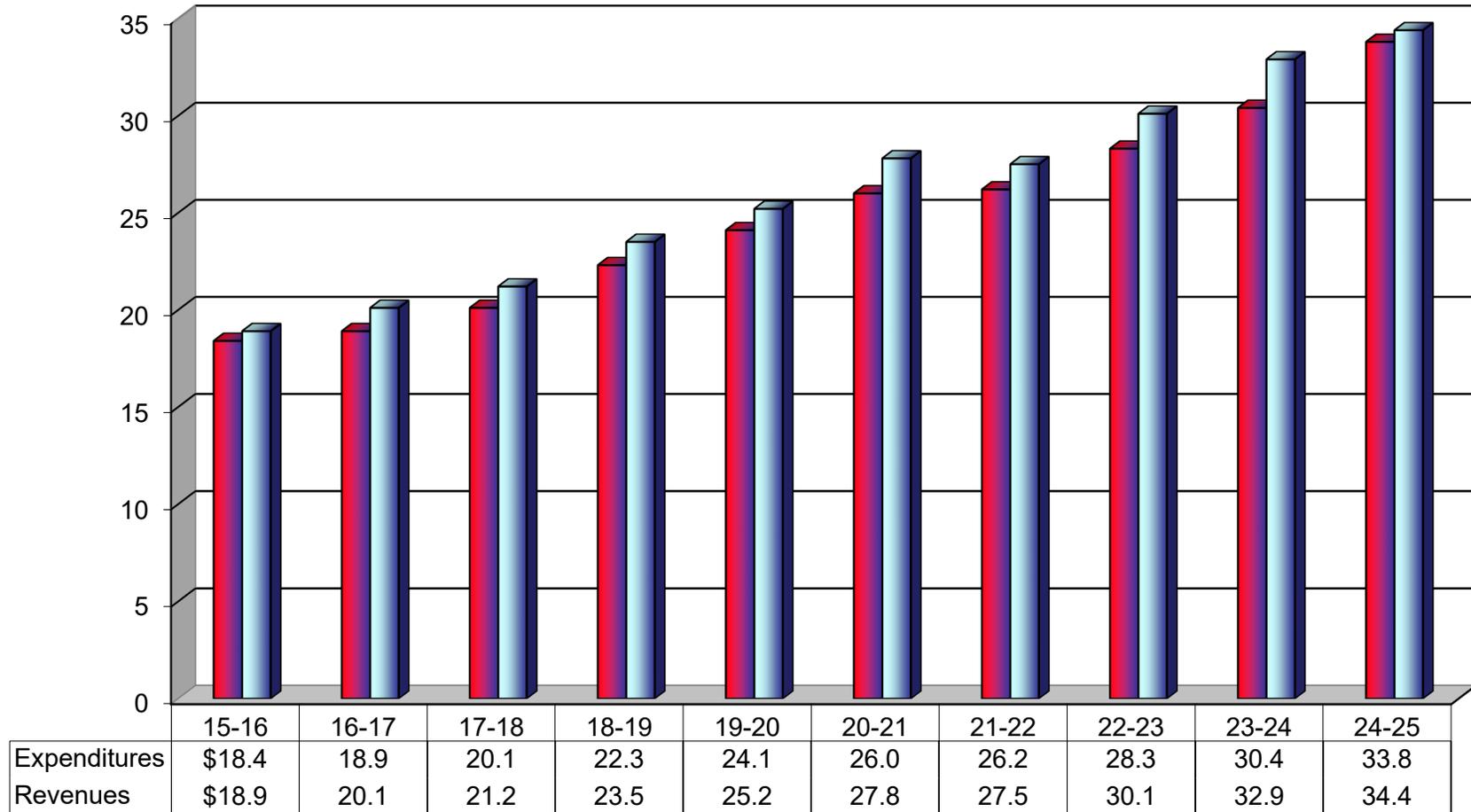
Amount from GW to FB reconciliation for Capital Outlay \$ 416,575 693,502 233,447 569,861 708,720 1,136,003 826,703 1,025,295 1,042,559 1,583,123

# COUNTY OF LOS ANGELES

## Governmental Funds Expenditures and Revenues (UNAUDITED)

### Last Ten Fiscal Years

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In Billions of Dollars



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
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	76,285,689	25,839,957	(72,424,695)	2,024,462,523	1.00000%
2024 - 2025	2,097,873,602	81,291,104	27,518,392	(83,794,328)	2,122,888,770	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	
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
2024 - 2025	1.000000	.013312	.179379	.007000	1.199691

**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 13,197 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, 2025 AND JUNE 30, 2016 (in thousands)

Taxpayer	2025		(1)	2016		(1)
	Net Assessed Secured Property Value	Rank	Percentage of Total Net Assessed Value	Net Assessed Secured Property Value	Rank	Percentage of Total Net Assessed Value
Southern California Edison Co.	\$ 14,402,922	1	0.70%	\$ 7,014,906	1	0.57%
Southern California Gas Company	5,348,042	2	0.26%	1,898,396	7	0.15%
Rexford Industrial	5,307,559	3	0.26%			
Tesoro Refining and Marketing Co.	4,784,955	4	0.23%	2,672,724	4	0.22%
Pincay RE LLC	3,557,103	5	0.17%			
Universal Studios LLC	3,207,359	6	0.16%	2,174,124	5	0.18%
ASN Pasadena LLC	3,002,751	7	0.15%			
EQR Marina Del Rey	2,875,207	8	0.14%			
Douglas Emmett Residential	2,873,538	9	0.14%	3,761,086	2	0.30%
Chevron Usa Inc / Texaco / Unocal	2,835,043	10	0.14%	1,810,897	8	0.15%
EQR / ERP Limited				3,680,882	3	0.30%
AT&T / Pacific Bell Telephone Co.				1,904,112	6	0.15%
Maguire Properties				1,726,268	9	0.14%
Trizec Wilshire Center LLC				1,674,946	10	0.14%
<b>Total</b>	<b>\$ 48,194,479</b>		<b>2.35%</b>	<b>\$ 28,318,341</b>		<b>2.30%</b>

**Note:**  
 (1) See schedule "Assessed Value and Actual Value of Taxable Property." Total assessed value, \$2,052,457,581 as of June 30, 2025 is based on Secured \$2,097,873,602 plus Unitary \$27,518,392 less exemptions of \$72,934,413. Total assessed value, \$1,234,395,914 as of June 30, 2016 is based on Secured \$1,270,136,487 plus Unitary \$15,846,611 less exemptions of \$51,587,184). (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
2015 - 2016	\$ 14,906,832	\$ 14,704,346	98.6%	\$ 195,971	\$ 14,900,317	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%	224,892	16,910,307	100.0 %
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%	394,894	19,006,549	99.7 %
2020 - 2021	20,140,282	19,772,767	98.2%	331,668	20,104,435	99.8 %
2021 - 2022	20,660,286	20,320,487	98.4%	264,837	20,585,324	99.6 %
2022 - 2023	21,801,277	21,459,549	98.4%	245,945	21,705,494	99.6 %
2023 - 2024	23,562,951	23,110,953	98.1%	236,020	23,346,973	99.1 %
2024 - 2025	24,634,011	24,037,067	97.6%	(2)	24,037,067	97.6 %

**Notes:**

- (1) Reflects property taxes levied in prior years but collected in the current year.
- (2) No amounts are shown in FY 2024-2025 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)
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
2024 - 2025		2,062,227	660,541	25,125	337,839	1,730,735	12,667	103,443

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)
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	0.64%	537
2024 - 2025	939,282	249,565	101,202	2,166		6,224,792	0.75%	630

- 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
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	1,911,287,084		0.000000	0.0000
2023 - 2024	9,849 (3)	2,024,462,523		0.000000	0.0000
2024 - 2025	9,877 (4)	2,122,888,770		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 2025.

**Source:**

Los Angeles Almanac's website: [www.laalmanac.com/population](http://www.laalmanac.com/population)

COUNTY OF LOS ANGELES  
ESTIMATED DIRECT AND OVERLAPPING BONDED DEBT (UNAUDITED)  
June 30, 2025

2024-25 Net Assessed Valuation	\$ 2,122,888,769,762	
Redevelopment Incremental Valuation	297,877,923,302	
Full Cash Value (2024-25)	<u>1,825,010,846,460</u>	(1)
Population - (2025)	9,877,000	(2)

	Percent Applicable	Debt June 30, 2025
<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>		
Metropolitan Water District	48.061	\$ 8,244,865
Los Angeles Community College District	100	4,919,505,000
Other Community College Districts	Various (3)	5,223,854,178
Arcadia Unified School District	100	316,175,000
Beverly Hills Unified School District	100	590,278,688
Glendale Unified School District	100	309,897,419
Long Beach Unified School District	100	1,612,000,158
Los Angeles Unified School District	100	11,745,405,000
Pasadena Unified School District	100	330,830,000
Pomona Unified School District	100	432,919,701
Redondo Beach Unified School District	100	264,694,558
Santa Monica-Malibu Unified School District	100	1,250,705,000
Torrance Unified School District	100	388,755,634
Other Unified School Districts	Various (3)	5,492,849,914
High School and School Districts	Various (3)	2,691,505,784
City of Los Angeles	100	1,024,765,000
City of Industry	100	9,835,000
City of Pasadena	100	195,000,000
City of Santa Fe Springs Parcel Tax Obligations	100	31,810,000
Other Cities	100	32,518,733
Community Facilities Districts	100	777,506,742
1915 Act and Benefit Assessment Bonds - Estimate	100	93,357,681
TOTAL GROSS OVERLAPPING TAX AND ASSESSMENT DEBT		<u>\$ 37,742,414,055</u>

Less: Los Angeles Unified School District economically defeased general obligation bonds	(461,235,000)
TOTAL NET OVERLAPPING TAX AND ASSESSMENT DEBT	<u>\$ 37,281,179,055</u>

DIRECT GENERAL FUND DEBT:

Los Angeles County General Fund Obligations	100	\$ 4,932,577,000	(4)
Subtotal Direct General Fund Obligation Debt		<u>\$ 4,932,577,000</u>	

OVERLAPPING GENERAL FUND DEBT:

Los Angeles County Office of Education Certificates of Participation	100	\$ 2,331,775
Community College District General Fund Obligations	Various (5)	41,837,770
Baldwin Park Unified School District General Fund Obligations	100	27,795,000
Compton Unified School District Certificates of Participation	100	19,265,000
Los Angeles Unified School District Certificates of Participation	100	225,010,000
Paramount Unified School District General Fund Obligations	100	18,093,000
Other Unified School District Certificates of Participation	Various (5)	164,075,765
High School and Elementary School District General Fund Obligations	Various (5)	148,866,002
City of Beverly Hills General Fund Obligations	100	51,915,000

Continued . . . .

COUNTY OF LOS ANGELES  
 ESTIMATED DIRECT AND OVERLAPPING BONDED DEBT (UNAUDITED) - Continued  
 June 30, 2025

City of Los Angeles General Fund Obligations	100	1,212,361,701	
City of Long Beach General Fund Obligations	100	123,485,000	
City of Pasadena General Fund Obligations	100	342,415,242	
City of Pasadena Pension Obligation Bonds	100	124,905,000	
Other Cities' General Fund Obligations and Pension Obligation Bonds	100	4,273,736,124	
Subtotal Overlapping General Fund Debt		<u>\$ 6,776,092,379</u>	
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT		<u>\$ 11,708,669,379</u>	
Less: Cities supported obligations		(404,119,052)	
TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT		<u>\$ 11,304,550,327</u>	
OVERLAPPING TAX INCREMENT DEBT (Successor Agencies)		<u>\$ 1,369,781,377</u>	
GROSS COMBINED TOTAL DEBT		<u>\$ 50,820,864,811</u>	(6)
NET COMBINED TOTAL DEBT		<u>\$ 49,955,510,759</u>	
TOTAL GROSS DIRECT DEBT		\$ 4,932,577,000	
TOTAL NET DIRECT DEBT		\$ 4,932,577,000	
TOTAL GROSS OVERLAPPING DEBT		\$ 45,888,287,811	
TOTAL NET OVERLAPPING DEBT		\$ 45,022,933,759	
<u>RATIOS TO 2024-25 NET ASSESSED VALUATION</u>			
Total Overlapping Tax and Assessment Debt			1.78 %
<u>RATIOS TO FULL CASH VALUE</u>			
Gross Combined Direct Debt (\$4,932,577,000)			0.27 %
Net Combined Direct Debt (\$4,932,577,000)			0.27 %
Gross Combined Total Debt			2.78 %
Net Combined Total Debt			2.74 %
<u>RATIOS TO REDEVELOPMENT INCREMENTAL VALUATION</u>			
Total Overlapping Tax Increment Debt			0.46 %

- Notes:**
- (1) This balance is reduced by homeowners exemptions of \$6,554,131,324.
  - (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 capital 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
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%
2024 - 2025	2,122,888,770	26,536,110		26,536,110	100.00%

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COMPUTATION OF LEGAL DEBT MARGIN  
 June 30, 2025

Assessed valuation (net taxable)	\$ 2,122,888,770
Applicable percentage in computing capacity	1.25 %
Total debt limit	\$ 26,536,110
Less: Total net applicable debt	
Legal debt margin, June 30, 2025	\$ 26,536,110

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

Regional Park and Open Space Special Assessment Bond						
Fiscal Year	Special Assessment Collection	Debt Service		Total Debt Service	Coverage	
		Principal	Interest			
2015 - 2016	\$ 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 (1)	867,000	13,620,000	351,975	13,971,975	0.06	
2020 - 2021 (2)						
2021 - 2022 (2)						
2022 - 2023 (2)						
2023 - 2024 (2)						
2024 - 2025 (2)						

**Notes:**

- (1) 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.
- (2) 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 *
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	746,900,000	76,067	1,314	5.1 %
2023 - 2024	9,849 (3)	790,400,000 (3)	80,252 (3)	1,298	5.7 % (3)
2024 - 2025	9,877 (4)	825,700,000 (5)	83,598	1,276	6.1 % (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 2025.
- (5) Amount is a projection as of October 2025.
- (6) Amount is a projection as of February 2025.

**Sources:**

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

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

Industry	June 30, 2025			June 30, 2016		
	Number of Employees	Rank	Percentage of Total	Number of Employees	Rank	Percentage of Total
Education and Health Services	1,007,200	1	21.87 %	761,900	2	17.37 %
Trade, Transportation, and Utilities	802,500	2	17.43 %	825,300	1	18.82 %
Professional and Business Services	644,800	3	14.00 %	600,300	3	13.69 %
Government	609,400	4	13.23 %	578,300	4	13.19 %
Leisure and Hospitality	542,200	5	11.77 %	513,000	5	11.70 %
Manufacturing	297,200	6	6.45 %	363,100	6	8.28 %
Financial Activities	202,600	7	4.40 %	219,700	8	5.01 %
Information	189,900	8	4.12 %	230,500	7	5.26 %
Other Services	156,500	9	3.40 %	152,600	9	3.48 %
Construction	146,400	10	3.18 %	133,200	10	3.04 %
Ten largest industries	4,598,700		99.86 %	4,377,900		99.82 %
All other industries	6,600		0.14 %	8,000		0.18 %
<b>Total industries</b>	<b>4,605,300</b>		<b>100.00 %</b>	<b>4,385,900</b>		<b>100.00 %</b>

**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](http://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)	2015 - 2016	2016 - 2017	2017 - 2018	2018 - 2019	2019 - 2020	2020 - 2021	2021 - 2022	2022 - 2023	2023 - 2024	2024 - 2025
General Government	10,764	10,902	11,093	11,378	11,399	11,109	10,903	11,126	11,575	11,692
Public Protection	33,664	33,694	32,877	32,850	32,920	32,295	31,210	30,304	29,795	29,517
Health and Sanitation	27,703	28,639	30,351	31,457	32,122	32,266	31,513	30,936	31,725	33,191
Public Assistance	21,376	21,913	21,963	22,015	22,023	22,684	22,851	22,400	23,131	23,473
Education	1,475	1,496	1,467	1,480	1,502	1,414	1,253	1,076	1,050	1,045
Recreation and Cultural Services	2,898	2,931	2,991	2,996	2,895	2,212	2,474	2,546	2,785	3,058
<b>Total</b>	<b>97,880</b>	<b>99,575</b>	<b>100,742</b>	<b>102,176</b>	<b>102,861</b>	<b>101,980</b>	<b>100,204</b>	<b>98,388</b>	<b>100,061</b>	<b>101,976</b>

**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)	2015 - 2016	2016 - 2017	2017 - 2018	2018 - 2019	2019 - 2020	2020 - 2021	2021 - 2022	2022 - 2023	2023 - 2024	2024 - 2025
General Government										
Assessor - Number of re-appraisable transfers processed	137,918	137,818	137,842	122,658	127,266	113,000	149,464	121,508	125,719	125,207
Auditor-Controller - Number of warrants issued monthly	177,203	177,256	170,648	177,148	162,027	138,975	148,277	149,007	146,989	148,625
Registrar-Recorder - Number of registered voters	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	6,335,905
Public Protection										
Sheriff - Inmate population (2)	16,740	16,713	17,114	16,797	15,914	14,312	13,366	13,882	12,335	12,569
Sheriff - Crime rate total (3)	250.3	262.34	242.17	230.23	211.39	212.39	232.63	255.66	262.29	240.94
Probation - Juvenile halls/camps population/secure youth treatment (4)	1,270	1,193	1,070	859	788	459	393	487	526	538
Health and Sanitation										
Health Services - Average daily inpatient census (5)	1,171	1,157	1,113	1,145	1,081	1,084	1,066	1,022	1,037 *	1,047 **
Health Services - Outpatient visits	3,013,000	2,654,000	2,797,000	2,866,000	2,661,000	2,869,000	2,924,000	2,619,000	2,537,940 *	2,393,474 **
Mental Health - Number of outpatient services to children and youth (6)	78,930	27,204	36,589	38,523	36,906	34,149	33,181	27,346	19,436	33,576
Public Assistance										
Children and Family Services - Child protective services caseloads	507,900	504,700	502,500	494,900	485,200	483,400	426,400	384,600	321,500 *	266,277 **
Children and Family Services - Adoption caseloads	22,300	22,200	22,400	22,900	23,400	23,300	22,600	22,900	24,688 *	24,142 **
Public Social Services - Average persons aided monthly thru CalWorks (7)	397,200	325,600	310,600	136,200	120,300	118,000	116,100	112,200	115,400	114,600 **
Public Social Services - Average number of indigents aided monthly	93,100	79,800	87,900	85,500	89,000	95,900	95,600	114,600	117,400 *	112,900 **
Aging and Disabilities - Number of vulnerable adults served (8)	42,341	44,692	47,696	44,703	44,338	39,889	34,131	38,046	44,286	45,903
Education										
LA County Library - Number of items which circulate to the public (9)	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	5,864,053
Recreation and Culture										
Museum of Art - Total education program participants (10)	526,919	554,799	512,343	524,206	488,754	316,799	300,243	378,938	422,125	357,118
Museum of Natural History - Annual attendance (11)	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	1,017,749
Parks and Recreation - Total passive and active park users (12)	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	13,862,761

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 2024-2025 has decreased to 82 days as compared to an average of 86 days in FY 2023-2024.
- (3) Represents number of offenses per 10,000 residents and refers to most serious crimes.
- (4) FY 2024-2025 figure reflects 12 camps that are temporarily closed. Secure Youth Treatment Facility was transferred from the State to the County in FY 2024-2025.
- (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 2024-2025 data is an estimate.

Source:

FY 2025-2026 Recommended County Budget and Departments

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

Function / Program (1)	2015 - 2016	2016 - 2017	2017 - 2018	2018 - 2019	2019 - 2020	2020 - 2021	2021 - 2022	2022 - 2023	2023 - 2024	2024 - 2025
Public Protection										
Animal Shelters (2)	6	7	7	7	7	7	7	7	7	7
Public ways and facilities										
Miles of maintained County roads	3,187	3,185	3,185	3,289	3,290	3,290	3,289	3,281	3,284	3,282
Miles of unincorporated County bikeways	175	179	186	203	210	214	216	215	218	223
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	3,357	3,380	3,399	3,399	3,399	3,411	3,423	3,423	3,433	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	19	19	19	20	20	21	21
Education										
Libraries (4)	86	87	87	87	86	86	86	86	86	86
Bookmobiles	3	3	3	3	3	3	4	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	20	20	20	20	20	20	20	20	20	20
Beaches	15	15	15	15	15	15	15	15	15	15
Boat Slips	4,614	4,602	4,579	4,524	4,463	4,326	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 restructured phase II of their ambulatory care services. On July 29, 2023, DHS added Alvarado Health Center.
  - (4) Los Padrinos Juvenile Hall Library was added in FY 2016-2017 and was closed in FY 2019-2020.

**Source:** FY 2024-2025 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.