

COUNTY OF LOS ANGELES

**BASIC FINANCIAL STATEMENTS,
REQUIRED SUPPLEMENTARY INFORMATION, AND
SINGLE AUDIT**

FOR THE YEAR ENDED JUNE 30, 2025

**COUNTY OF LOS ANGELES
 BASIC FINANCIAL STATEMENTS,
 REQUIRED SUPPLEMENTARY INFORMATION,
 AND SINGLE AUDIT
 FOR THE YEAR ENDED JUNE 30, 2025**

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AND SINGLE AUDIT
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INDEPENDENT AUDITOR’S REPORT

The Honorable Board of Supervisors
County of Los Angeles, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Los Angeles, California (County), as of and for the year ended June 30, 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) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of 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 and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of the County's proportionate share of the net pension liability and related ratios, the schedule of County's pension contributions, the schedule of changes in net RHC OPEB liability and related ratios, the schedule of County's RHC OPEB contributions, and the schedule of changes in the total LTD OPEB liability and related ratios as listed on the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying schedule of expenditures of federal awards, the community services block grant supplementary schedules of revenue and expenditures, and the supplementary schedule of expenditures of federal and State awards granted by the California Department of Aging are presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, the California Department of Community Services and Development, and the California Department of Aging, respectively, and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the schedule of expenditures of federal awards, the community services block grant supplementary schedules of revenue and expenditures, and the supplementary schedule of expenditures of federal and State awards granted by the California Department of Aging are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2025, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Macias Gini É O'Connell LAP

Los Angeles, California

December 15, 2025, except for the report on the schedule of expenditures of federal awards, the community services block grant supplementary schedules of revenue and expenditures, and the supplementary schedule of expenditures of federal and State awards granted by the California Department of Aging, as to which the date is March 27, 2026.

**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:

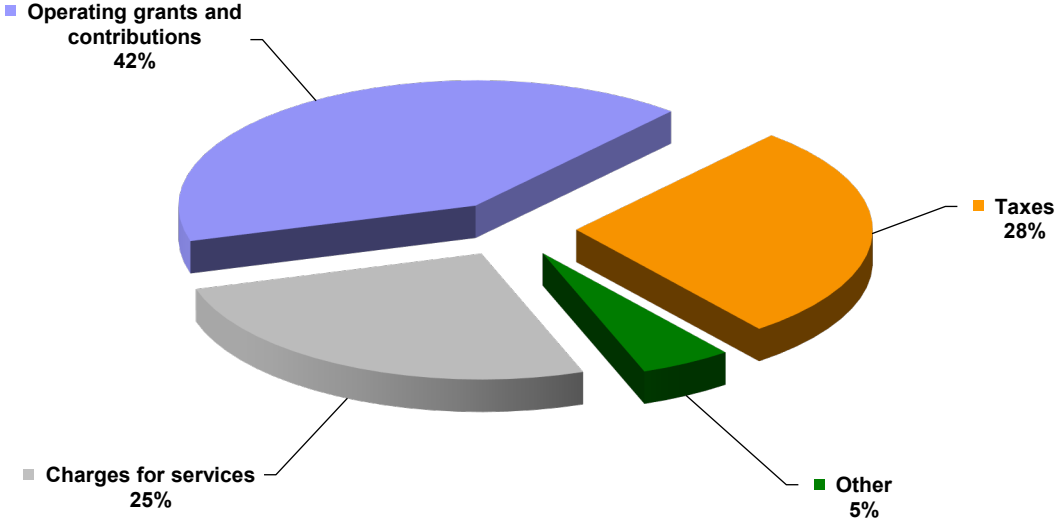
Summary of Changes in Net Position
For the Years Ended June 30, 2025 and 2024
(in thousands)

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Revenues:		(1)		(1)		(1)
Program revenues:						
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
General revenues:						
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
Total revenues	34,556,502	33,003,915	5,819,762	5,617,502	40,376,264	38,621,417
Expenses:						
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
Total expenses	33,428,577	30,855,727	6,453,684	6,354,128	39,882,261	37,209,855
Excess (deficiency) before transfers	1,127,925	2,148,188	(633,922)	(736,626)	494,003	1,411,562
Transfers	(601,402)	(1,058,209)	601,402	1,058,209		
Change in net position	526,523	1,089,979	(32,520)	321,583	494,003	1,411,562
Net position - beginning, as restated	(10,106,890)	(11,042,614)	(568,797)	(816,322)	(10,675,687)	(11,858,936)
Net position - ending	\$ (9,580,367)	\$ (9,952,635)	\$ (601,317)	\$ (494,739)	\$ (10,181,684)	\$ (10,447,374)

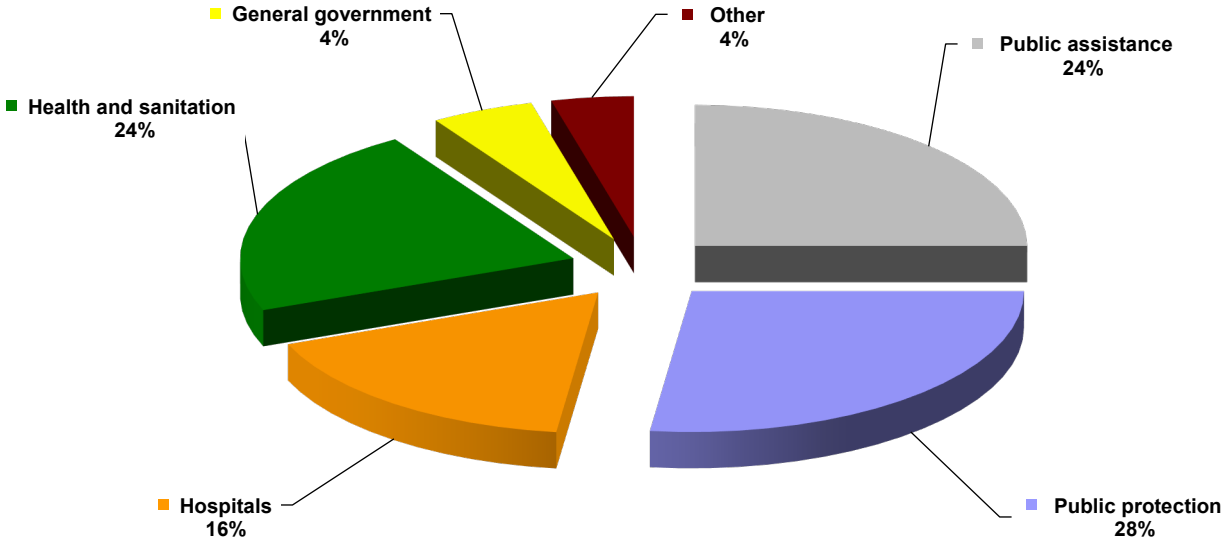
(1) The 2024 amounts were not restated because it is not practicable to do so.

**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)
Total	\$ 838,793	\$ 31,542,861	\$ 29,905,060	\$ (1,637,801)

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
Total	\$ 838,793	\$ 35,758,926	\$ 30,094,232	\$ 5,664,694

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&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	
ASSETS				
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
TOTAL ASSETS	47,218,840	8,824,801	56,043,641	1,428,558
DEFERRED OUTFLOWS OF RESOURCES (Note 20)	10,190,163	1,520,012	11,710,175	20,700
LIABILITIES				
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
TOTAL LIABILITIES	56,330,078	9,208,885	65,538,963	174,371
DEFERRED INFLOWS OF RESOURCES (Note 20)	10,659,292	1,737,245	12,396,537	14,857
NET POSITION				
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
TOTAL NET POSITION (DEFICIT) (Note 3)	\$ (9,580,367)	(601,317)	\$ (10,181,684)	\$ 1,260,030

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
PRIMARY GOVERNMENT:				
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
ASSETS					
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		
TOTAL ASSETS	<u>18,773,837</u>	<u>441,967</u>	<u>404,430</u>	<u>208,293</u>	<u>905,528</u>
DEFERRED OUTFLOWS OF RESOURCES (Note 20)					
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 18,773,837</u>	<u>441,967</u>	<u>404,430</u>	<u>208,293</u>	<u>905,528</u>
LIABILITIES					
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				
TOTAL LIABILITIES	<u>8,129,024</u>	<u>107,808</u>	<u>145,416</u>	<u>13,472</u>	<u>8,101</u>
DEFERRED INFLOWS OF RESOURCES (Note 20)	<u>2,538,578</u>	<u>72,104</u>	<u>56,665</u>	<u>7,446</u>	<u>1,349</u>
FUND BALANCES (Note 21)					
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				
TOTAL FUND BALANCES	<u>8,106,235</u>	<u>262,055</u>	<u>202,349</u>	<u>187,375</u>	<u>896,078</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<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
REVENUES					
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	
TOTAL REVENUES	28,353,023	1,685,545	405,997	154,637	158,344
EXPENDITURES					
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	
TOTAL EXPENDITURES	29,342,695	1,701,249	526,948	183,052	52,780
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(989,672)	(15,704)	(120,951)	(28,415)	105,564
OTHER FINANCING SOURCES (USES)					
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	
TOTAL OTHER FINANCING SOURCES (USES)	1,403,198	18,616	53,369	47,387	
NET CHANGE IN FUND BALANCES	413,526	2,912	(67,582)	18,972	105,564
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>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)
REVENUES				
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
TOTAL REVENUES	28,450,289	29,080,178	28,138,122	(942,056)
EXPENDITURES				
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
TOTAL EXPENDITURES	34,216,328	34,723,218	29,329,288	5,393,930
DEFICIENCY OF REVENUES OVER EXPENDITURES	(5,766,039)	(5,643,040)	(1,191,166)	4,451,874
OTHER FINANCING SOURCES (USES)				
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
TOTAL OTHER FINANCING SOURCES (USES)	1,549,974	1,426,975	1,001,994	(424,981)
NET CHANGE IN FUND BALANCE	(4,216,065)	(4,216,065)	(189,172)	4,026,893
FUND BALANCE, JULY 1, 2024	4,216,065	4,216,065	4,216,065	
FUND BALANCE, JUNE 30, 2025 (Note 16)	\$		4,026,893	4,026,893

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)
REVENUES				
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
TOTAL REVENUES	1,628,789	1,638,697	1,691,904	53,207
EXPENDITURES				
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
TOTAL EXPENDITURES	1,692,605	1,732,377	1,691,558	40,819
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(63,816)	(93,680)	346	94,026
OTHER FINANCING SOURCES (USES)				
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)
TOTAL OTHER FINANCING SOURCES (USES)	(11,620)	18,244	11,310	(6,934)
NET CHANGE IN FUND BALANCE	(75,436)	(75,436)	11,656	87,092
FUND BALANCE, JULY 1, 2024	75,436	75,436	75,436	
FUND BALANCE, JUNE 30, 2025 (Note 16)	\$		87,092	87,092

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)
REVENUES				
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
TOTAL REVENUES	374,968	374,968	409,306	34,338
EXPENDITURES				
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
TOTAL EXPENDITURES	437,000	562,000	509,727	52,273
DEFICIENCY OF REVENUES OVER EXPENDITURES	(62,032)	(187,032)	(100,421)	86,611
OTHER FINANCING SOURCES (USES)				
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
TOTAL OTHER FINANCING SOURCES (USES)	2,458	127,458	137,657	10,199
NET CHANGE IN FUND BALANCE	(59,574)	(59,574)	37,236	96,810
FUND BALANCE, JULY 1, 2024	59,574	59,574	59,574	
FUND BALANCE, JUNE 30, 2025 (Note 16)	\$		96,810	96,810

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)
REVENUES				
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
TOTAL REVENUES	134,978	144,878	153,448	8,570
EXPENDITURES				
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
TOTAL EXPENDITURES	222,181	218,207	188,464	29,743
DEFICIENCY OF REVENUES OVER EXPENDITURES	(87,203)	(73,329)	(35,016)	38,313
OTHER FINANCING SOURCES (USES)				
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
TOTAL OTHER FINANCING SOURCES (USES)	21,866	7,992	13,228	5,236
NET CHANGE IN FUND BALANCE	(65,337)	(65,337)	(21,788)	43,549
FUND BALANCE, JULY 1, 2024	65,337	65,337	65,337	
FUND BALANCE, JUNE 30, 2025 (Note 16)	\$		43,549	43,549

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
ASSETS				
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>
TOTAL ASSETS	<u>3,496,419</u>	<u>1,279,537</u>	<u>4,791,102</u>	<u>1,587,797</u>
DEFERRED OUTFLOWS OF RESOURCES (Note 20)				
	<u>452,001</u>	<u>264,384</u>	<u>646,581</u>	<u>157,046</u>
LIABILITIES				
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>
TOTAL LIABILITIES	<u>3,880,236</u>	<u>2,190,890</u>	<u>4,940,654</u>	<u>1,519,124</u>
DEFERRED INFLOWS OF RESOURCES (Note 20)				
	<u>508,411</u>	<u>321,492</u>	<u>734,646</u>	<u>153,840</u>
NET POSITION				
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)
TOTAL NET POSITION (DEFICIT) (Note 3)	<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
TOTAL OPERATING REVENUES	1,597,215	914,670	2,607,026	491,848
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
TOTAL OPERATING EXPENSES	1,427,305	901,853	2,202,932	408,793
OPERATING INCOME (LOSS)	169,910	12,817	404,094	83,055
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				
TOTAL NONOPERATING REVENUES (EXPENSES)	(317,570)	(203,622)	(642,790)	(149,356)
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	(147,660)	(190,805)	(238,696)	(66,301)
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)
CHANGE IN NET POSITION	(53,395)	(491,575)	269,809	234,115
NET POSITION (DEFICIT), JULY 1, 2024, as restated	(386,832)	(476,886)	(507,426)	(162,236)
NET POSITION (DEFICIT), JUNE 30, 2025	\$ (440,227)	(968,461)	(237,617)	71,879

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)
				NONOPERATING REVENUES (EXPENSES):
9,990		9,990		Taxes
7,603	692	62,137	1,788	Investment income
		(588)	195	Gain (loss) on disposal of property
	11,289	11,289	6,943	Lease and interest revenue
(160)	(29)	(62,813)	(1,387)	Interest expense
		(1,303,968)		Intergovernmental transfers expense (Note 14)
				Intergovernmental revenues:
366	10	376		State
59	623	682		Federal
267		267		Other
18,125	12,585	(1,282,628)	7,539	TOTAL NONOPERATING REVENUES (EXPENSES)
11,470	(2,171)	(634,163)	27,259	INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS
240		7,143		Capital contributions
		1,988,466	6,541	Transfers in (Note 15)
(1,009)	(4)	(1,393,966)	(1,921)	Transfers out (Note 15)
10,701	(2,175)	(32,520)	31,879	CHANGE IN NET POSITION
763,773	200,810	(568,797)	(1,232,885)	NET POSITION (DEFICIT), JULY 1, 2024, as restated
\$ 774,474	198,635	\$ (601,317)	\$ (1,201,006)	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
CASH FLOWS FROM OPERATING ACTIVITIES				
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>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
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>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
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>
CASH FLOWS FROM INVESTING ACTIVITIES				
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
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (REQUIRED FOR) OPERATING ACTIVITIES:				
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
TOTAL ADJUSTMENTS	151,580	531,458	(501,809)	(214,233)
NET CASH PROVIDED BY (REQUIRED FOR) OPERATING ACTIVITIES	\$ 321,490	544,275	(97,715)	(131,178)
SCHEDULE OF NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:				
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				
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION:				
Pooled cash and investments	\$ 369,296	155,711	306,586	225,908
Restricted assets	299,454	5,871		6,369
TOTAL	\$ 668,750	161,582	306,586	232,277

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
ASSETS				
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
TOTAL ASSETS	94,489,317	348,926	35,740,404	3,242,163
LIABILITIES				
Accounts payable	620,395			3,472
Other payables (Note 4)	2,645,297			1,110,287
Due to other governments				120,023
TOTAL LIABILITIES	3,265,692			1,233,782
NET POSITION				
Restricted for:				
Pension	86,187,618			
OPEB	5,036,007			
Individuals, organizations and other governments		348,926	35,740,404	2,008,381
TOTAL NET POSITION	\$ 91,223,625	348,926	35,740,404	2,008,381

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
ADDITIONS				
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			
TOTAL ADDITIONS	13,875,058	65,544	70,141,628	32,335,994
DEDUCTIONS				
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			
TOTAL DEDUCTIONS	5,831,529	99,220	70,403,031	32,257,435
CHANGE IN NET POSITION	8,043,529	(33,676)	(261,403)	78,559
NET POSITION, JULY 1, 2024	83,180,096	382,602	36,001,807	1,929,822
NET POSITION, JUNE 30, 2025	\$ 91,223,625	348,926	35,740,404	2,008,381

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
ASSETS			
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
TOTAL ASSETS	1,141,181	287,377	1,428,558
DEFERRED OUTFLOWS OF RESOURCES	20,700		20,700
LIABILITIES			
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
TOTAL LIABILITIES	160,500	13,871	174,371
DEFERRED INFLOWS OF RESOURCES	14,857		14,857
NET POSITION			
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
TOTAL NET POSITION	\$ 986,524	273,506	\$ 1,260,030

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.

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
Total	\$ 57,649,006	93,788,622	75,976	257,982	\$ 151,771,586

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
Total Cash	352,708	LACDA	859,705
		Total Cash and Investments	\$ 151,771,586
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		
Total Investments	151,418,878		
Total Cash and Investments	\$ 151,771,586		

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 ⁽¹⁾	None	None	None	None	None	None
U.S. Agency Securities	5 years	None ⁽¹⁾	None	None	None	None	None	None
Local Agency Obligations	5 years	5 years ⁽²⁾	None	10%*	None	None	None	Various ⁽²⁾
Asset-Backed Securities	5 years	5 years	20%	20%	None	\$750 million*	AA	AA ^{(3)*}
Bankers' Acceptances	180 days	180 days	40%	40%	30%	\$750 million*	None	A-1/P-1/F1*
Negotiable Certificates of Deposit (4)	5 years	3 years*	30%	30%	None	\$750 million*	None	A-1/P-1/F1*
Commercial Paper	270 days	270 days	40%	40%	10%	\$1.5 billion*	A-1	A-1/P-1/F1
Corporate and Depository Medium-Term Notes (5)	5 years	3 years*	30%	30%	10%	\$750 million*	A	A-1/P-1/F1*
LAIF	N/A	N/A	None	\$75 million ⁽⁶⁾	None	None	None	None
Shares of Beneficial Interest	N/A	N/A	20%	15%*	10%	10%	AAA	AAA
Repurchase Agreements	1 year	30 days*	None	\$1 billion*	None	\$500 million*	None	None
Reverse Repurchase Agreements	92 days	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% ⁽⁷⁾	None	None	None	None
Supranationals	5 years	5 years	30%	30%	None	None	AA	AA

- (1) Pursuant to the California Government Code 53601, the Board granted authority to make investments in U.S. Treasury Notes, Bills and Bonds, and U.S. Agency Securities that have maturities beyond 5 years.
- (2) Any obligation issued or caused to be issued on behalf of other County affiliates must have a minimum rating of "A3" (Moody's) or "A-" (S&P or Fitch) and the maximum maturity is limited to thirty years. Any short- or medium-term obligation issued by the State of California or a California local agency must have a minimum rating of "MIG-1" or "A2" (Moody's) or "SP-1" or "A" (S&P) and the maximum maturity is limited to 5 years.
- (3) All Asset-Backed securities must be rated at least "AA." Pool Policy also requires that Asset-Backed securities issuers' debts be rated "A" or its equivalent or better.
- (4) Euro Certificates of Deposit are further restricted to a maximum maturity of one year and a maximum percentage of portfolio of 10%.
- (5) Floating Rate Notes are further restricted to a maximum maturity of 5 years, maximum of 10% of the portfolio, and maximum investment in one issuer of \$750 million. The maximum maturity may be 7 years, provided that the Board's authorization to exceed maturities in excess of 5 years is in effect, of which \$100 million par value may be greater than 5 years to maturity.
- (6) The maximum percentage of the portfolio is based on the investment limit established by LAIF for each account, not by Pool Policy.
- (7) The maximum par value is limited to a combined total of reverse repurchase agreements and securities lending agreements of 20% of the base value of the portfolio.

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

COUNTY OF LOS ANGELES
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 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&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
<hr/>		
Subtotal U.S. Treasuries, U.S. Government Agency, and Municipal Instruments	5,948,004	
<hr/>		
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
<hr/>		
Subtotal Corporate Bonds and Credit Securities	18,567,432	
<hr/>		
Non-U.S. Fixed Income	214,386	2.69
Private Placement Fixed Income	930,046	3.04
<hr/>		
Subtotal Non-U.S. and Private Placement Securities	1,144,432	
<hr/>		
Total Fixed Income Securities - Pension Plan	\$ 25,659,868	

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
AFRICA								
South African Rand	\$ 99,000		573					\$ 99,573
AMERICAS								
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
ASIA								
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
EUROPE								
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
MIDDLE EAST								
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
Total Investment Securities								
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
AMERICAS					
Canadian Dollar	\$ 63,359		152		\$ 63,511
ASIA					
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
EUROPE					
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
MIDDLE EAST					
Israeli New Shekel	5,240		37		5,277
<hr/>					
Total Investment Securities 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 ⁽¹⁾	Collateral Percent ⁽²⁾
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 %
Total	<u>\$ 7,359,062</u>	<u>\$ 2,548,885</u>	<u>\$ 5,139,611</u>	<u>\$ 27,530</u>	

(1) Calculated Mark is performed daily. It is the amount LACERA will collect from the borrower (if the amount is positive), or payment to the borrower (if the amount is negative) to bring the collateralization to appropriate levels based on fair value.

(2) Collateral percent is the total collateral received divided by the fair value of securities on loan. U.S. loans are collateralized at 102% minimum of the fair value of the securities on loan while non-U.S. loans are collateralized at 105% minimum.

COUNTY OF LOS ANGELES
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 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
Fixed Income Securities				
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>
Equity Securities				
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>
Investments Measured at NAV				
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>			
Total Investments	<u>\$ 84,940,528</u>			
Derivatives				
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 ⁽¹⁾	\$ 16,970,977	\$ 1,976,034	Daily, Monthly or Not Eligible	1-60 days or N/A
Hedge Funds ⁽²⁾	6,497,104		Monthly, Quarterly, Semi-Annual, Annual; Self-Liquidating	5-180 days
Private Equity ⁽³⁾	13,803,331	6,425,642	Not Eligible	N/A
Real Estate ⁽³⁾	4,534,296	1,027,341	Quarterly or Not Eligible	30 days+ or N/A
Real Assets ⁽³⁾	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
Fixed Income Securities				
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>
Equity Securities				
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>
Investments Measured at Net Asset Value (NAV)				
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 ⁽¹⁾	\$ 41,361	\$ 116,190	Daily, Monthly, or Not Eligible	1-60 days or N/A
Private Equity ⁽²⁾	42,542	137,417	Not Eligible	N/A
Real Estate ⁽³⁾	44,367	73,265	Not Eligible	N/A
Real Assets ⁽⁴⁾	<u>46,400</u>	72,997	Not Eligible	N/A
Total Investments Measured at NAV ⁽¹⁾	<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	\$ 753,322

Business-type activities:

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

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.

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 www.LACERA.com .
Experience Study	Covers the 3 year period ended June 30, 2022.

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

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.

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
 FOR THE YEAR ENDED JUNE 30, 2025

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: www.LACERA.com .
Mortality	Various rates based on the Pub-2010 mortality tables and using the MP-2021 Ultimate Projection Scale for expected future mortality improvement.
Experience Study	Covers the three year period ended June 30, 2023.
Discount Rate	5.36%
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
FOR THE YEAR ENDED JUNE 30, 2025

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):

	Deferred Outflows/(Inflows) of Resources
<u>Year ending June 30:</u>	
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 www.LACERA.com .
Mortality	Various rates based on the Pub-2010 mortality tables and using the MP-2021 Ultimate Projection Scale for expected future mortality improvement.
Discount Rate	Equal to the municipal bond rate based on the 20-year Bond Buyer GO index (municipal bond rate), which was 3.65% 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):

	<u>RHC OPEB</u>	<u>LTD OPEB</u>	<u>Total</u>
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		
Total	\$ 1,853,311	\$ 942,332	\$ 18,856	\$ 4,559

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
Total	\$ 83,682	\$ 3,025

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 ⁽¹⁾	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	\$ 685,156	\$ 362,453

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
FOR THE YEAR ENDED JUNE 30, 2025

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 Years¹
(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 Years²
(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 ^{1,2,3}
(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 ⁴	<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^{1,2}

(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)	<u>\$ 181,963</u>	<u>\$ 275,999</u>	<u>\$ 405,113</u>	<u>\$ 373,041</u>	<u>\$ 482,549</u>	<u>\$ 601,251</u>	<u>\$ 762,134</u>	<u>\$ 1,221,128</u>
Covered-employee payroll ³	\$ 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.

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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 www.LACERA.com .
Mortality	Various rates based on the Pub-2010 mortality tables and using the MP-2021 Ultimate Projection Scale for expected future mortality improvement.
Experience Study	Covers the three year period ended June 30, 2023.
Discount Rate	5.36%
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 Years¹
(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
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025**

Federal Grantor/Pass Through Grantor/Program Title	Assistance Listing Number (ALN)	Identifying Number Assigned by Pass-Through Grantor (Note A)	Federal Expenditures	Passed Through to Subrecipients
SCHEDULE OF EXPENDITURES OF NON-COVID-19 FEDERAL AWARDS				
<u>U.S. AmeriCorps</u>				
<i>Direct Program</i>				
AmeriCorps State and National 94.006 Public Health AmeriCorps	94.006		\$ 831,925	\$ -
Total U.S. AmeriCorps			831,925	-
<u>U.S. Agency for International Development</u>				
<i>Direct Program</i>				
USAID Foreign Assistance for Programs Overseas International Search and Rescue Operations 720FDA20CA00080	98.001		1,801,476	-
Total U.S. Agency for International Development			1,801,476	-
<u>U.S. Consumer Product Safety Commission</u>				
<i>Direct Program</i>				
Virginia Graeme Baker Pool and Spa Safety Los Angeles County - Environmental Health Pool Safety Grant Program	87.002		42,690	-
Total U.S. Consumer Product Safety Commission			42,690	-
<u>U.S. Defense Logistics Agency</u>				
<i>Direct Program</i>				
Procurement Technical Assistance for Business Firms Procurement Technical Assistance Program (PTAP)	12.002		91,234	-
PTAP	12.002		311,424	-
<i>Subtotal 12.002</i>			402,658	-
Total U.S. Defense Logistics Agency			402,658	-
<u>U.S. Department of Agriculture</u>				
<i>Direct Program</i>				
Gus Schumacher Nutrition Incentive Program Increasing Fruit and Vegetable Intake Among Prediabetic and Diabetic Medicaid Recipients (GUSNIP)	10.331	(13)	2,383	2,383
Produce Prescription Program for Medicaid Patients with Diabetes and Prediabetes	10.331	(13)	250,180	213,568
Produce Prescription Program with Tiered Incentive Amounts for Patients with Diabetes and Prediabetes in Los Angeles County	10.331	(13)	149,043	136,743
<i>Subtotal 10.331</i>			401,606	352,694
<i>Passed Through the California Department of Aging</i>				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program Supplemental Nutrition Assistance Program - Education (SNAP - ED)	10.561	(1) (14)	534,245	450,784
SNAP - ED	10.561	(1) (14)	309,748	291,341
<i>Subtotal 10.561</i>			843,993	742,125
<i>Passed Through the California Department of Education</i>				
Child and Adult Care Food Program Child and Adult Care Food Program	10.558		172,615	-
Summer Food Service Program for Children Summer Food Service Program for Children	10.559	(2)	40,672	-
Summer Food Service Program for Children	10.559	(2)	400,814	-
<i>Subtotal 10.559</i>			441,486	-
<i>Passed Through the California Department of Food and Agriculture</i>				
Plant and Animal Disease, Pest Control, and Animal Care Pest Exclusion/Dog Teams Program	10.025	(12)	737,683	-
Glassy Winged Sharpshooter (GWSS)	10.025	(12)	1,023,602	-
Asian Citrus Psyllid/Huanglongbing	10.025	(12)	203,322	-
<i>Subtotal 10.025</i>			1,964,607	-
<i>Passed Through the California Department of Public Health</i>				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program SNAP - ED	10.561	(1) (14)	13,985,127	7,274,509

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**COUNTY OF LOS ANGELES
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025**

Federal Grantor/Pass Through Grantor/Program Title	Assistance Listing Number (ALN)	Identifying Number Assigned by Pass-Through Grantor (Note A)	Federal Expenditures	Passed Through to Subrecipients
<i>Passed Through the California Department of Social Services</i>				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program SNAP - Administration (CalFresh)	10.561	(1) (14) CFL 21/22-115	387,060,737	871,540
<i>Passed Through the California State Controller's Office</i>				
Schools and Roads - Grants to States U.S. Forest Service	10.665	(3) N/A	718,810	-
Total U.S. Department of Agriculture			<u>405,588,981</u>	<u>9,240,868</u>
<u>U.S. Department of Education</u>				
<i>Direct Program</i>				
Federal Supplemental Educational Opportunity Grants Supplemental Educational Opportunity Grants	84.007	(11)	12,483	-
Federal Pell Grant Program Pell Grants	84.063	(11)	451,468	-
<i>Subtotal Student Financial Assistance Cluster (84.007, 84.063)</i>			<u>463,951</u>	<u>-</u>
Total U.S. Department of Education			<u>463,951</u>	<u>-</u>
<u>U.S. Department of Energy</u>				
<i>Direct Program</i>				
Energy Efficiency and Conservation Block Grant Program (EECBG) EECBG	81.128		657,992	-
Total U.S. Department of Energy			<u>657,992</u>	<u>-</u>
<u>U.S. Department of Health and Human Services</u>				
<i>Direct Program</i>				
Public Health Emergency Preparedness Public Health Emergency Preparedness	93.069		20,245,301	1,112,870
Strengthening Emergency Care Delivery in the United States Healthcare System through Health Information and Promotion Mission Zero Act - Military Trauma Training Center	93.078		124,090	-
Maternal and Child Health Federal Consolidated Programs Screening and Treatment for Maternal Depression and Related Behavioral Disorders Program	93.110		722,460	-
Transforming Pediatrics for Early Childhood	93.110		891,021	-
<i>Subtotal 93.110</i>			<u>1,613,481</u>	<u>-</u>
Project Grants and Cooperative Agreements for Tuberculosis Control Programs Tuberculosis/Centers for Disease Control Cooperative Agreement	93.116		4,793,548	-
Injury Prevention and Control Research and State and Community Based Programs Overdose Data To Action: Limiting Overdose Through Collaborative Actions	93.136	(20)	4,128,126	1,151,895
Substance Abuse and Mental Health Services Projects of Regional and National Significance First Responders - Comprehensive Addiction and Recovery Act Grant 1H79TIO86377-01	93.243	(21)	111,544	-
First Responders - Comprehensive Addiction and Recovery Act Grant 1H79TIO86377-02	93.243	(21)	258,486	-
Community Informed Harm Reduction Expansion	93.243	(21)	406,045	326,925
<i>Subtotal 93.243</i>			<u>776,075</u>	<u>326,925</u>
Viral Hepatitis Prevention and Control Adult Viral Hepatitis Prevention and Control	93.270		1,433,226	-
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) ELC - Building and Strengthening Epidemiology	93.323	(23)	5,137,066	-
The Healthy Brain Initiative: Technical Assistance to Implement Public Health Actions Related to Cognitive Health, Cognitive Impairment, and Caregiving at the State and Local Levels Los Angeles County Building Our Largest Dementia (BOLD) Initiative	93.334		365,071	-
Healthy Brain Initiative - Road Map Strategist	93.334		1,098	-
<i>Subtotal 93.334</i>			<u>366,169</u>	<u>-</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**COUNTY OF LOS ANGELES
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025**

Federal Grantor/Pass Through Grantor/Program Title	Assistance Listing Number (ALN)	Identifying Number Assigned by Pass-Through Grantor (Note A)	Federal Expenditures	Passed Through to Subrecipients
Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response Crisis COAG Influenza A/H5N1	93.354	(24)	123,890	-
The National Cardiovascular Health Program Innovative Solutions for Cardiovascular Health - Heart Disease (ISCH)	93.426		979,003	523,986
Congressional Directives Health Resources and Services Administration	93.493		1,139,000	-
Refugee and Entrant Assistance State/Replacement Designee Administered Programs Refugee Health Promotion Afghan and Refugee Health Promotion	93.566	(27)	148,336	-
Ending the HIV Epidemic: A Plan for America - Ryan White HIV/AIDS Program Parts A and B Ending the HIV Epidemic: A Plan for America - Ryan White HIV/AIDS Program Parts A and B	93.686		14,823,068	2,480,695
National Bioterrorism Hospital Preparedness Program Bioterrorism Hospital Preparedness Program	93.889		9,423,812	5,808,670
HIV Emergency Relief Project Grants HIV Emergency Relief Project Grant	93.914		32,382,186	24,411,876
Minority AIDS Initiative (MAI)	93.914		<u>3,040,136</u>	<u>-</u>
<i>Subtotal 93.914</i>			<u>35,422,322</u>	<u>24,411,876</u>
Healthy Start Initiative Healthy Start Initiative	93.926		776,616	7,095
HIV Prevention and Surveillance Activities-Health Department Based Integrated HIV Surveillance and Prevention for Los Angeles County Integrated HIV Programs for Health Departments to Support Ending the HIV Epidemic in the United States	93.940		104,086	-
High-Impact HIV Prevention and Surveillance Programs for Health Departments	93.940		60,517	60,517
<i>Subtotal 93.940</i>			<u>16,875,593</u>	<u>6,617,878</u>
			<u>17,040,196</u>	<u>6,678,395</u>
Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance Medical Monitoring Project (MMP)	93.944		657,614	-
Behavioral Surveillance Study of HIV Risk and Prevention Behaviors Among At-Risk Populations in Los Angeles	93.944		<u>839,220</u>	<u>-</u>
<i>Subtotal 93.944</i>			<u>1,496,834</u>	<u>-</u>
Centers for Disease Control and Prevention Collaboration with Academia to Strengthen Public Health Transforming Public Health Through a Community Collaborative Model	93.967		25,113,223	14,586,658
Sexually Transmitted Diseases (STD) Prevention and Control Grants CDC Strengthening STD Prevention and Control for Health Departments (STD PCHD)	93.977		3,251,476	230,337
CDC Strengthening STD Prevention and Control for Health Departments (STD DIS)	93.977		<u>226,162</u>	<u>-</u>
<i>Subtotal 93.977</i>			<u>3,477,638</u>	<u>230,337</u>
Cooperative Agreements for Diabetes Control Programs Solutions for Equitable Diabetes Prevention and Management (SEDPM)	93.988		1,005,337	430,275
<i>Passed Through the California Department of Aging</i>				
Special Programs for the Aging, Title VII, Chapter 3, Programs for Prevention of Elder Abuse, Neglect, and Exploitation Title VII - Elder Abuse Prevention	93.041	(8)	AP2425-19	85,754
Special Programs for the Aging, Title VII, Chapter 2, Long Term Care Ombudsman Services for Older Individuals Title VII - Ombudsman	93.042	(8)	AP2425-19	172,030
Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services Area Agency on Aging Title III D	93.043	(8)	AP2425-19	490,083
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers Area Agency on Aging Title III B	93.044	(8) (18)	AP2425-19	4,482,392

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**COUNTY OF LOS ANGELES
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025**

Federal Grantor/Pass Through Grantor/Program Title	Assistance Listing Number (ALN)	Identifying Number Assigned by Pass-Through Grantor (Note A)	Federal Expenditures	Passed Through to Subrecipients
<i>Special Programs for the Aging, Title III, Part C, Nutrition Services</i>				
Area Agency on Aging Title III C-I	93.045	(8) (19) AP2425-19	12,994,789	12,313,606
Area Agency on Aging Title III C-II	93.045	(8) (19) AP2425-19	3,360,536	-
<i>Subtotal 93.045</i>			<u>16,355,325</u>	<u>12,313,606</u>
<i>National Family Caregiver Support, Title III, Part E</i>				
Area Agency on Aging Title III E	93.052	(8) AP2425-19	1,953,252	1,683,419
<i>Medicare Enrollment Assistance Program</i>				
Medicare Improvements for Patients and Providers Act (MIPPA)	93.071	MI2425-19	282,183	260,833
MIPPA	93.071	MI2324-19	56,690	56,690
<i>Subtotal 93.071</i>			<u>338,873</u>	<u>317,523</u>
<i>State Health Insurance Assistance Program</i>				
Area Agency on Aging - Health Insurance Counseling and Advocacy Program (HICAP) H9	93.324	HI2425-19	221,952	186,442
Area Agency on Aging - HICAP H3	93.324	HI2425-19	60,516	60,516
<i>Subtotal 93.324</i>			<u>282,468</u>	<u>246,958</u>
<i>Passed Through the California Department of Child Support Services</i>				
<i>Child Support Services</i>				
Child Support Enforcement Title IV-D	93.563	2301CACSES	131,367,433	-
<i>Child Support Services Research</i>				
Next Generation Child Support Employment Services Demonstration	93.564	10-1113	44,148	-
<i>Passed Through the California Department of Community Services and Development</i>				
<i>Community Services Block Grant</i>				
Community Services Block Grant	93.569	24F-3021	5,551,766	3,794,585
Community Services Block Grant Discretionary	93.569	24F-3021	26,000	-
Community Services Block Grant	93.569	25F-6021	1,998,132	1,299,748
Community Services Block Grant	93.569	24F-3105	447,345	439,508
Community Services Block Grant Discretionary	93.569	24F-3105	26,000	26,000
Community Services Block Grant	93.569	25F-6105	17,625	17,625
<i>Subtotal 93.569</i>			<u>8,066,868</u>	<u>5,577,466</u>
<i>Passed Through the California Department of Education</i>				
<i>Child Care Mandatory and Matching Funds of the Child Care and Development Fund</i>				
Child Day Care Program	93.596	(9) CAPP3024	3,707,948	-
<i>Passed Through the California Department of Health Care Services</i>				
<i>Projects for Assistance in Transition from Homelessness (PATH)</i>				
McKinney Homeless Act Program	93.150	68-0317191	1,258,952	-
<i>Grants to States for Medicaid</i>				
Medi-Cal Administrative Activities (MAA)	93.778	(10) (28) CMAA EVERGREEN PA	24,706,416	303,136
Medi-Cal Eligibility Determination	93.778	(10) (28) CFL 21/22-115	359,143,434	-
Federal Drug Medi-Cal (Prenatal and Drug) FMAP	93.778	(10) (28) 23-30110	68,470,223	-
Health Care Program Children in Foster Care	93.778	(10) (28) N/A	12,577,785	-
Providing Access and Transforming Health Supports (PATH)	93.778	(10) (28) N/A	1,532,862	-
CaAIM - PATH	93.778	(10) (28) N/A	82,499	-
<i>Subtotal 93.778</i>			<u>466,513,219</u>	<u>303,136</u>
<i>Block Grants for Community Mental Health Services</i>				
Mental Health Services: Block Grant	93.958	(29) 1680317191A1	16,101,800	1,758,419
<i>Block Grants for Prevention and Treatment of Substance Abuse</i>				
Drug-Free Schools and Communities (DFSC) - Friday Night Live	93.959	(30) 21-10089	112,500	112,500
Alcohol Block Grant	93.959	(30) 21-10089	39,741,710	25,322,916
Drug Free Schools and Communities - Club Live	93.959	(30) 21-10089	112,500	112,500
New Prenatal Set - Aside	93.959	(30) 21-10089	3,714,194	2,801,170
Substance Abuse Prevention and Treatment Block Grant				
Adolescent Treatment	93.959	(30) 21-10089	1,632,172	1,632,172
Substance Abuse Prevention and Treatment Set-Aside	93.959	(30) 21-10089	15,079,359	15,079,359
<i>Subtotal 93.959</i>			<u>60,392,435</u>	<u>45,060,617</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**COUNTY OF LOS ANGELES
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025**

Federal Grantor/Pass Through Grantor/Program Title	Assistance Listing Number (ALN)		Identifying Number Assigned by Pass-Through Grantor (Note A)	Federal Expenditures	Passed Through to Subrecipients
<i>Passed Through the California Department of Health Care Services/Advocate for Human Potential</i>					
Block Grants for Community Mental Health Services					
Mental Health Services Block Grant - Crisis Care Mobile Unit (CCMU)	93.958	(29)	7460-CA	1,466,667	-
<i>Passed Through the California Department of Health Care Services/Public Health Institute</i>					
Substance Abuse and Mental Health Services Projects of Regional and National Significance					
SAMSHA STR to the Opioid Crisis Grant - Bridge Program	93.243	(21)	18-95423	21,346	-
<i>Passed Through the California Department of Public Health</i>					
Injury Prevention and Control Research and State and Community Based Programs					
National Violent Death Reporting System (NVDRS)	93.136	(20)	22-10804	46,869	-
Overdose Data to Action	93.136	(20)	RFA-CE19-1904	272,703	-
Subtotal 93.136				<u>319,572</u>	<u>-</u>
Immunization Cooperative Agreements					
Vaccine Preventable Disease Control	93.268	(22)	22-11039	5,334,726	-
Well-Integrated Screening and Evaluation for Women Across the Nation (WISEWOMAN)					
WISEWOMAN Program (CWP)	93.436		24-10598	9,534	-
Refugee and Entrant Assistance State/Replacement Designee Administered Programs					
Refugee Health Promotion Project (RHPP-UHP)	93.566	(27)	24-19-52801-UHP	14,916	-
Refugee Health Assessment Program	93.566	(27)	24-09-90899	1,083,661	-
Subtotal 93.566				<u>1,098,577</u>	<u>-</u>
Refugee and Entrant Assistance Discretionary Grants					
Refugee Health Promotion Project (RHPP)	93.576		24-19-52801-AHP	42,394	-
State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare					
Health Facilities Inspection	93.777	(10)	23-10035	13,762,451	-
Grants to States for Medicaid					
Maternal and Child Health Services Block Grant to the State	93.778	(10) (28)	202419	3,467,171	283,108
California Home Visiting Program (SGF) - Grants to States for Medicaid (Title XIX)	93.778	(10) (28)	CHVP 24-19	625,400	-
California Home Visiting Program (SGF) - Grants to States for Medicaid (Title XIX) - Innovation	93.778	(10) (28)	CHVP 24-19	242,938	-
California Perinatal Equity Initiative (CPEI) Program	93.778	(10) (28)	PEI 23-19	187,399	-
Subtotal 93.778				<u>4,522,908</u>	<u>283,108</u>
State Survey and Certification of Health Care Providers and Suppliers (Title XIX) Medicaid					
Health Facilities Inspection	93.796		23-10035	36,372,193	-
Maternal, Infant and Early Childhood Home Visiting Grant					
Title V Maternal, Infant, and Early Childhood Home Visiting Grant	93.870		CHVP 24-19	1,502,228	1,379,215
HIV Care Formula Grants					
HIV Care Program	93.917		N/A	4,453,699	3,952,647
Maternal and Child Health Services Block Grant to the States					
Maternal and Child Health	93.994		202419	1,281,460	132,591
<i>Passed Through the California Department of Social Services</i>					
Guardianship Assistance					
Kinship Guardianship Assistance Payment Program (Kin - GAP) Title IV-E	93.090		CFL 16/17-69, 14/15-40 & 11/12-18	47,656,456	-
Title IV-E Prevention Program					
Title IV-E Prevention Program	93.472		CFL 24/25-43	1,212,179	-
MaryLee Allen Promoting Safe and Stable Families Program					
Promoting Safe and Stable Families Program	93.556		CFL 2024/25-46; 2024/25-52	17,664,986	7,064,598

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**COUNTY OF LOS ANGELES
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025**

Federal Grantor/Pass Through Grantor/Program Title	Assistance Listing Number (ALN)	Identifying Number Assigned by Pass-Through Grantor (Note A)	Federal Expenditures	Passed Through to Subrecipients
Temporary Assistance for Needy Families				
CalWORKs - Family Group/Unemployed Parent (FG/U) Assistance	93.558 (26)	CFL 21/22-115	272,293,927	-
CalWORKs Legal Immigrants (MC)	93.558 (26)	CFL 21/22-115	4,334,061	-
CalWORKs Diversion	93.558 (26)	CFL 21/22-115	3,723	-
CalWORKs Single	93.558 (26)	CFL 21/22-115	577,123,530	219,310,070
Temporary Assistance for Needy Families (TANF)	93.558 (26)	CFL 2024/25-60	77,328,149	6,297,572
<i>Subtotal 93.558</i>			<u>931,083,390</u>	<u>225,607,642</u>
Refugee and Entrant Assistance State/Replacement Designee Administered Programs				
Refugee Resettlement	93.566 (27)	CFL 21/22-115	10,572,378	-
Refugee Employment Social Services	93.566 (27)	RESS 2202, 2302, 2402	4,457,061	3,605,402
Services to Older Refugees	93.566 (27)	ORSA 2202, 2302, 2402	94,593	60,696
Housing Assistance for Ukrainians (HAU)	93.566 (27)	HAU-2023-02	4,517,207	-
Additional Ukraine Supplemental Appropriations Act (AUSAA)	93.566 (27)	AUSAA-2022-01	1,710,551	1,588,683
<i>Subtotal 93.566</i>			<u>21,351,790</u>	<u>5,254,781</u>
Child Care and Development Block Grant				
Child Care and Development Block Grant	93.575 (9)	CAPP 3024	6,167,961	-
Child Care Salary Retention Incentive Program	93.575 (9)	FGRT-24-GAN-CCD-WFP-017	4,093,812	-
Local Child Care Planning and Development Council (LCCPDC)	93.575 (9)	CLPC-4018	403,110	-
<i>Subtotal 93.575</i>			<u>10,664,883</u>	<u>-</u>
U.S. Repatriation				
U.S. Repatriation Program	93.579	CFL 21/22-115	8,232	-
Community - Based Child Abuse Prevention Grants				
Community - Based Child Abuse Prevention	93.590	ACIN_I-05-25	614,390	-
Adoption and Legal Guardianship Incentive Payments Program				
Adoptions and Legal Guardianship Incentive Payments	93.603	CFL 23/24-74	338,390	-
Stephanie Tubbs Jones Child Welfare Services Program				
Children's Welfare Services IV-B (Direct Cost)	93.645	CFL 2024/25-60	6,397,672	-
Foster Care Title IV-E				
Aid to Families with Dependent Children - FC - Administration and Assistance	93.658	CFL 2024/25-60	99,297,128	29,208,440
Foster Care Title IV-E	93.658	CFL 24/25-06, 07, 09, 16, 18, 27, 33, 34, 38, 49	312,340,199	3,822,628
Foster Parent Training	93.658	CFL 2024/25-60	51,843	-
Foster Family Licensing	93.658	CFL 23/24-43	1,987,394	-
Group Home Month Visits/CWD	93.658	CFL 2024/25-60	1,180,020	-
Foster Care Title IV-E	93.658	CFL 21/22-54, 84; CFL 22/23-49; CFL 24/25-09, 18, 30, 31, 32, 33, 49	10,244,061	-
<i>Subtotal 93.658</i>			<u>425,100,645</u>	<u>33,031,068</u>
Adoption Assistance				
Adoptions - Administration and Assistance	93.659	CFL 16/17-69, 14/15-40 & 11/12-18, 24/25-09	278,785,932	-
Social Services Block Grant				
Children's Welfare Services Title XX	93.667	CFL 2024/25-60	32,901,830	-
John H. Chafee Foster Care Program for Successful Transition to Adulthood				
Independent Living Skills - Children's Services	93.674	CFL 2024/25-44	6,431,317	2,024,283
Grants to States for Medicaid				
In-Home Supportive Services - Personal Care Services Program (Health-Related)	93.778 (10) (28)	CFL 21/22-115	124,465,592	-
Adult Protective Services/County Services Block Grant	93.778 (10) (28)	CFL 21/22-115	39,453,081	-
Children's Welfare Services XIX (Health-Related)	93.778 (10) (28)	CFL 16/17-69, 14/15-40 & 11/12-18	71,408,167	-
<i>Subtotal 93.778</i>			<u>235,326,840</u>	<u>-</u>
Passed Through the National Association of County and City Health Officials				
Protecting and Improving Health Globally: Building and Strengthening Public Health Impact, Systems, Capacity, and Security	93.318	2023-120505	60,000	-

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**COUNTY OF LOS ANGELES
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025**

Federal Grantor/Pass Through Grantor/Program Title	Assistance Listing Number (ALN)	Identifying Number Assigned by Pass-Through Grantor (Note A)	Federal Expenditures	Passed Through to Subrecipients
<i>Strengthening Public Health Systems and Services through National Partnerships to Improve and Protect the Nation's Health</i>				
Partnering For Vaccine Equity	93.421 (25)	2023-112010	72,576	14,610
Strengthening Disability Inclusion Efforts Within Local Health Departments Project	93.421 (25)	2023-121807	25,000	-
<i>Subtotal 93.421</i>			97,576	14,610
<i>Passed Through the National Environmental Health Association</i>				
Food and Drug Administration Research				
National Environmental Health Association (NEHA) Retail Flexible Funding Model (RFFM) 2024 Track 2	93.103	G-BDEV2-202310-04738	19,000	-
Total U.S. Department of Health and Human Services			2,947,102,600	408,109,574
<u>U.S. Department of Homeland Security</u>				
<i>Direct Program</i>				
<i>National Urban Search and Rescue (US&R) Response System</i>				
US&R 2021	97.025		109,097	-
US&R 2022	97.025		321,284	-
US&R 2023	97.025		464,351	-
US&R 2023	97.025		1,855,879	-
US&R 2024	97.025		610,188	-
<i>Subtotal 97.025</i>			3,360,799	-
<i>Hazard Mitigation Grant</i>				
Hazard Mitigation Grant Program	97.039 (32)		64,653	-
<i>Port Security Grant Program</i>				
2021 Port Security Grant Program	97.056		132,692	-
2022 Port Security Grant Program	97.056		186,723	-
<i>Subtotal 97.056</i>			319,415	-
<i>Passed Through the California Department of Parks and Recreation</i>				
<i>Boating Safety Financial Assistance</i>				
Recreational Boating Safety Program	97.012	C23L0611	38,845	-
Recreational Boating Safety Program	97.012	C24L0608	79,296	-
<i>Subtotal 97.012</i>			118,141	-
<i>Passed Through the California Governor's Office of Emergency Services</i>				
<i>Disaster Grants - Public Assistance (Presidentially Declared Disasters)</i>				
2018 Woolsey Fire	97.036 (31)	DR4407	643,979	-
2023 Winterstorms	97.036 (31)	DR4683	389,684	-
2023 Winterstorms #2	97.036 (31)	DR4699	141,773	-
2024 Winterstorms	97.036 (31)	DR4769	173,922	-
<i>Subtotal 97.036</i>			1,349,358	-
<i>Hazard Mitigation Grant</i>				
Hazard Mitigation Grant Program	97.039 (32)	4407-221-082R	41,034	-
<i>Emergency Management Performance Grants</i>				
2022 Emergency Management Performance Grant	97.042	2022-0005	1,387,162	1,387,162
2023 Emergency Management Performance Grant	97.042	2023-0006	1,485,825	1,346,500
<i>Subtotal 97.042</i>			2,872,987	2,733,662
<i>Fire Management Assistance Grant</i>				
2019 Tick Fire	97.046	FM5296	156,842	-
2019 Getty Fire	97.046	FM5297	47,640	-
<i>Subtotal 97.046</i>			204,482	-
<i>Homeland Security Grant Program</i>				
2020 Homeland Security Program	97.067 (33)	2020-0095	1,508,604	1,049,484
2021 Homeland Security Program	97.067 (33)	2021-0081	253,789	-
2022 Homeland Security Program Regional Threat Assessment Center	97.067 (33)	2022-0043	2,077,951	-
2021 Homeland Security Program	97.067 (33)	2021-0081	5,453,769	1,724,039
2022 Homeland Security Program	97.067 (33)	2022-0043	4,329,567	365,729
2023 Homeland Security Program	97.067 (33)	2023-0042	1,907,909	-
<i>Subtotal 97.067</i>			15,531,589	3,139,252

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**COUNTY OF LOS ANGELES
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025**

Federal Grantor/Pass Through Grantor/Program Title	Assistance Listing Number (ALN)	Identifying Number Assigned by Pass-Through Grantor (Note A)	Federal Expenditures	Passed Through to Subrecipients
<i>Passed Through the California Governor's Office of Emergency Services/City of Los Angeles</i>				
Homeland Security Grant Program				
Urban Areas Security Initiative (UASI) 21	97.067	(33) C-141324	117,422	-
UASI 22	97.067	(33) C-144055	343,999	-
UASI 23	97.067	(33) C-146780	289,514	-
UASI 22	97.067	(33) C-144055	5,758,893	-
UASI 23	97.067	(33) C-146780	1,350,477	-
UASI 21	97.067	(33) 037-95050	2,509,864	-
UASI 22	97.067	(33) 037-95050	298,453	-
UASI 23	97.067	(33) 037-95050	407,365	-
<i>Subtotal 97.067</i>			<u>11,075,987</u>	<u>-</u>
<i>Passed Through the California Governor's Office of Emergency Services/Los Angeles Regional Interoperable Communication Systems Authority</i>				
Homeland Security Grant Program				
UASI	97.067	(33) C-141072	421,569	-
<i>Passed Through the California Governor's Office of Emergency Services/County of Riverside</i>				
Homeland Security Grant Program				
Operation Stonegarden Grant Program (OPSG)	97.067	(33) 2022-0043	416,096	-
OPSG	97.067	(33) 2023-0043	536,777	-
<i>Subtotal 97.067</i>			<u>952,873</u>	<u>-</u>
<i>Passed Through the Church World Service, Inc.</i>				
Case Management Pilot Program (CMPP)				
CMPP	97.102	EMW-2023-CM-00001-S01	588,687	-
<i>Passed Through the City of Los Angeles</i>				
Homeland Security Grant Program				
2022 UASI	97.067	(33) C-144055	261,880	-
2023 UASI	97.067	(33) C-146780	40,414	-
<i>Subtotal 97.067</i>			<u>302,294</u>	<u>-</u>
Securing the Cities Program				
Securing the Cities Program	97.106	C-140131	195,961	-
Securing the Cities Program	97.106	C-140223	38,795	-
<i>Subtotal 97.106</i>			<u>234,756</u>	<u>-</u>
Total U.S. Department of Homeland Security			<u>37,438,624</u>	<u>5,872,914</u>
<u>U.S. Department of Housing and Urban Development</u>				
<i>Passed Through the California Department of Housing and Community Development</i>				
Community Development Block Grants/Entitlement Grants				
2018 Community Development Block Grant - Disaster Recovery (CDBG - DR) Infrastructure Program (18DR - Infrastructure Program)	14.218	(4) N/A	3,113,369	-
<i>Passed Through the Los Angeles County Development Authority</i>				
Community Development Block Grants/Entitlement Grants				
Century Station Code Enforcement	14.218	(4) F96232-24	284,221	-
Community Code Enforcement - 4 th District	14.218	(4) 600727-24	100,000	-
Community Code Enforcement East Los Angeles - 1 st District	14.218	(4) 601956-24	188,000	-
Community Development Block Grant - Restroom Renovation	14.218	(4) 602705-24	21,904	-
East Los Angeles Entrepreneur Center - Technical Assistance to Businesses	14.218	(4) 602702-24	42,124	-
East Los Angeles Parking Lot Lease Payment	14.218	(4) 602026-24	144,200	-
Economic and Small Business Initiatives	14.218	(4) 602703-24	27,809	-
Equestrian Patrol Pilot Program - Industry Station	14.218	(4) 601936-24	125,344	-
Jackie Robinson Park - ESTEAM Summer Camp	14.218	(4) CV1153-24	5,705	-
Jackie Robinson Park - Senior Activities	14.218	(4) CV1149-24	4,415	-
Maravilla Disposition	14.218	(4) 601469-24	55,000	-
Loma Alta Park Recreation Program	14.218	(4) 600475-24	17,751	-
Pamela Park - ESTEAM Summer Camp	14.218	(4) CV1151-24	37,015	-
Pamela Park Recreation Program	14.218	(4) 600482-24	11,891	-

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**COUNTY OF LOS ANGELES
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
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Federal Grantor/Pass Through Grantor/Program Title	Assistance Listing Number (ALN)	Identifying Number Assigned by Pass-Through Grantor (Note A)	Federal Expenditures	Passed Through to Subrecipients	
Stephen Sorenson Park - ESTEAM Summer Camp	14.218	(4)	CV1152-24	34,535	-
Stephen Sorenson Park - Senior Program	14.218	(4)	CV1150-24	30,202	-
Wide Commercial Business Revitalization Program - 1 st District	14.218	(4)	601774-24	241,463	-
Wide Commercial Business Revitalization Program - 4 th District	14.218	(4)	601834-24	2,635	-
Wildfire Recovery - Vans for Transporting Seniors	14.218	(4)	602761-24	150,000	-
Willowbrook Community Project Area/Disposition	14.218	(4)	2BF02X-24	29,050	-
Youth Activities League - Carolyn Rosas Park	14.218	(4)	CV1144-24	54,976	-
<i>Subtotal 14.218</i>				1,608,240	-
Total U.S. Department of Housing and Urban Development				4,721,609	-
 <u>U.S. Department of Justice</u>					
<i>Direct Program</i>					
Strengthening the Medical Examiner - Coroner System					
2022 Bureau of Justice Assistance (BJA) - Strengthening the Medical Examiner - Coroner System	16.037			136,000	-
Matthew Shepard and James Byrd, Jr. Hate Crimes Education, Investigation and Prosecution Program					
Matthew Shepard and James Byrd, Jr. Hate Crimes Education, Investigation and Prosecution Program 15PB	16.040			69,155	-
Community-Based Violence Intervention and Prevention Initiative					
LA County Office of Violence Prevention Healing Centered Community Violence Intervention Initiative (CVIPI)	16.045			36,764	-
Services for Trafficking Victims					
Enhanced Collaborative Model to Combat Human Trafficking	16.320			105,325	-
Enhanced Collaborative Model to Combat Human Trafficking	16.320			133,425	-
<i>Subtotal 16.320</i>				238,750	-
Edward Byrne Memorial Justice Assistance Grant Program					
Local Law Enforcement Crime Gun Intelligence Center (CGIC)	16.738	(15)		3,032	-
DNA Backlog Reduction Program					
DNA Capacity Enhancement and Backlog Reduction Program	16.741			265,708	-
DNA Capacity Enhancement and Backlog Reduction Program	16.741			1,118,544	-
<i>Subtotal 16.741</i>				1,384,252	-
Economic, High-Tech, and Cyber Crime Prevention					
Intellectual Property Enforcement Program - Counterfeit and Piracy Enforcement (CAPE)	16.752			78,059	-
CAPE	16.752			51,357	-
<i>Subtotal 16.752</i>				129,416	-
Second Chance Act Reentry Initiative					
Second Chance Act Reentry Initiative - Innovative Reentry Initiatives (IRI)	16.812			439,566	-
Children of Incarcerated Parents					
Second Chance Act Addressing the Needs of Incarcerated Parents 18	16.831			152,795	-
Indigent Defense					
Office of Juvenile Justice Delinquency Prevention FY 2023 Enhancing Youth Defense	16.836			64,481	-
Comprehensive Opioid, Stimulant, and other Substances Use Program					
Comprehensive Opioid Abuse Site Based Program - Lead East LA	16.838	(16)		60,000	-
Comprehensive Opioid Abuse Site Based Program - Lead Hollywood Expansion	16.838	(16)		425,022	-
<i>Subtotal 16.838</i>				485,022	-
Equitable Sharing Program					
Asset Seizure and Forfeiture	16.922			1,642,225	-
Asset Seizure and Forfeiture	16.922			1,880,038	-
Domestic Cannabis Eradication Suppression Program (DCESP) 2024-21	16.922			621,532	-
DCESP 2025-21	16.922			59,851	-
<i>Subtotal 16.922</i>				4,203,646	-
<i>Passed Through the California Board of State and Community Corrections</i>					
Edward Byrne Memorial Justice Assistance Grant Program					
Edward Byrne Memorial Justice Assistance Grant Program	16.738	(15)	BSCC 1205-23	1,932,695	1,699,432

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**COUNTY OF LOS ANGELES
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Federal Grantor/Pass Through Grantor/Program Title	Assistance Listing Number (ALN)	Identifying Number Assigned by Pass-Through Grantor (Note A)	Federal Expenditures	Passed Through to Subrecipients
<i>Passed Through the California Governor's Office of Emergency Services</i>				
Crime Victim Assistance				
Victim Witness Assistance Program (VWAP)	16.575	037-00000-19	5,853,186	527,585
County Victim Services (XC) Program	16.575	037-00000-19	<u>1,312,721</u>	<u>1,134,251</u>
<i>Subtotal 16.575</i>			<u>7,165,907</u>	<u>1,661,836</u>
Paul Coverdell Forensic Sciences Improvement Grant Program				
2022 California Coverdell Grant Program	16.742	CQ22180190	156,712	-
2023 California Coverdell Grant Program	16.742	CQ23110190	<u>30,967</u>	<u>-</u>
<i>Subtotal 16.742</i>			<u>187,679</u>	<u>-</u>
<i>Passed Through the Center for Court Innovation</i>				
National Institute of Justice Research, Evaluation, and Development Project Grants				
Intake Booking Diversion	16.560	R2-CX-0033	7,217	-
<i>Passed Through the City of Los Angeles</i>				
Edward Byrne Memorial Justice Assistance Grant Program				
Alternate Sentencing Program (PD) (JAG) 19	16.738	(15) 2019-DJ-BX-0862	73,020	-
JAG City Clear Foothill	16.738	(15) 100000504	22,222	-
JAG City Clear Various Sites	16.738	(15) 100000504	177,778	-
JAG City Clear	16.738	(15) 15PBJA-22-GG-02107-JAGX	100,000	-
Soledad Enrichment Action - Life Program (JAG) 19	16.738	(15) 2019-DJ-BX-0862	63,315	-
Sheriff School Resource Deputy (JAG) 19	16.738	(15) 2019-DJ-BX-0862	<u>3,248</u>	<u>-</u>
<i>Subtotal 16.738</i>			<u>439,583</u>	<u>-</u>
<i>Passed Through the Institute for Intergovernmental Research</i>				
Comprehensive Opioid, Stimulant, and other Substances Use Program Initiative to Build Bridges	16.838	(16) 4134-2024-017	<u>85,417</u>	<u>-</u>
Total U.S. Department of Justice			<u>17,161,377</u>	<u>3,361,268</u>
U.S. Department of Labor				
<i>Direct Program</i>				
Community Project Funding/Congressionally Directed Spending Los Angeles County Training Center	17.289		528,445	-
<i>Passed Through the California Department of Aging</i>				
Senior Community Service Employment Program Older American Title V Project	17.235	TV2122-19	1,468,356	1,468,356
<i>Passed Through the California Employment Development Department</i>				
Workforce Innovation and Opportunity Act (WIOA) Adult Program				
WIOA Adult	17.258	(5) AA411012	7,617,195	6,180,572
WIOA Adult	17.258	(5) AA511012	2,799,018	2,271,115
1289 High Performing Boards	17.258	(5) AA411012	<u>5,555</u>	<u>-</u>
<i>Subtotal 17.258</i>			<u>10,421,768</u>	<u>8,451,687</u>
WIOA Youth Activities				
WIOA Youth	17.259	(5) AA411012	8,820,230	7,404,748
WIOA Youth	17.259	(5) AA511012	<u>468,896</u>	<u>393,647</u>
<i>Subtotal 17.259</i>			<u>9,289,126</u>	<u>7,798,395</u>
WIOA National Dislocated Worker Grants (NDWG) / WIA National Emergency Grants				
WIOA Wildfires NDWG	17.277	AA511012	27,926	-
WIOA Dislocated Worker Formula Grants				
WIOA Dislocated Worker	17.278	(5) AA411012	2,943,191	1,960,218
WIOA Dislocated Worker	17.278	(5) AA511012	984,444	655,658
WIOA Layoff Version RR (GC 292)	17.278	(5) AA511012	78,170	-
WIOA Layoff Version RR (GC 293)	17.278	(5) AA511012	284,457	-
WIOA Rapid Response	17.278	(5) AA411012	325,387	161,077
WIOA Rapid Response	17.278	(5) AA511012	1,172,328	580,340
WIOA LAO 2025 January Wildfires	17.278	(5) AA411012	186,926	111,595
Transfer Dislocated Worker to Adult Round 2	17.278	(5) AA421012	<u>4,300,000</u>	<u>3,489,009</u>
<i>Subtotal 17.278</i>			<u>10,274,903</u>	<u>6,957,897</u>
Total U.S. Department of Labor			<u>32,010,524</u>	<u>24,676,335</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**COUNTY OF LOS ANGELES
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025**

Federal Grantor/Pass Through Grantor/Program Title	Assistance Listing Number (ALN)	Identifying Number Assigned by Pass-Through Grantor (Note A)	Federal Expenditures	Passed Through to Subrecipients
<u>U.S. Department of the Interior</u>				
<i>Direct Program</i>				
WaterSMART (Sustain and Manage America's Resources for Tomorrow)				
USBR WaterSMART Water and Energy Efficiency Grant	15.507		294,055	-
USBR WaterSMART Water and Energy Efficiency Grant	15.507		53,411	-
<i>Subtotal 15.507</i>			<u>347,466</u>	<u>-</u>
<i>Passed Through the California State Controller's Office</i>				
Flood Control Act Lands				
Flood Control Act Lands	15.433	N/A	3,572	-
Total U.S. Department of the Interior			<u>351,038</u>	<u>-</u>
<u>U.S. Department of Transportation</u>				
<i>Direct Program</i>				
Airport Improvement Program, Infrastructure Investment and Jobs Act Programs, and COVID-19 Airports Programs				
Airport Improvement Program	20.106		623,790	-
Railroad Crossing Elimination				
Sierra Highway Crossing Elimination Planning Project	20.327		4,158	-
Los Angeles County Rail Crossing Elimination Master Plan	20.327		1,240	-
<i>Subtotal 20.327</i>			<u>5,398</u>	<u>-</u>
Safe Streets and Roads for All				
Florence - Firestone For All: Achieving Vision Zero in South Los Angeles Project	20.939		625,872	-
Urban and Rural La County: Together for Road Safety Project	20.939		23,086	-
<i>Subtotal 20.939</i>			<u>648,958</u>	<u>-</u>
<i>Passed Through the California Department of Transportation</i>				
Highway Planning and Construction				
Surface Transportation Program (STP)				
	20.205	STPL-5953(682), STPL-5953(729), STPL-5953(762), STPL-5953(798)	8,437,372	-
Highway Bridge Rehabilitation				
	20.205	BPMP-5953(726), BRNBISL-5953(796)	2,066,065	-
Congestion Mitigation and Air Quality Program				
	20.205	CMLNI-5953 (717), CML-5953 (765)	700,989	-
Emergency Relief Program				
	20.205	ER-30L0 (008), ER-32L0 (564), ER-32L0 (569), ER-38Y0 (002), ER-38Y0 (017), ER-40A0 (084), ER-15A6 (008)	6,930,660	-
Highway Safety Improvement Program (HSIP)				
	20.205	HSIPL-5953 (752), HSIPL-5953 (755), HSIPL-5953 (756), HSIPL-5953 (758), HSIPL-5953 (759), HSIPL-5953 (779), HSIPL-5953 (791)	1,835,157	-
Transportation Alternative Program				
	20.205	ATPL-5953 (739), ATPL-5953 (740), ATPL-5953 (741), ATPL-5953 (763), ATPL-5953 (773)	2,133,589	-
<i>Subtotal 20.205</i>			<u>22,103,832</u>	<u>-</u>
Formula Grants for Rural Areas and Tribal Transit Program				
Public Transportation for Non-Urbanized Areas	20.509	N/A	624,728	-
Formula Grants for Rural Areas and Tribal Transit Program	20.509	N/A	911,817	-
<i>Subtotal 20.509</i>			<u>1,536,545</u>	<u>-</u>
<i>Passed Through the California Office of Traffic Safety</i>				
State and Community Highway Safety				
Office of Traffic Safety (OTS) - Distracted Driving Program	20.600	(7) DD25004	123,329	-
OTS - Pedestrian and Bicycle Safety Program	20.600	(7) PS25013	543,326	337,588
OTS - Motorcyclist Safety and Reckless Driving	20.600	(7) MC25002	72,350	57,454
State and Community Highway Safety - Innovation - App for EMS Protocols to Improve Trauma Care	20.600	(7) TR24015	560,630	-
Selective Traffic Enforcement Program (402PT-24 Flex)	20.600	(7) PT24106	295,331	-
Selective Traffic Enforcement Program (402PT-24 Flex)	20.600	(7) PT25048	328,519	-
<i>Subtotal 20.600</i>			<u>1,923,485</u>	<u>395,042</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**COUNTY OF LOS ANGELES
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025**

Federal Grantor/Pass Through Grantor/Program Title	Assistance Listing Number (ALN)		Identifying Number Assigned by Pass-Through Grantor (Note A)	Federal Expenditures	Passed Through to Subrecipients
Minimum Penalties for Repeat Offenders for Driving While Intoxicated					
Intensive Probation Supervision for High Risk Felony and Repeat DUI Offenders	20.608		N/A	96,053	-
Improved Alcohol Impaired Driving Toxicology Testing Grant	20.608		AI24014	4,273	-
Selective Traffic Enforcement Program (164AI-24)	20.608		PT24106	418,642	-
Selective Traffic Enforcement Program (164AI-24)	20.608		PT25048	602,071	-
<i>Subtotal 20.608</i>				1,121,039	-
National Priority Safety Programs					
OTS	20.616	(7)	OP25007	324,271	-
National Priority Safety Programs - HDE Enhancement of the LA Trauma System	20.616	(7)	TR24014	202,755	-
Alcohol and Drug Impaired Driver Vertical Prosecution Program	20.616	(7)	DI24007 & DI24006	1,689,975	-
Traffic Records Improvement Project 24-004952	20.616	(7)	N/A	657,250	-
<i>Subtotal 20.616</i>				2,874,251	-
<i>Passed Through the Los Angeles Metropolitan Transportation Authority</i>					
Enhanced Mobility of Seniors and Individuals with Disabilities New Freedom Program	20.513	(6)	CA-2022-143	479,255	479,255
Total U.S. Department of Transportation				31,316,553	874,297
<u>U.S. Department of Veterans Affairs</u>					
<i>Direct Program</i>					
Legal Services for Homeless or At-Risk Veterans Grants					
Legal Services For Homeless Veterans And Veterans At-Risk For Homelessness	64.056			165,800	-
Total U.S. Department of Veterans Affairs				165,800	-
<u>U.S. Election Assistance Commission</u>					
<i>Passed Through the California Secretary of State</i>					
HAVA Election Security Grants					
Federal Help America Vote Act (HAVA) Polling Place Accessibility Training Program	90.404		23G26119	1,844,171	-
Total U.S. Election Assistance Commission				1,844,171	-
<u>U.S. Environmental Protection Agency</u>					
<i>Direct Program</i>					
Climate Pollution Reduction Grants					
Climate Pollution Reduction Planning Grant	66.046			241,725	-
Congressionally Mandated Projects					
Water Infrastructure - Avenue J-12 and 50 th Street	66.202			44,648	-
Environmental Justice Government-to-Government (EJG2G) Program					
Los Angeles County Climate Ready Communities	66.312			25,419	-
Science to Achieve Results (STAR) Research Program					
Lid Surface Water-Groundwater Interaction Study	66.509			643,731	-
Superfund State, Political Subdivision, and Indian Tribe Site-Specific Cooperative Agreements					
Toxic Epidemiology - Fish Contamination Project	66.802			19,056	-
<i>Passed Through the California Environmental Protection Agency</i>					
Beach Monitoring and Notification Program Implementation Grants					
Public Beach Safety Program	66.472		D2414104	186,278	-
Total U.S. Environmental Protection Agency				1,160,857	-
<u>U.S. Executive Office of the President</u>					
<i>Direct Program</i>					
High Intensity Drug Trafficking Areas Program					
High Intensity Drug Trafficking Areas (HIDTA)	95.001			108,389	-
Total U.S. Executive Office of the President				108,389	-

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**COUNTY OF LOS ANGELES
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025**

Federal Grantor/Pass Through Grantor/Program Title	Assistance Listing Number (ALN)	Identifying Number Assigned by Pass-Through Grantor (Note A)	Federal Expenditures	Passed Through to Subrecipients
<u>U.S. National Endowment for the Arts</u>				
<i>Direct Program</i>				
Promotion of the Arts Grants to Organizations and Individuals Grants for Arts Project Funding	45.024	(17)	100,000	100,000
Total U.S. National Endowment for the Arts			<u>100,000</u>	<u>100,000</u>
Total Expenditures of Non-COVID-19 Federal Awards			<u>3,483,271,215</u>	<u>452,235,256</u>
SCHEDULE OF EXPENDITURES OF COVID-19 FEDERAL AWARDS				
<u>U.S. Department of the Treasury</u>				
<i>Direct Program</i>				
Coronavirus State and Local Fiscal Recovery Funds (SLFRF) COVID-19 - Coronavirus SLFRF American Rescue Plan (ARP)	21.027		385,153,748	282,469,393
Local Assistance and Tribal Consistency Fund (LATCF) COVID-19 - LATCF ARP	21.032		1,892,980	-
<i>Passed Through the California Department of Housing and Community Development</i>				
Emergency Rental Assistance Program COVID-19 - Emergency Rental Assistance	21.023	21-ERAP-10005	955,661	-
Total U.S. Department of Treasury			<u>388,002,389</u>	<u>282,469,393</u>
<u>U.S. Department of Agriculture</u>				
<i>Direct Program</i>				
Plant and Animal Disease, Pest Control, and Animal Care COVID-19 - American Rescue Plan SARS CoV-2 Surveillance in Animals in Los Angeles County	10.025	(12)	828,027	-
COVID-19 - American Rescue Plan SARS CoV-2 Surveillance in Imported Animals Entering into Los Angeles International Airport	10.025	(12)	675,611	-
<i>Subtotal 10.025</i>			<u>1,503,638</u>	<u>-</u>
Gus Schumacher Nutrition Incentive Program COVID-19 - Increasing Fruit and Vegetable Intake Among Prediabetic and Diabetic Medicaid Recipients	10.331	(13)	48,903	48,903
Total U.S. Department of Agriculture			<u>1,552,541</u>	<u>48,903</u>
<u>U.S. Department of Health and Human Services</u>				
<i>Direct Program</i>				
ELC				
COVID-19 - Los Angeles County ELC - Enhancing Detection Expansion	93.323	(23)	24,600,671	1,803,242
COVID-19 - ELC - CARES Act	93.323	(23)	1,412,738	-
COVID-19 - ELC - Data Modernization	93.323	(23)	532,295	-
COVID-19 - ELC - AMD Sequencing and Analytics Construction Grant	93.323	(23)	7,860,814	-
COVID-19 - ELC - Project E - AMD Sequencing and Analytics and Strengthening PHL Preparedness	93.323	(23)	73,186	-
COVID-19 - ELC Strengthening HAI and AR Program Capacity (SHARP)	93.323	(23)	2,378,883	-
COVID-19 - ELC - Data Modernization 2	93.323	(23)	823,885	-
COVID-19 - ELC SHARP 2	93.323	(23)	1,320,020	-
COVID-19 - ELC Advanced Molecular Detection 2	93.323	(23)	1,553,470	-
COVID-19 - ELC National Wastewater Surveillance System 2	93.323	(23)	1,203,958	-
<i>Subtotal 93.323</i>			<u>41,759,920</u>	<u>1,803,242</u>
Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response				
COVID-19 - Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis	93.354	(24)	524,055	84,705
COVID-19 - Cooperative Agreement For Emergency Response: Public Health Crisis Response - Workforce Development	93.354	(24)	4,600,905	1,025,831
<i>Subtotal 93.354</i>			<u>5,124,960</u>	<u>1,110,536</u>
<i>Passed Through the California Department of Aging</i>				
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers				
COVID-19 - ARP - Title III-B - Older American Act (OAA) - Supportive Services	93.044	(8) (18)	AP2122-19	216,480
			216,480	216,480

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**COUNTY OF LOS ANGELES
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025**

Federal Grantor/Pass Through Grantor/Program Title	Assistance Listing Number (ALN)	Identifying Number Assigned by Pass-Through Grantor (Note A)	Federal Expenditures	Passed Through to Subrecipients	
<i>Special Programs for the Aging, Title III, Part C, Nutrition Services</i>					
COVID-19 - ARP - Title III-C-I Congregate Meals	93.045	(8) (19)	AP2122-19	18,177	-
COVID-19 - Families First Coronavirus Response Act (FFCRA) - OAA - Home Delivered Meals: Title III-C-II	93.045	(8) (19)	AP2122-19	160,081	-
<i>Subtotal 93.045</i>			<u>178,258</u>	<u>-</u>	
<i>Passed Through the California Department of Health Care Services</i>					
<i>Block Grants for Prevention and Treatment of Substance Abuse</i>					
COVID-19 - ARP - Discretionary	93.959	(30)	N/A	3,952,745	-
COVID-19 - ARP - Primary Prevention Set-Aside	93.959	(30)	N/A	2,283,941	425,138
COVID-19 - ARP - Friday Night Live Set-Aside	93.959	(30)	N/A	24,489	24,489
<i>Subtotal 93.959</i>			<u>6,261,175</u>	<u>449,627</u>	
<i>Passed Through the California Department of Public Health</i>					
<i>Immunization Cooperative Agreements</i>					
COVID-19 - Vaccine Preventable Disease Control	93.268	(22)	22-11039	4,585,212	-
<i>Passed Through the California Department of Social Services</i>					
<i>Temporary Assistance for Needy Families</i>					
COVID-19 - ARP - Pandemic Emergency Assistance Fund (PEAF)	93.558	(26)	CFL 21/22-04	2,823	-
<i>Elder Abuse Prevention Interventions Program</i>					
COVID-19 - Elder Abuse Prevention Interventions Program - APS ARP	93.747		CFL 22/23-47	2,283,771	-
<i>Passed Through the Council of State & Territorial Epidemiologists (CSTE)</i>					
<i>Strengthening Public Health Systems and Services through National Partnerships to Improve and Protect the Nation's Health</i>					
COVID-19 - One Health Capacity Building - Zoonoses & Enhanced Surveillance for Human Infection with Highly Pathogenic Avian Influenza	93.421	(25)	PO8786	74,511	-
<i>Passed Through USAging</i>					
<i>Special Programs for the Aging, Title IV, and Title II, Discretionary Projects</i>					
COVID-19 - COVID and Influenza Vaccine Uptake Initiative for Older Adults and People with Disabilities	93.048		90HDC0007-01-00	200,000	-
Total U.S. Department of Health and Human Services				<u>60,687,110</u>	<u>3,579,885</u>
<u>U.S. Department of Homeland Security</u>					
<i>Passed Through the California Governor's Office of Emergency Services</i>					
<i>Disaster Grants - Public Assistance (Presidentially Declared Disasters)</i>					
COVID-19 - 2020 COVID-19	97.036	(31)	DR4482	1,065,660	-
Total U.S. Department of Homeland Security				<u>1,065,660</u>	<u>-</u>
<u>U.S. National Endowment for the Arts</u>					
<i>Direct Program</i>					
<i>Promotion of the Arts Grants to Organizations and Individuals</i>					
COVID-19 - ARP - Grants Local Arts Agencies	45.024	(17)		500,000	500,000
Total U.S. National Endowment for the Arts				<u>500,000</u>	<u>500,000</u>
Total Expenditures of COVID-19 Federal Awards				<u>451,807,700</u>	<u>286,598,181</u>
Total Expenditures of Federal Awards				<u>\$ 3,935,078,915</u>	<u>\$ 738,833,437</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**COUNTY OF LOS ANGELES
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025**

<u>Legend</u>	<u>ALNs</u>	<u>Amounts</u>
<u>Compliance Supplement Clusters</u>		
(1) SNAP Cluster	10.561	\$ 401,889,857
(2) Child Nutrition Cluster	10.559	441,486
(3) Schools and Roads Cluster	10.665	718,810
(4) CDBG - Entitlement Cluster	14.218	4,721,609
(5) WIOA Cluster	17.258, 17.259, 17.278	29,985,797
(6) Transit Services Programs Cluster	20.513	479,255
(7) Highway Safety Cluster	20.600, 20.616	4,797,736
(8) Aging Cluster (Notes B and C)	93.041, 93.042, 93.043,	23,933,574
(9) CCDF Cluster	93.044, 93.045, 93.052	
(10) Medicaid Cluster	93.575, 93.596	14,372,831
(11) Student Financial Assistance Cluster	93.777, 93.778	720,125,418
	84.007, 84.063	463,951
<u>ALN Totals Not on the Schedule of Expenditures of Federal Awards</u>		
(12) Plant and Animal Disease, Pest Control, and Animal Care (Note C)	10.025	3,468,245
(13) Gus Schumacher Nutrition Incentive Program (Note C)	10.331	450,509
		401,889,857
(14) State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	
(15) Edward Byrne Memorial Justice Assistance Grant Program	16.738	2,375,310
(16) Comprehensive Opioid, Stimulant, and other Substances Use Program	16.838	570,439
(17) Promotion of the Arts Grants to Organizations and Individuals (Note C)	45.024	600,000
(18) Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers (Note C)	93.044	4,698,872
(18) Special Programs for the Aging, Title III, Part C, Nutrition		16,533,583
(19) Services (Note C)	93.045	
(20) Injury Prevention and Control Research and State and Community Based Programs	93.136	4,447,698
		797,421
(21) Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	
(22) Immunization Cooperative Agreements (Note C)	93.268	9,919,938
(23) Epidemiology and Laboratory Capacity for Infectious Diseases (Note C)	93.323	46,896,986
(24) Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response (Note C)	93.354	5,248,850
(24) Strengthening Public Health Systems and Services through National Partnerships to Improve and Protect the Nation's Health (Note C)	93.421	172,087
(25) Temporary Assistance for Needy Families (Note C)	93.558	931,086,213
(26) Refugee and Entrant Assistance State/Replacement Designee Administered Programs	93.566	22,598,703
(27) Grants to States for Medicaid	93.778	706,362,967
(28) Block Grants for Community Mental Health Services	93.958	17,568,467
(29) Block Grants for Prevention and Treatment of Substance Abuse (Note C)	93.959	66,653,610
(30) Disaster Grants - Public Assistance (Presidentially Declared Disasters) (Note C)	97.036	2,415,018
(31) Hazard Mitigation Grant	97.039	105,687
(32) Homeland Security Grant Program	97.067	28,284,312

Note A - Certain awards do not have a pass-through entity ID number

Note B - Aging Cluster (as determined by the California Health and Human Services Agency, Department of Aging)

Note C - Includes COVID-19 awards

COUNTY OF LOS ANGELES
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025

1. GENERAL

The accompanying Schedule of Expenditures of Federal Awards (SEFA) represents all federal programs of the County of Los Angeles, California (County). The County's basic financial statements include the operations of the Los Angeles County Development Authority (LACDA), which expended \$694.64 million in federal awards for the fiscal year (FY) ended June 30, 2025, and is not included in the SEFA. The LACDA engaged auditors to perform an audit in accordance with Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). The SEFA includes all federal financial assistance received directly from federal and State agencies, as well as federal financial assistance passed through other agencies.

2. BASIS OF ACCOUNTING

The SEFA is prepared using the modified accrual basis of accounting for program expenditures accounted for in the governmental funds, and the accrual basis of accounting for program expenditures accounted for in the proprietary funds, as described in Note 1 of the County's Basic Financial Statements. The information in the SEFA is presented in accordance with the requirements of Uniform Guidance. However, some amounts presented in the SEFA are reported on a cash basis, as explained in the following paragraph.

Certain federal program expenditures in the SEFA are reported on a cash basis due to the claiming requirements of pass-through and federal agencies. These expenditures are presented on a cash basis to be consistent with the amounts previously claimed and reported for reimbursement purposes. The affected programs are listed below.

ALN	Program Name
10.561	Supplemental Nutrition Assistance Program (SNAP) – Administration (CalFresh)
10.561	Supplemental Nutrition Assistance Program – Education (SNAP-ED)
14.218	Community Code Enforcement 4 th District
14.218	Community Code Enforcement East Los Angeles – 1 st District
14.218	Loma Alta Park Recreation Program
14.218	Pamela Park Recreation Program
14.218	2018 Community Development Block Grant – Disaster Recovery (CDBG-DR)
16.738	Alternate Sentencing Program (PD) (JAG) 19
16.738	Edward Byrne Memorial Justice Assistance Grant Program
16.738	Sheriff School Resource Deputy (JAG) 19
16.738	Soledad Enrichment Action – Life Program (JAG) 19
16.836	Office of Juvenile Justice Delinquency Prevention FY 2023 Enhancing Youth Defense
20.616	Alcohol and Drug Impaired Driver Vertical Prosecution Program
20.616	Office of Traffic Safety Program (OTS)
45.024	American Rescue Plan (ARP) Grants Local Arts Agencies
45.024	Grants for Arts Projects Funding
84.007	Supplemental Educational Opportunity Grants
84.063	Pell Grants
93.041	Title VII – Elder Abuse Prevention
93.090	Kinship Guardianship Assistance Payment Program (Kin-GAP) Title IV-E
93.136	National Violent Death Reporting System (NVDRS)
93.268	Vaccine Preventable Disease Control
93.556	Promoting Safe and Stable Families Program
93.558	CalWORKs Diversion
93.558	CalWORKs Family Group/Unemployed Parent (FG/U) Assistance
93.558	CalWORKs Legal Immigrants (MC)
93.558	CalWORKs Single
93.558	ARP - Pandemic Emergency Assistance Fund (PEAF)
93.558	Temporary Assistance for Needy Families (TANF)

COUNTY OF LOS ANGELES
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025

2. BASIS OF ACCOUNTING-Continued

ALN	Program Name
93.563	Child Support Enforcement Title IV-D
93.564	Next Generation Child Support Employment Services Demonstration
93.566	Additional Ukraine Supplemental Appropriations Act (AUSAA)
93.566	Refugee Employment Social Services
93.566	Refugee Health Assessment Program
93.566	Refugee Resettlement
93.566	Services to Older Refugees
93.569	Community Services Block Grant 24F-3021
93.569	Community Services Block Grant 24F-3105
93.569	Community Services Block Grant 25F-6021
93.569	Community Services Block Grant 25F-6105
93.576	Refugee Health Promotion Project (RHPP)
93.579	U.S. Repatriation Program
93.590	Community-Based Child Abuse Prevention
93.596	Child Day Care Program
93.603	Adoptions and Legal Guardianship Incentive Payments
93.645	Children's Welfare Services IV-B (Direct Cost)
93.658	Aid to Families with Dependent Children – FC – Administration and Assistance
93.658	Foster Care Title IV-E
93.658	Foster Family Licensing
93.658	Foster Parent Training
93.658	Group Home Month Visits / CWD
93.659	Adoptions – Administration and Assistance
93.667	Children's Welfare Services Title XX
93.674	Independent Living Skills – Children's Services
93.747	Elder Abuse Prevention Interventions Program – APS ARP
93.778	Adult Protective Services/County Services Block Grant
93.778	Children's Welfare Services XIX (Health-Related)
93.778	Federal Drug Medi-Cal (Prenatal and Drug) FMAP
93.778	Health Care Program Children in Foster Care
93.778	In-Home Supportive Services – Personal Care Services Program (Health-Related)
93.778	Medi-Cal Eligibility Determination
93.778	Providing Access and Transforming Health Supports (PATH)
93.870	Title V Maternal, Infant, and Early Childhood Home Visiting Grant
93.940	Integrated HIV Surveillance and Prevention for Los Angeles County
97.102	Case Management Pilot Program (CMPP)

3. GRANT PROGRAMS REIMBURSED IN ARREARS

The County participates in several federal programs, listed below, where payments are received in arrears because eligibility, as determined by the federal agency, is established in arrears after expenditures are incurred. The County recognizes expenditures on the SEFA in the year that the funds are received, since the County's eligible expenditures are not determinable until the reimbursement is received.

COUNTY OF LOS ANGELES
 NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED JUNE 30, 2025

3. GRANT PROGRAMS REIMBURSED IN ARREARS-Continued

Pest Exclusion/Dog Teams Program, ALN 10.025

<u>FY Exp. Incurred</u>	<u>FY Exp. Reimbursed</u>	<u>Amount</u>
2023-24	2024-25	\$ 737,683

Glassy Winged Sharpshooter, ALN 10.025

<u>FY Exp. Incurred</u>	<u>FY Exp. Reimbursed</u>	<u>Amount</u>
2023-24	2024-25	\$1,023,602

Asian Citrus Psyllid/Huanglongbing, ALN 10.025

<u>FY Exp. Incurred</u>	<u>FY Exp. Reimbursed</u>	<u>Amount</u>
2023-24	2024-25	\$ 203,322

4. COMMUNITY SERVICES BLOCK GRANT PROGRAMS (ALN 93.569)

At the request of the California Health and Human Services Agency, Department of Community Services and Development, supplementary schedules of revenue and expenditures for Community Services Block Grant programs are included on pages 223 through 228.

5. MEDICAID CLUSTER

Direct program Medi-Cal and Medicare expenditures are excluded from the SEFA. These expenditures represent fees for services and are not included in the SEFA or in determining major programs. The County assists the State of California (State) in determining eligibility and provides Medi-Cal and Medicare services through County-owned facilities. Administrative costs related to Medi-Cal and Medicare are included in the SEFA under the Medicaid Cluster.

6. INDIRECT COST RATE

The County has elected to not use the de minimis indirect cost rate allowed under Uniform Guidance.

7. CORONAVIRUS DISEASE 2019 (COVID-19)

FEMA Public Assistance (ALN 97.036)

On March 13, 2020, a nationwide emergency was declared in response to COVID-19, making FEMA Public Assistance funding available to support local response efforts. The County was awarded \$119.00 million in FEMA Public Assistance funding and \$3.70 million in a related state funding from the California Governor's Office of Emergency Services (Cal OES), the pass-through entity, for five expedited COVID-19 projects: Emergency Operations Center and related activities, non-congregate medical shelters, COVID-19 testing, Project Roomkey, and Great Plates. The SEFA includes \$1.07 million of FEMA COVID-19 Public Assistance expenditures for the current year.

Expenditures incurred for eligible costs are reported on the SEFA in the fiscal year in which Cal OES approves and obligates funding for the related projects, as evidenced by Notices of Obligation and Payment, regardless of when the underlying costs were incurred. Effective FY 2024-25, the Chief Executive Office (CEO), which manages the County's FEMA program, corrected its application of the County's methodology to report expenditures upon federal/project approval and obligation rather than upon receipt of funds and distribution to the claiming departments. CEO management is currently evaluating the nature and extent of any adjustments that may be needed to federal expenditures reported in prior fiscal years as a result of its prior application of the reporting methodology.

COUNTY OF LOS ANGELES
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025

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

Only the approved federal share of eligible actual costs incurred is reported. Reported amounts are net of insurance proceeds, salvage value, and other third-party recoveries. Non-cash assistance provided directly by FEMA is not included in the SEFA.

Certain expenditure amounts reported in the current fiscal year were incurred in prior fiscal years, as follows:

Disaster	ID Number	Amount Incurred in Prior Fiscal Years
2018 Woolsey Fire	DR4407	\$ 643,979
2020 COVID-19	DR4482	1,065,660
2023 Winter Storms	DR4683	389,684
2023 Winter Storms #2	DR4699	141,773
2024 Winter Storms	DR4769	173,922
Total		<u>\$ 2,415,018</u>

Emergency Rental Assistance (ALN 21.023)

The federal Emergency Rental Assistance (ERA) program makes funding available to assist households that are unable to pay rent or utilities due to the COVID-19 pandemic. Two separate programs have been established: ERA1 provides up to \$25 billion under the Consolidated Appropriations Act, 2021, which was enacted on December 27, 2020, and ERA2 provides up to \$21.55 billion under the American Rescue Plan (ARP) Act of 2021, which was enacted on March 11, 2021. During FY 2020-21, the County received \$160.07 million and \$84.72 million for ERA1 and ERA2, respectively.

The County entered into an agreement with the State to manage the County’s ERA funds. This arrangement was made to simplify the process for tenants and landlords, eliminating confusion caused by multiple programs across various jurisdictions. Consequently, the State assumed all compliance responsibilities for ERA1 and ERA2. The SEFA includes \$955,661 in ERA2 expenditures for administrative services provided by LACDA and reimbursed by the County.

Coronavirus State and Local Fiscal Recovery Funds (SLFRF) (ALN 21.027)

The ARP Act of 2021 authorized the Coronavirus State and Local Fiscal Recovery Funds (SLFRF), which continues many of the programs started by the CARES Act (2020) and Consolidated Appropriations Act, 2021, by adding new phases, new allocations, and new guidance to address issues related to the continuation of the COVID-19 pandemic. The Coronavirus SLFRF also creates a variety of new programs to address continuing pandemic-related crises and fund recovery efforts as the United States begins to emerge from the COVID-19 pandemic.

On May 16, 2021, the County received the first tranche of \$974.99 million of Coronavirus SLFRF funds from the U.S. Department of Treasury and on June 9, 2022, the County received the second tranche of \$974.99 million. The County is a prime recipient. The SEFA includes expenditures of Coronavirus SLFRF funds received directly from the U.S. Department of Treasury in the amount of \$385.15 million to: 1) respond to the public health emergency or its negative economic impacts; 2) respond to workers performing essential work during the COVID-19 public health emergency by providing premium pay to eligible workers;

COUNTY OF LOS ANGELES
 NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED JUNE 30, 2025

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

3) provide government services to the extent of the reduction in revenue due to the COVID-19 public health emergency relative to revenues collected in the most recent full fiscal year prior to the emergency; and 4) make necessary investments in water, sewer, or broadband infrastructure. In December 2022, Congress amended the Coronavirus SLFRF program through the Consolidated Appropriations Act, 2023, providing additional flexibility for recipients to use Coronavirus SLFRF funds to respond to natural disasters, build critical infrastructure, and support community development. The Coronavirus SLFRF funds were obligated between March 3, 2021, and December 31, 2024, and must be expended to cover such obligations by December 31, 2026.

8. CHILD CARE AND DEVELOPMENT FUND CLUSTER

In accordance with California Welfare and Institutions Code Section 10440(g), the County of Los Angeles Department of Children and Family Services (DCFS) is required to submit an annual independent financial and compliance audit report for the Child Development Program.

For the fiscal year ended June 30, 2025, DCFS engaged an independent Certified Public Accounting firm to perform a financial and compliance audit of the Child Development Program. The audit did not have a financial impact on the Child Care and Development Fund Cluster as reported in the SEFA. Child Development Program expenditures are reported in the SEFA under ALN 93.596, Child Day Care Program, in the amount of \$3.71 million, and under ALN 93.575, Child Care and Development Block Grant, in the amount of \$6.17 million.

9. OVERESTIMATED ACCRUALS

During FY 2024-25, the County identified overstatements in the FYs 2020-21, 2021-22, 2022-23, and 2023-24 in the SEFA and related Federal Financial Reports submitted to the U.S. Department of Health and Human Services (HHS) grant titled “COVID-19 – Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) – CARES Act” (ALN 93.323). However, the overstatements were corrected before filing a claim for reimbursement with HHS.

The overstatements resulted from overestimated accruals in the amounts reported as federal expenditures. The revised cumulative expenditure amounts for these fiscal years are as follows:

	Federal
	<u>Expenditures</u>
As reported	\$29,359,587
Excess expenditures	<u>(11,633,331)</u>
As revised	<u>\$17,726,256</u>

**Independent Auditor’s Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed
in Accordance With Government Auditing Standards**

The Honorable Board of Supervisors
County of Los Angeles, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Los Angeles, California (County), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the County’s basic financial statements, and have issued our report thereon dated December 15, 2025, except for the report on the schedule of expenditures of federal awards, the community services block grant supplementary schedules of revenue and expenditures, and the supplementary schedule of expenditures of federal and State awards granted by the California Department of Aging, as to which the date is March 27, 2026. Our report includes a reference to other auditors who audited the financial statements of the Los Angeles County Development Authority, the Los Angeles County Children and Families First – Proposition 10 Commission, and the Los Angeles County Employees Retirement Association, as described in our report on the County’s financial statements. This report does not include the results of the other auditors’ testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County’s internal control. Accordingly, we do not express an opinion on the effectiveness of the County’s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control described in the accompanying schedule of findings and questioned costs as item 2025-001 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

County's Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on the County's response to the finding identified in our audit and described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Macias Gini & O'Connell LLP". The signature is written in a cursive, flowing style.

Los Angeles, California
December 15, 2025

**Independent Auditor’s Report on Compliance for Each
Major Federal Program and Report on Internal Control Over
Compliance Required by the Uniform Guidance**

The Honorable Board of Supervisors
County of Los Angeles, California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the County of Los Angeles, California’s (County) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the County’s major federal programs for the year ended June 30, 2025. The County’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, the County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the County’s compliance with the compliance requirements referred to above.

Other Matter – Federal Expenditures Not Included in the Compliance Audit

As described in Note 1 to the Schedule of Expenditures of Federal Awards, the County’s basic financial statements include the operations of the Los Angeles County Development Authority (LACDA), which expended \$694.64 million in federal awards, which are not included in the County’s schedule of expenditures of federal awards for the year ended June 30, 2025. Our compliance audit, described in the Opinion section of our report, does not include the operations of LACDA because LACDA engaged other auditors to perform an audit of compliance.

Responsibilities of Management for Compliance

The County's management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the County's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the County's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2025-002 and 2025-003. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the County's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be a material weakness and a significant deficiency.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2025-002 to be a material weakness.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2025-003 to be a significant deficiency.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the County's response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Macias Gini & O'Connell LLP

Los Angeles, California
March 27, 2026

**COUNTY OF LOS ANGELES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2025**

Section I - Summary of Auditor's Results

(a) Financial Statements

Type of report issued on whether the financial statements audited were prepared in accordance with GAAP: **Unmodified Opinion**

Internal control over financial reporting:

- Material weakness(es) identified? **No**
- Significant deficiency(ies) identified? **Yes**

Noncompliance material to the financial statements noted? **No**

(b) Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? **Yes**
- Significant deficiency(ies) identified? **Yes**

Type of auditor's report issued on compliance for major federal programs: **Unmodified**

Any audit findings disclosed that are required to be reported in accordance with 2 CFR § 200.516(a): **Yes**

**COUNTY OF LOS ANGELES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2025**

Identification of major federal programs:

Assistance Listing Numbers	Name of Federal Program or Cluster
20.205	Highway Planning and Construction
21.027	Coronavirus State and Local Fiscal Recovery Funds
93.041, 93.042, 93.043, 93.044, 93.045, 93.052	Aging Cluster
93.069	Public Health Emergency Preparedness
93.268	Immunization Cooperative Agreements
93.323	Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)
93.556	MaryLee Allen Promoting Safe and Stable Families Program
93.575, 93.596	Child Care and Development Fund (CCDF) Cluster
93.658	Foster Care Title IV-E
93.686	Ending the HIV Epidemic: A Plan for America – Ryan White HIV/AIDS Program Parts A and B
93.777, 93.778	Medicaid Cluster
93.959	Block Grants for Prevention and Treatment of Substance Abuse
93.967	Centers for Disease Control and Prevention Collaboration with Academia to Strengthen Public Health

Dollar threshold used to distinguish between Type A and Type B programs: **\$11,805,237**

Auditee qualified as a low-risk auditee? **No**

**COUNTY OF LOS ANGELES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2025**

Section II – Financial Statement Findings

Reference Number:	2025-001
Federal Program Title:	Disaster Grants – Public Assistance (Presidentially Declared Disasters)
Federal Assistance Listing Number:	97.036
Federal Agency:	U.S. Department of Homeland Security
Pass-Through Entity:	California Governor’s Office of Emergency Services
Federal Award Number and Year:	Fiscal Year 2024-25
Name of Department:	Chief Executive Office (CEO)
Category of Finding:	Schedule of Expenditures of Federal Awards
Type of Finding:	Significant Deficiency in Internal Control Over Financial Reporting

Criteria

In accordance with Title 2 U.S. Code of Federal Regulations (CFR) § 200.510, the non-Federal entity must prepare a schedule of expenditures of Federal awards (SEFA) for the period covered by the non-Federal entity’s financial statements as determined in accordance with 2 CFR § 200.502.

2 CFR § 200.502 basis for determining Federal awards expended states:

The determination of when a Federal award is expended must be based on when the activity related to the Federal award occurs. Generally, the activity related to the Federal award pertains to events that require the non-Federal entity to comply with Federal statutes, regulations, and the terms and conditions of Federal awards, such as:

- (1) Expenditure/expense transactions associated with grants, cooperative agreements, cost-reimbursement contracts under the FAR, compacts with Indian Tribes, and direct appropriations;
- (2) The disbursement of funds to subrecipients;
- (3) The use of loan proceeds under loan and loan guarantee programs;
- (4) The receipt of property (including surplus property);
- (5) The receipt or use of program income;
- (6) The distribution or use of food commodities;
- (7) The disbursement of amounts entitling the non-Federal entity to an interest subsidy; and
- (8) The period when insurance is in force.

Condition and Context

The CEO Office of Emergency Management (CEO OEM) manages the Disaster Grants – Public Assistance (Presidentially Declared Disasters) program. We noted that CEO OEM reported expenditures in the SEFA using a methodology that was not compliant with the requirements of 2 CFR § 200.502. Specifically, CEO OEM reported federal expenditures when they distributed the revenues to the claiming departments and not for the expenditures incurred on or after receiving a Notice of Obligation letter from the granting agency.

Cause

CEO OEM misinterpreted guidance on identifying expenditures to include in the SEFA that was not consistent with the reporting requirements of 2 CFR § 200.502.

**COUNTY OF LOS ANGELES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2025**

Effect

Failure to accurately identify and report federal expenditures in the SEFA could affect the major program determination and the programs selected for audit. After removing \$9,932,368 in federal expenditures that were based on the timing of grant receipts during the fiscal year ended June 30, 2025, the Disaster Grants – Public Assistance (Presidentially Declared Disasters) program was no longer determined to be a major program.

Recommendation

We recommend that CEO OEM update its processes for identifying and reporting federal expenditures in the SEFA to ensure that expenditures reported are consistent with the reporting requirements of 2 CFR § 200.502. CEO OEM should also evaluate and determine the impact of any correction that may be necessary to amounts reported in prior years.

Views of Responsible Officials and Planned Corrective Action

1. Person responsible: OEM Public Assistance Director
2. Corrective action plan:

The CEO OEM agrees with the finding and recommendation. CEO OEM is in the process of updating policies and procedures to be compliant with the federal reporting requirements of 2 CFR § 200.502. Effective for the FY 2024-25 Single Audit and prospectively, OEM will no longer report federal revenues for Public Assistance reimbursements at the time they are received and distributed to County departments. Instead, CEO OEM will report federal revenues when expenditures are incurred and FEMA obligates a qualifying expenditure. We understand that a FEMA obligation does not necessarily guarantee a federal reimbursement to the County; however, we recognize that federal guidelines focus on expenditure incurrence and FEMA obligations instead of federal revenues received. OEM will also evaluate and determine the impact of correction of the SEFA reporting methodology and report its findings for the FY 2025-26 Single Audit.

3. Anticipated implementation date: June 30, 2026

**COUNTY OF LOS ANGELES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2025**

Section III – Federal Award Findings and Questioned Costs

Reference Number:	2025-002
Federal Program Title:	Coronavirus State and Local Fiscal Recovery Funds
Federal Assistance Listing Number:	21.027
Federal Agency:	U.S. Department of Treasury
Pass-Through Entity:	N/A
Federal Award Number and Year:	Fiscal Year 2024-25
Name of Department with Finding:	Department of Consumer and Business Affairs
Name of Departments with No Findings:	Chief Executive Office Aging and Disabilities Executive Office of the Board of Supervisors Department of Public Health Department of Economic Opportunity Internal Services Justice Care and Opportunities
Category of Finding:	Subrecipient Monitoring
Type of Finding:	Material Weakness in Internal Control Over Compliance; Instance of Noncompliance

Criteria

In accordance with Title 2 U.S. Code of Federal Regulations (CFR) § 200.332(c)(e)(f), all pass-through entities must:

(c) Evaluate each subrecipient's fraud risk and risk of noncompliance with a subaward to determine the appropriate subrecipient monitoring described in paragraph (f) of this section. When evaluating a subrecipient's risk, a pass-through entity should consider the following:

- (1) The subrecipient's prior experience with the same or similar subawards;
- (2) The results of previous audits. This includes considering whether or not the subrecipient receives a Single Audit in accordance with subpart F and the extent to which the same or similar subawards have been audited as a major program;
- (3) Whether the subrecipient has new personnel or new or substantially changed systems; and
- (4) The extent and results of any Federal agency monitoring (for example, if the subrecipient also receives Federal awards directly from the Federal agency).

(e) Monitor the activities of a subrecipient as necessary to ensure that the subrecipient complies with Federal statutes, regulations, and the terms and conditions of the subaward. The pass-through entity is responsible for monitoring the overall performance of a subrecipient to ensure that the goals and objectives of the subaward are achieved. In monitoring a subrecipient, a pass-through entity must:

- (1) Review financial and performance reports.
- (2) Ensure that the subrecipient takes corrective action on all significant developments that negatively affect the subaward. Significant developments include Single Audit findings related to the subaward, other audit findings, site visits, and written notifications from a

**COUNTY OF LOS ANGELES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2025**

subrecipient of adverse conditions which will impact their ability to meet the milestones or the objectives of a subaward. When significant developments negatively impact the subaward, a subrecipient must provide the pass-through entity with information on their plan for corrective action and any assistance needed to resolve the situation.

(3) Issue a management decision for audit findings pertaining only to the Federal award provided to the subrecipient from the pass-through entity as required by § 200.521.

(4) Resolve audit findings specifically related to the subaward. However, the pass-through entity is not responsible for resolving cross-cutting audit findings that apply to the subaward and other Federal awards or subawards. If a subrecipient has a current Single Audit report and has not been excluded from receiving Federal funding (meaning, has not been debarred or suspended), the pass-through entity may rely on the subrecipient's cognizant agency for audit or oversight agency for audit to perform audit follow-up and make management decisions related to cross-cutting audit findings in accordance with § 200.513(a)(4)(viii). Such reliance does not eliminate the responsibility of the pass-through entity to issue subawards that conform to agency and award-specific requirements, to manage risk through ongoing subaward monitoring, and to monitor the status of the findings that are specifically related to the subaward.

(f) Depending upon the pass-through entity's assessment of the risk posed by the subrecipient (as described in paragraph (c) of this section), the following monitoring tools may be useful for the pass-through entity to ensure proper accountability and compliance with program requirements and achievement of performance goals:

- (1) Providing subrecipients with training and technical assistance on program-related matters;
- (2) Performing site visits to review the subrecipient's program operations; and
- (3) Arranging for agreed-upon-procedures engagements as described in § 200.425.

Condition

During our audit of the Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) program, we selected twenty one (21) subrecipients with active contracts with the County during FY 2024-25.

We noted that the Department of Consumer and Business Affairs (DCBA) did not perform subrecipient monitoring for four (4) contracts administered by the department, of which one (1) contract did not have a risk assessment performed during FY 2024-25.

In addition, we selected two (2) subrecipients with total expenditures of \$19,217,030 that were subjected to subrecipient monitoring compliance requirements; however, it was determined that the selected subrecipients were vendors and inadvertently included in the subrecipient population. In the SEFA, the passed through to subrecipients column for this grant was reduced by \$19,217,030 to reflect this correction.

This is a repeat finding of 2024-002 as it relates to the subrecipient monitoring portion of the Condition.

Cause

Due to limited resources, the department needed more time to complete risk assessment, monitor the CSLFRF subrecipients and document the reviews in accordance with subrecipient monitoring requirements.

**COUNTY OF LOS ANGELES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2025**

Effect

Failure to document risk assessment and monitoring results is noncompliance with the subrecipient monitoring requirements 2 CFR § 200.332 (c)(e)(f).

Questioned Costs

Questioned costs were not determinable.

Context

Of the twenty one (21) subrecipients selected for testing, which totaled \$192,086,158, from a population of ninety-seven (97) subrecipients with expenditures totaling \$282,469,393, the department did not perform an annual risk assessment for one (1) subrecipient and they did not have documentary evidence supporting the monitoring of four (4) subrecipients with expenditures totaling \$5,917,341. However, the department retained copies of the subrecipients' single audit reports.

The misclassification of vendors was corrected by removing them from the subrecipient expenditures, which decreased subrecipient expenditures from \$301,686,423 to \$282,469,393.

DCBA had 7 subrecipients with total expenditures of \$99,128,273 out of the total of 97 subrecipients with total expenditures of \$282,469,393.

The sample was not a statistically valid sample.

Recommendation

We recommend the County perform risk assessments and monitor the activities of its subrecipients as necessary to ensure that subawards are used for authorized purposes and maintain appropriate records for monitoring subrecipients in accordance with subrecipient monitoring requirements set forth in 2 CFR § 200.332 (c)(e)(f).

Views of Responsible Officials and Planned Corrective Action

1. Person responsible: Administrative Deputy, DCBA
2. Corrective action plan: DCBA concurs with the findings and the recommendation, however, the total expenditure amount of \$5,917,341 is inclusive of expenditures from a different contract held by the same agency who was identified as a contractor and not a sub-recipient. As such, expenditures under that contract would not be subject to monitoring as set forth in 2 CFR § 200.332. Therefore, the total expenditures for the four (4) subrecipient agreements that are missing monitoring reports are \$585,756.

To address the finding, DCBA will establish a formal monitoring plan that will include a monitoring checklist, monitoring schedule, and a detailed tracking log to ensure timely monitoring of its subrecipients. DCBA will work with CEO and/or the Auditor-Controller to identify resources to implement ongoing monitoring of subrecipients, with clear documentation and reporting. Additionally, DCBA already implemented a risk assessment process to ensure an assessment of all subrecipients is completed at least once a year. This process will be formalized in writing. The process involves identifying risk areas, including reviewing financial stability, legal risks, capacity, and performance history. The assessment process uses a risk scoring model that rates organizations using a risk level scale between 1-5 that takes into consideration operating reserves, program and fundraising efficiency, and their ability to meet financial obligations.

3. Anticipated implementation date: September 30, 2026.

**COUNTY OF LOS ANGELES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2025**

Reference Number:	2025-003
Federal Program Title:	Immunization Cooperative Agreements
Federal Assistance Listing Number:	93.268
Federal Agency:	U.S. Department of Health and Human Services
Pass-Through Entity:	California Department of Public Health (CDPH)
Federal Award Number and Year:	22-11039
	July 1, 2022 – June 30, 2027
Name of Department:	Department of Public Health, Immunization Program
Category of Finding:	Reporting and Special Tests and Provisions
Type of Finding:	Significant Deficiency in Internal Control Over Compliance

Criteria

In accordance with the Scope of Work (SOW) of the grant agreement and the related statutes under the California Health & Safety Code sections:

- 120130 requires the Local Health Officer to properly report to CDPH those diseases listed as reportable, which include vaccine-preventable diseases.
- 120175 requires the Local Health Officer to take measures as may be necessary to prevent the spread or occurrence of additional cases of reportable diseases (which includes reportable vaccine-preventable diseases).
- 120350 requires Local Health Officers to organize and maintain a program to make available the immunizations required for admittance to childcare facilities and schools.

The County of Los Angeles Department of Public Health (DPH) is responsible for monitoring each program component: 1) Vaccine Accountability and Management; 2) Access to and Utilization of Quality Immunization Services; 3) California Immunization Registry (CAIR); 4) Perinatal Hepatitis B Prevention; 5) Education, Information, Training, and Partnerships; 6) Prevention, Surveillance and Control of Vaccine Preventable Disease (VPD); 7) Childcare and School Immunization Entry Requirements; 8) Influenza; and 9) COVID-19 Vaccination.

Under each of these component areas, there are objectives and required activities to be performed to meet the objectives. On a semi-annual basis, the Los Angeles County Vaccine Preventable Disease Control Program (VPDCP) will report to CDPH on the progress for the pertinent objectives and activities, as delineated in the grant SOW.

Condition

During our audit of DPH Immunization Cooperative Agreement program's Access to and Utilization of Quality Immunization Services component, we noted that VPDCP was unable to provide the supporting log of Medi-Cal members' access to immunization problems resolved at the local level or reported to CDPH.

Cause

The log documenting Medi-Cal members' access to immunization problems could not be located. VPDCP management indicated that, due to staff turnover, the file may have been saved on an individual employee's local drive rather than in a shared directory accessible to the program.

Effect

The absence of required documentation prevents validation of the reported progress and undermines assurance that the objective was achieved as stated.

**COUNTY OF LOS ANGELES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2025**

Questioned Cost

Questioned costs were not identified.

Context

In the Biannual Progress Report for January 1, 2025, to June 30, 2025, VPDCP reported that Component Area 2, Goal 2.1b had been met. The performance measure for this activity requires VPDCP to maintain a log of access problems resolved at the local level or reported to CDPH. VPDCP was unable to provide this log, preventing confirmation that the activity was completed as reported.

Recommendation

VPDCP should require all required program documentation be stored in a centralized shared location and implement oversight procedures, including transition checklists and periodic reviews, to ensure documentation is consistently maintained and accessible. These actions will help ensure that required evidence is consistently retained and available to support reported progress to the CDPH.

Views of Responsible Officials and Planned Corrective Action

1. Person responsible: Deputy Director, Department of Public Health
2. Corrective action plan:

DPH agrees with the finding and recommendation. VPDCP will develop and implement written procedures for the centralized and secure storage of documentation supporting grant deliverables and required progress reports. The procedures will include, at a minimum, the following:

- Define required documentation, storage location, staff responsibilities, and retention requirements.
- Require all supporting documentation to be maintained in a designated centralized repository and ensure documentation is complete, organized, and readily accessible for review.
- Detail the steps during staff transitions that new staff must follow to access, maintain, and update grant-related documentation, ensuring consistency and completeness of records.

VPDCP will perform periodic reviews of the centralized repository and formally document and sign-off on the reviews to verify that required documentation is maintained.

3. Anticipated implementation date: June 19, 2026

**COUNTY OF LOS ANGELES
STATUS OF PRIOR YEARS' FINDINGS
FOR THE YEAR ENDED JUNE 30, 2025**

FINANCIAL STATEMENT FINDINGS:

There were no financial statement findings nor questioned costs reported for the year ended June 30, 2024.

FEDERAL AWARD FINDINGS:

Finding 2024-001 – DPH – Procurement and Suspension and Debarment

ALN 93.069 Public Health Emergency Preparedness

Condition

During our audit of the Department of Public Health (DPH) compliance with the procurement and suspension and debarment requirements for the Public Health Emergency Preparedness Program, we noted that for eleven (11) contracts, DPH did not provide documentation to demonstrate DPH verified that the vendor was not suspended or debarred from participating in federally funded contracts prior to entering into a covered transaction. Based on a subsequent review of the SAM exclusions, the vendors in question are not suspended or debarred.

This is a repeat finding of 2023-008.

Recommendation

We recommend that DPH either: 1) include a contract clause or condition to the covered transaction with that person, 2) check the SAM exclusions prior to entering into a contract and maintain documentation of that verification, or 3) collect a certification from that person.

Current Year Management Response

Emergency Preparedness Response Division: EPRD requires all on-line requisition (OLR) requestors to attach a SAM.gov verification for the reference vendor to every OLR submitted.

The Department of Public Health's Administrative Services Division (ASD), which oversees the department's supply chain operations, has implemented the recommendations as follows:

- DPH Procurement staff were sent emails on June 14, 2024, July 17, 2024, March 28, 2025, and June 4, 2025 to remind them that SAM.gov verification documents are required for all federally funded purchasing packages.
- Procurement staff and supervisors have also been reminded in Procurement meetings to ensure that the SAM.gov verification is accurately completed and reviewed before finalizing/approving purchases.
- ASD conducted two trainings for the department that was attended by over 250 staff across the department. SAM.gov verification was included as one of the topics for discussion in those trainings.
- Finally, and most importantly, ASD issued a memorandum on July 17, 2025 to all DPH programs noting the SAM.gov verification requirement. This memo included detailed procedures as to what documentation to include in all Federally funded purchasing packages. Programs were notified that if the proper documentation was not provided, purchasing packages would be denied and not be processed.

Current Status as of June 30, 2025

Implemented.

**COUNTY OF LOS ANGELES
STATUS OF PRIOR YEARS' FINDINGS
FOR THE YEAR ENDED JUNE 30, 2025**

Finding 2024-002 – CEO/AD/DAC/DEO – Subrecipient Monitoring

ALN 21.027 Coronavirus State and Local Fiscal Recovery Funds

Condition

During our audit of the Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) program, we selected fifteen (15) subrecipients with active contracts with the County during FY 2023-24. We noted for seven (7) contracts administered by the Departments of Aging, Arts and Culture, and Economic Opportunity, the departments did not perform subrecipient monitoring related to the CSLFRF program during FY 2023-24.

This is a repeat finding of 2023-009.

Recommendation

We recommend the County monitor the activities of the subrecipient as necessary to ensure that the subaward is used for authorized purposes and maintain sufficient records of monitoring subrecipients in accordance with subrecipient monitoring requirements.

Current Year Management Response

CPA firms are currently conducting FY 2023-24 CSLFRF subrecipient monitoring reviews for the County. These reviews assess each subrecipient's fiscal and administrative procedures, internal controls, recordkeeping, and compliance with contractual service requirements.

As of June 30, 2025, the CPA firms have completed 46 CSLFRF subrecipient monitoring reviews and are currently working on four additional reviews. Subrecipients have received 55 findings for the FY 2023-24 CSLFRF monitoring reviews. The County will continue to oversee the monitoring process by following up on findings and ensuring corrective action plans are obtained and tracked in a timely manner.

Current Status as of June 30, 2025

Partially implemented as of June 30, 2025; however, not operational until FY 2025-26. See current year finding 2025-002.

Finding 2023-008 – DPH – Procurement and Suspension and Debarment

ALN 93.069 Public Health Emergency Preparedness

Condition

During our audit of the Department of Public Health (DPH) compliance with the procurement and suspension and debarment requirements for the Public Health Emergency Preparedness Program, we noted the following:

- For twenty-one (21) contracts, DPH did not provide documentation related to the history of the procurement. Therefore, we were unable to determine whether DPH complied with the procurement requirements related to the method of procurement, competition, and the basis for the contract price.
- For two (2) contracts, DPH did not provide documentation of the justification and approval of sole source. Therefore, we were unable to determine whether the procurement method used was appropriate and whether limiting competition was justified.

**COUNTY OF LOS ANGELES
STATUS OF PRIOR YEARS' FINDINGS
FOR THE YEAR ENDED JUNE 30, 2025**

- For three (3) contracts, DPH did not provide documentation to demonstrate DPH verified that the vendor was not suspended or debarred from participating in federally funded contracts prior to entering into a covered transaction. Based on a subsequent review of the SAM exclusions, the vendors are not suspended or debarred.

Recommendation

We recommend that DPH maintain sufficient records to support vendor selection in accordance with procurement requirements. In addition, we recommend that DPH either: 1) include a contract clause or condition to the covered transaction with that person, 2) check the SAM exclusions prior to entering into a contract and maintain documentation of that verification, or 3) collect a certification from that person.

Current Year Management Response

Acute Communicable Disease Control (ACDC) has verified SAM exclusions, documented the verification date prior to contract execution, and retained the documentation on file. The SAM.gov PDF printout serves as evidence of the dated exclusion check and is stored in a master folder labeled 'Debarment Checks' on ACDC's shared drive. A copy of the specific vendor's SAM exclusion check is also attached to the corresponding OLR for further review and processing.

The Department of Public Health's Administrative Services Division (ASD), which oversees the department's supply chain operations, has implemented the recommendations as follows:

- DPH Procurement staff were sent emails on June 14, 2024, July 17, 2024, March 28, 2025, and June 4, 2025 to remind them that SAM.gov verification documents are required for all federally funded purchasing packages.
- Procurement staff and supervisors have also been reminded in Procurement meetings to ensure that the SAM.gov verification is accurately completed and reviewed before finalizing/approving purchases.
- ASD conducted two trainings for the department that was attended by over 250 staff across the department. SAM.gov verification was included as one of the topics for discussion in those trainings.
- Finally, and most importantly, ASD issued a memorandum on July 17, 2025 to all DPH programs noting the SAM.gov verification requirement. This memo included detailed procedures as to what documentation to include in all Federally funded purchasing packages. Programs were notified that if the proper documentation was not provided, purchasing packages would be denied and not be processed.

Current Status as of June 30, 2025

Implemented.

Finding 2023-009 – CEO/ISD/DCBA/DA –Subrecipient Monitoring

ALN 21.027 Coronavirus State and Local Fiscal Recovery Funds

Condition

During our audit of the Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) program, we selected twenty-three (23) subrecipients with active contracts with the County during FY 2022-23.

- One (1) contract administered by the Internal Services Department (ISD) did not include one or more of the required elements defined in 2 CFR § 200.332 (a)(1) in the subrecipient's agreement.
- One (1) contract administered by the Department of Consumer Affairs (DCBA) did not include one or more of the required elements defined in 2 CFR § 200.332(a)(1) in the subrecipient's agreement.

**COUNTY OF LOS ANGELES
STATUS OF PRIOR YEARS' FINDINGS
FOR THE YEAR ENDED JUNE 30, 2025**

- For four (4) contracts administered by the Aging Department (AD), the AD did not perform subrecipient monitoring related to the CSLFRF program during FY 2022-23.

Recommendation

We recommend the County perform the following:

1. Remind departments that the Notice of Federal Subaward Information is a required attachment for all subrecipient agreements. In addition, subaward contract templates should be reviewed and revised to include placeholders for required information 2 CFR § 200.332(a)(1).
2. For existing subrecipients that were not provided the required elements, provide a letter or amended agreement to include all the required elements of 2 CFR § 200.332(a)(1).
3. Maintain sufficient records of monitoring subrecipients in accordance with subrecipient monitoring requirements.

Current Year Management Response

CPA firms are currently conducting FY 2022-23 CSLFRF subrecipient monitoring reviews for the County. These reviews assess each subrecipient's fiscal and administrative procedures, internal controls, recordkeeping, and compliance with contractual service requirements.

As of June 30, 2025, the CPA firms have completed 39 CSLFRF subrecipient monitoring reviews and are currently working on four additional reviews. Subrecipients have received 58 findings for the FY 2022-23 CSLFRF monitoring reviews. The County will continue to oversee the monitoring process by following up on findings and ensuring corrective action plans are obtained and tracked in a timely manner.

Current Status as of June 30, 2025

Recommendations 1 and 2 are implemented as of June 30, 2024. However, recommendation 3 is in progress and not operational until FY 2025-26. Partially implemented. See current year finding 2025-002.

Finding 2021-008 – Registrar-Recorder/County Clerk (RRCC) – Procurement and Suspension and Debarment

ALN 90.404 2018 HAVA Election Security Grants

Condition

During our review of the 2018 HAVA Election Security Grants program, we noted that fourteen (14) vendor contracts reviewed did not include a suspension and debarment certification clause indicating the vendor was not suspended or debarred from participation in federally funded contracts. There was no other documentation available to demonstrate that the verification of suspension and debarment was performed prior to entering into the covered transactions. Based on a subsequent review of the SAM exclusions, those fourteen (14) vendors are not suspended or debarred.

Recommendation

We recommend that Registrar-Recorder/County Clerk check the SAM exclusions prior to entering into a contract, maintain documentation of that verification, and add a clause to the contract that requires vendors to certify that they are not suspended or debarred.

**COUNTY OF LOS ANGELES
STATUS OF PRIOR YEARS' FINDINGS
FOR THE YEAR ENDED JUNE 30, 2025**

Current Year Management Response

RRCC has reached out to ISD's new Purchasing Manager and has not yet received a response. Last update was that ISD was continuing to work on changing their language to their standardized purchasing template to include the debarment clause for use by every department. RRCC will continue to follow up with them and ask the target date be extended to 8/19/2025.

Current Status as of June 30, 2025

Partially implemented.

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**COUNTY OF LOS ANGELES
DEPARTMENT OF ARTS AND CULTURE
SUPPLEMENTARY SCHEDULE OF REVENUE AND EXPENDITURES
CSBG CONTRACT NO. 24F-3105
FOR THE YEAR ENDED JUNE 30, 2025**

AL #93.569

	July 1, 2023 through June 30, 2024	July 1, 2024 through June 30, 2025	Total Audited Costs	Total Reported Expenses	Total Budget ⁽¹⁾
REVENUE					
Grant Revenue	\$ 2,766	\$ 447,345	\$ 450,111	\$ 450,111	\$ 450,111
Interest Income	-	-	-	-	-
Total Revenue	<u>2,766</u>	<u>447,345</u>	<u>450,111</u>	<u>450,111</u>	<u>450,111</u>
EXPENDITURES⁽²⁾					
<u>Administrative Costs</u>					
Salaries and Wages	-	-	-	-	-
Fringe Benefits	-	-	-	-	-
Operating Expenses	-	-	-	-	-
Equipment	-	-	-	-	-
Out-of-State Travel	-	-	-	-	-
Contract/Consultant Services	-	-	-	-	-
Other Costs	-	-	-	-	-
Total Administrative Costs	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Program Costs</u>					
Salaries and Wages	-	-	-	-	-
Fringe Benefits	-	-	-	-	-
Operating Expenses	-	7,837	7,837	7,837	7,837
Equipment	-	-	-	-	-
Out-of-State Travel	-	-	-	-	-
Subcontractor/Consultant Services	2,766	439,508	442,274	442,274	442,274
Other Costs	-	-	-	-	-
Total Program Costs	<u>2,766</u>	<u>447,345</u>	<u>450,111</u>	<u>450,111</u>	<u>450,111</u>
Total Expenditures	<u>2,766</u>	<u>447,345</u>	<u>450,111</u>	<u>450,111</u>	<u>450,111</u>
Revenue over (under) Expenditures:	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(1) Total budget amounts are based on the CSBG Contract Budget Summary contained in the contract with year-end budget shifts (as an Attachment to the

(2) The expenditure amounts are based on the monthly California Department of Community Services and Development Expenditure Claim Reports filed with the California Department of Community Services and Development.

**COUNTY OF LOS ANGELES
DEPARTMENT OF ARTS AND CULTURE
SUPPLEMENTARY SCHEDULE OF REVENUE AND EXPENDITURES
CSBG CONTRACT NO. 24F-3105 DISCRETIONARY
FOR THE YEAR ENDED JUNE 30, 2025**

AL #93.569

	July 1, 2024 through June 30, 2025	Total Audited Costs	Total Reported Expenses	Total Budget ⁽¹⁾
REVENUE				
Discretionary Grant Revenue	\$ 26,000	\$ 26,000	\$ 26,000	\$ 26,000
Interest Income	-	-	-	-
Total Revenue	<u>26,000</u>	<u>26,000</u>	<u>26,000</u>	<u>26,000</u>
EXPENDITURES⁽²⁾				
<u>Administrative Costs</u>				
Salaries and Wages	-	-	-	-
Fringe Benefits	-	-	-	-
Operating Expenses	-	-	-	-
Equipment	-	-	-	-
Out-of-State Travel	-	-	-	-
Contract/Consultant Services	-	-	-	-
Other Costs	-	-	-	-
Total Administrative Costs	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Program Costs</u>				
Salaries and Wages	-	-	-	-
Fringe Benefits	-	-	-	-
Operating Expenses	-	-	-	-
Equipment	-	-	-	-
Out-of-State Travel	-	-	-	-
Subcontractor/Consultant Services	26,000	26,000	26,000	26,000
Other Costs	-	-	-	-
Total Program Costs	<u>26,000</u>	<u>26,000</u>	<u>26,000</u>	<u>26,000</u>
Total Expenditures	<u>26,000</u>	<u>26,000</u>	<u>26,000</u>	<u>26,000</u>
Revenue over (under) Expenditures:	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(1) Total budget amounts are based on the CSBG Contract Budget Summary contained in the contract with year-end budget shifts (as an Attachment to the Grant Agreement).

(2) The expenditure amounts are based on the monthly California Department of Community Services and Development Expenditure Claim Reports filed with the California Department of Community Services and Development.

**COUNTY OF LOS ANGELES
DEPARTMENT OF ARTS AND CULTURE
SUPPLEMENTARY SCHEDULE OF REVENUE AND EXPENDITURES
CSBG CONTRACT NO. 25F-6105
FOR THE YEAR ENDED JUNE 30, 2025**

AL #93.569

	January 1, 2025 through June 30, 2025	Total Audited Costs	Total Reported Expenses	Total Budget ⁽¹⁾
REVENUE				
Grant Revenue	\$ 17,625	\$ 17,625	\$ 17,625	\$ 447,118
Interest Income	-	-	-	-
Total Revenue	<u>17,625</u>	<u>17,625</u>	<u>17,625</u>	<u>447,118</u>
EXPENDITURES⁽²⁾				
<u>Administrative Costs</u>				
Salaries and Wages	-	-	-	-
Fringe Benefits	-	-	-	-
Operating Expenses	-	-	-	-
Equipment	-	-	-	-
Out-of-State Travel	-	-	-	-
Contract/Consultant Services	-	-	-	-
Other Costs	-	-	-	-
Total Administrative Costs	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Program Costs</u>				
Salaries and Wages	-	-	-	-
Fringe Benefits	-	-	-	-
Operating Expenses	-	-	-	-
Equipment	-	-	-	-
Out-of-State Travel	-	-	-	-
Subcontractor/Consultant Services	17,625	17,625	17,625	447,118
Other Costs	-	-	-	-
Total Program Costs	<u>17,625</u>	<u>17,625</u>	<u>17,625</u>	<u>447,118</u>
Total Expenditures	<u>17,625</u>	<u>17,625</u>	<u>17,625</u>	<u>447,118</u> ⁽³⁾
Revenue over (under) Expenditures:	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(1) Total budget amounts are based on the CSBG Contract Budget Summary contained in the contract with year-end budget shifts (as an Attachment to the Grant Agreement).

(2) The expenditure amounts are based on the monthly California Department of Community Services and Development Expenditure Claim Reports filed with the California Department of Community Services and Development.

(3) The grant balance of this contract was \$429,493 as of June 30, 2025 (\$447,118 - \$17,625). This amount will be expended during FY 2025-26.

**COUNTY OF LOS ANGELES
DEPARTMENT OF PUBLIC SOCIAL SERVICES
SUPPLEMENTARY SCHEDULE OF REVENUE AND EXPENDITURES
CSBG CONTRACT NO. 24F-3021
FOR THE YEAR ENDED JUNE 30, 2025**

AL #93.569

	January 1, 2024 through June 30, 2024	July 1, 2024 through June 30, 2025	Total Audited Costs	Total Reported Expenses	Total Budget ⁽¹⁾
REVENUE					
Grant Revenue	\$ 756,682	\$ 5,551,766	\$ 6,308,448	\$ 6,308,448	\$ 6,308,448
Interest Income	-	-	-	-	-
Total Revenue	756,682	5,551,766	6,308,448	6,308,448	6,308,448
EXPENDITURES ⁽²⁾					
<u>Administrative Costs</u>					
Salaries and Wages	112,702	252,710	365,412	365,412	365,412
Fringe Benefits	74,804	151,752	226,556	226,556	226,556
Operating Expenses	7,510	23,316	30,826	30,826	30,826
Equipment	-	-	-	-	-
Out-of-State Travel	4,809	10,033	14,842	14,842	14,842
Contract/Consultant Services	-	-	-	-	-
Other Costs	16,152	90,402	106,554	106,554	106,554
Total Administrative Costs	215,977	528,213	744,190	744,190	744,190
<u>Program Costs</u>					
Salaries and Wages	178,630	645,776	824,406	824,406	824,406
Fringe Benefits	62,124	383,055	445,179	445,179	445,179
Operating Expenses	-	-	-	-	-
Equipment	-	-	-	-	-
Out-of-State Travel	-	-	-	-	-
Subcontractor/Consultant Services	293,991	3,794,585	4,088,576	4,088,576	4,088,576
Other Costs	5,960	200,137	206,097	206,097	206,097
Total Program Costs	540,705	5,023,553	5,564,258	5,564,258	5,564,258
Total Expenditures	756,682	5,551,766	6,308,448	6,308,448	6,308,448
Revenue over (under) Expenditures:	\$ -	\$ -	\$ -	\$ -	\$ -

(1) The expenditure and total budget amounts are based on the CSBG Contract Budget Summary contained in the contract (as Attachment I to the Grant Agreement). The Contract Budget amounts are from January 1, 2024 through April 30, 2025.

(2) The expenditure amounts are based on the monthly CSBG Expenditure Claim Reports filed with the California Department of Community Services and Development from January 1, 2024 through April 30, 2025.

**COUNTY OF LOS ANGELES
DEPARTMENT OF PUBLIC SOCIAL SERVICES
SUPPLEMENTARY SCHEDULE OF REVENUE AND EXPENDITURES
CSBG CONTRACT NO. 24F-3021 DISCRETIONARY
FOR THE YEAR ENDED JUNE 30, 2025**

AL #93.569

	January 1, 2024 through June 30, 2024	July 1, 2024 through June 30, 2025	Total Audited Costs	Total Reported Expenses	Total Budget ⁽¹⁾
REVENUE					
Discretionary Grant Revenue	\$ -	\$ 26,000	\$ 26,000	\$ 26,000	\$ 26,000
Interest Income	-	-	-	-	-
Total Revenue	-	26,000	26,000	26,000	26,000
EXPENDITURES⁽²⁾					
<u>Administrative Costs</u>					
Salaries and Wages	-	14,133	14,133	14,133	14,133
Fringe Benefits	-	8,055	8,055	8,055	8,055
Operating Expenses	-	-	-	-	-
Equipment	-	-	-	-	-
Out-of-State Travel	-	-	-	-	-
Contract/Consultant Services	-	-	-	-	-
Other Costs	-	3,812	3,812	3,812	3,812
Total Administrative Costs	-	26,000	26,000	26,000	26,000
<u>Program Costs</u>					
Salaries and Wages	-	-	-	-	-
Fringe Benefits	-	-	-	-	-
Operating Expenses	-	-	-	-	-
Equipment	-	-	-	-	-
Out-of-State Travel	-	-	-	-	-
Subcontractor/Consultant Services	-	-	-	-	-
Other Costs	-	-	-	-	-
Total Program Costs	-	-	-	-	-
Total Expenditures	-	26,000	26,000	26,000	26,000
Revenue over (under) Expenditures:	\$ -	\$ -	\$ -	\$ -	\$ -

(1) The expenditure and total budget amounts are based on the CSBG Contract Budget Summary contained in the contract (as Attachment I to the Grant Agreement). The Contract Budget amounts are from January 1, 2024 through April 30, 2025.

(2) The expenditure amounts are based on the monthly CSBG Expenditure Claim Reports filed with the California Department of Community Services and Development from July 1, 2024 through April 30, 2025.

**COUNTY OF LOS ANGELES
DEPARTMENT OF PUBLIC SOCIAL SERVICES
SUPPLEMENTARY SCHEDULE OF REVENUE AND EXPENDITURES
CSBG CONTRACT NO. 25F-6021
FOR THE YEAR ENDED JUNE 30, 2025**

AL #93.569

	January 1, 2025 through June 30, 2025	Total Audited Costs	Total Reported Expenses	Total Budget ⁽¹⁾
REVENUE				
Grant Revenue	\$ 1,998,132	\$ 1,998,132	\$ 1,998,132	\$ 6,270,685
Interest Income	-	-	-	-
Total Revenue	<u>1,998,132</u>	<u>1,998,132</u>	<u>1,998,132</u>	<u>6,270,685</u>
EXPENDITURES ⁽²⁾				
<u>Administrative Costs</u>				
Salaries and Wages	159,971	159,971	159,971	369,220
Fringe Benefits	100,950	100,950	100,950	228,916
Operating Expenses	2,047	2,047	2,047	26,466
Equipment	-	-	-	-
Out-of-State Travel	3,378	3,378	3,378	20,000
Contract/Consultant Services	-	-	-	-
Other Costs	<u>29,367</u>	<u>29,367</u>	<u>29,367</u>	<u>107,665</u>
Total Administrative Costs	<u>295,713</u>	<u>295,713</u>	<u>295,713</u>	<u>752,267</u>
<u>Program Costs</u>				
Salaries and Wages	241,254	241,254	241,254	805,000
Fringe Benefits	90,626	90,626	90,626	434,700
Operating Expenses	-	-	-	-
Equipment	-	-	-	-
Out-of-State Travel	-	-	-	-
Subcontractor Services	1,299,748	1,299,748	1,299,748	4,029,572
Consultant Services	26,000	26,000	26,000	26,000
Other Costs	<u>44,791</u>	<u>44,791</u>	<u>44,791</u>	<u>223,146</u>
Total Program Costs	<u>1,702,419</u>	<u>1,702,419</u>	<u>1,702,419</u>	<u>5,518,418</u>
Total Expenditures	<u>1,998,132</u>	<u>1,998,132</u>	<u>1,998,132</u>	<u>6,270,685</u> ⁽³⁾
Revenue over (under) Expenditures:	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(1) The expenditure and total budget amounts are based on the CSBG Contract Budget Summary contained in the contract (as Attachment I to the Grant Agreement). The Contract Budget amounts are from January 1, 2025 through April 30, 2026.

(2) The expenditure amounts are based on the monthly CSBG Expenditure Claim Reports filed with the California Department of Community Services and Development from January 1, 2025 through June 30, 2025.

(3) The grant balance of this contract was \$4,272,553 as of June 30, 2025 (\$6,270,685-\$1,998,132). This amount will be expended during FY 2025-26.

**COUNTY OF LOS ANGELES
DEPARTMENT OF AGING AND DISABILITIES
SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
GRANTED BY THE CALIFORNIA DEPARTMENT OF AGING
FOR THE YEAR ENDED JUNE 30, 2025**

<u>Grant Name</u>	<u>AL #</u>	Single Audit		
		Federal	State	Total
		<u>Expenditures</u>	<u>Expenditures</u>	<u>Expenditures</u>
SNAP-ED (SP2324-19)	10.561	\$ 309,748	\$ -	\$ 309,748
SNAP-ED (SP2425-19)	10.561	534,245	-	534,245
Older American Title V Project	17.235	1,468,356	-	1,468,356
MIPPA (MI2425-19)	93.071	282,183	-	282,183
MIPPA (MI2324-19)	93.071	56,690	-	56,690
Area Agency on Aging - HICAP H3	93.324	60,516	126,545	187,061
Area Agency on Aging - HICAP H9	93.324	221,952	520,291	742,243
Senior Nutrition Program Capacity and Infrastructure	*	-	32,703	32,703
HCBS Family Caregiver Support Program	*	-	5,925	5,925
HCBS Older Californians Nutrition Program	*	-	25,000	25,000
HCBS Senior Legal Services Program	*	-	5,634	5,634
TOTAL OTHERS		<u>2,933,690</u>	<u>716,098</u>	<u>3,649,788</u>
Title VII - Elder Abuse Prevention	93.041	85,754	-	85,754
Title VII - Ombudsman	93.042	172,030	-	172,030
Area Agency on Aging Title III D	93.043	490,083	-	490,083
Area Agency on Aging Title III B	93.044	4,482,392	964,852	5,447,244
Area Agency on Aging Title III C-I	93.045	12,994,789	1,396,506	14,391,295
Area Agency on Aging Title III C-II	93.045	3,360,536	8,502,303	11,862,839
Area Agency on Aging Title III E	93.052	1,953,252	-	1,953,252
Ombudsman SNF	*	-	255,278	255,278
Ombudsman Initiative	*	-	404,933	404,933
Ombudsman PH L&C	*	-	170,415	170,415
TOTAL TITLES III AND VII		<u>23,538,836</u>	<u>11,694,287</u>	<u>35,233,123</u>
COVID-19 - ARP - Title III B - OAA - Supportive Services	93.044	216,480	-	216,480
COVID-19 - ARP - Title III C-I Congregate Meals	93.045	18,177	-	18,177
COVID-19 - Families First Coronavirus Response Act (FFCRA) - OAA - Home Delivered Meals - Title III C-II	93.045	160,081	-	160,081
TOTAL COVID-19 ARP and FFCRA		<u>394,738</u>	<u>-</u>	<u>394,738</u>
TOTAL		<u>\$ 26,867,264</u>	<u>\$ 12,410,385</u>	<u>\$ 39,277,649</u>

**This grant does not have an Assistance Listing Number. It is 100% State-funded.*