



RON GALPERIN
CONTROLLER

January 27, 2022

Honorable Mayor Eric Garcetti
Honorable Members of the Los Angeles City Council
All Angelenos

Re: Annual Comprehensive Financial Report for Fiscal Year 2021

My office releases the Annual Comprehensive Financial Report (ACFR) each January to provide a complete picture of the City's financial position and activities in the previous fiscal year. Along with the City's budget and the City Administrative Officer's financial status reports, the ACFR is fundamental to understanding the economic opportunities and challenges facing the City of Los Angeles. The ACFR is prepared using Generally Accepted Accounting Principles and audited by Macias, Gini & O'Connell, a firm of independent certified public accountants.

In addition to the government-wide financial statements, the ACFR includes revenue and expenditure reports; information about pension and retiree benefits, contributions and funding; fund balances; debt and debt capacity; and operating indicators, metrics and graphs.

Revenue and expenses up

For the first eight months of fiscal year 2021, austerity was the watchword. The City implemented hiring freezes, wage cuts, cancelled capital projects and other money-saving measures to compensate for a projected \$600 million budget shortfall. However, help arrived toward the end of the year — COVID-19 vaccines became widely available, the economy began to reopen and the federal government sent \$1.28 billion in direct funding to the City — bringing a reversal of fortune.

In FY 21, total City revenues increased by 5.2% to \$18.4 billion, a positive shift from the 4% decrease in the previous fiscal year. Total expenses also increased by 4.8% to \$17.3 billion, although that upward trend slowed from the nearly 10% increase the year prior. When looking at the General Fund, revenues decreased slightly, yet still surpassed expenditures by \$375.5 million. Salary deferrals agreed to by City employees helped keep expenses lower than what they otherwise would have been.

Assets and liabilities

More than two thirds of the value of the City's \$77.3 billion in assets lies in capital assets, such as land, infrastructure and heavy equipment. Total assets grew by \$2.4 billion in FY 21, boosted by ongoing capital projects at Los Angeles International Airport and the Department of Water and Power, as well as federal grant funding.

The largest single category of liabilities is the net pension liability, which totaled \$8.9 billion — up from \$8.5 billion the year before — across the City's three retirement systems. Net liability is defined as total future costs minus system assets. The three systems combined were 85% funded, a number that will inevitably change as investment values are tied directly to the health of the financial markets. It is worth noting that the pension systems have performed very well recently, which will be reflected in next year's ACFR.

Challenges ahead

Although the City is currently in a strong financial position, significant challenges lie ahead. The one-time revenue provided by the federal government will be gone by the end of FY 22. When that time comes, the City will face difficult decisions on how to continue supporting the programs made possible by that funding, while also confronting new labor negotiations and rising inflation. The City needs to thoroughly and honestly assess the performance of these programs this fiscal year to determine which are successful and which are falling short of their goals.

In addition, the financial stress created by the pandemic has highlighted the urgent need to examine the City's hundreds of special purpose funds — which ended FY 21 with a cumulative balance of \$5.1 billion — to determine how they can be better utilized to bolster the City's financial position and improve local communities. The Controller's office will be issuing a report later this year with recommendations on how to accomplish these goals.

Despite the unique nature of the economic situation at hand, a look at the past fiscal year provides insight into vital budget decisions to come. A willingness to evaluate newly funded programs, coupled with continued responsible financial management, will bolster the City's ability to maintain the type of quality services that Angelenos expect and deserve.

Respectfully,



RON GALPERIN
L.A. Controller



ANNUAL COMPREHENSIVE FINANCIAL REPORT

City of Los Angeles, California
Fiscal Year Ended June 30, 2021



RON  **GALPERIN**
LA CONTROLLER

City of Los Angeles California



Annual Comprehensive Financial Report

For the Fiscal Year Ended June 30, 2021

Prepared by the Office of the Controller
Ron Galperin, City Controller

CITY OF LOS ANGELES CALIFORNIA

Annual Comprehensive Financial Report

For the Fiscal Year Ended June 30, 2021

Prepared by the Office of Los Angeles City Controller Ron Galperin



Crista Binder
Matthew Crawford

Chief Deputy Controller
Chief Financial Officer and
Director of Financial Analysis and Reporting

GAAP Compliance Section

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Principal Accountant II
Principal Accountant II
Principal Accountant I
Senior Accountant II
Senior Accountant I
Accountant

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

CITY OF LOS ANGELES
ANNUAL COMPREHENSIVE FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2021

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INTRODUCTORY SECTION



RON GALPERIN
CONTROLLER

January 26, 2022

Honorable Eric Garcetti, Mayor
Honorable Members of the Council of the City of Los Angeles
Citizens and Stakeholders of the City of Los Angeles

For the first eight months of the last fiscal year, austerity was the watchword in the City of Los Angeles (the City). Hiring freezes, wage cuts, cancelled capital projects and other money-saving measures were implemented to compensate for a projected \$600 million budget shortfall. The year's last four months, however, brought a reversal of fortune as help arrived. COVID-19 vaccines became widely available, the economy began to reopen and the federal government sent \$1.28 billion in direct funding to the City.

I am pleased to submit the Annual Comprehensive Financial Report (ACFR) of the City for that fiscal year, which ended on June 30, 2021, in accordance with Section 216 of the City Charter. The ACFR is prepared in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by Macias Gini & O'Connell LLP, a firm of independent licensed certified public accountants. In accordance with the requirement of Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, the independent auditor is also in the process of completing an annual financial and compliance audit of federal funds expended by the City in fiscal year 2021.

The independent auditor expressed an opinion that the City's financial statements for fiscal year 2021 are fairly stated in conformity with GAAP. This is the most favorable conclusion and is commonly known as an "unmodified" or "clean" opinion. The independent auditor's report is presented on pages 1 through 3.

Responsibility for the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City. The management of the City is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft or misuse, and to ensure that adequate financial information is compiled to allow for the preparation of financial statements in conformity with GAAP. Because the cost of internal control should not exceed the anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free from any material misstatements. I believe that the data presented is complete and reliable in all material respects.

Honorable Eric Garcetti, Mayor
Honorable Members of the Los Angeles City Council
Citizens and Stakeholders of the City of Los Angeles

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). The MD&A is designed to complement the basic financial statements and should be read in conjunction with the financial statements and the notes to the basic financial statements. The MD&A can be found immediately following the report of the independent auditor.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2020. This was the twenty-sixth consecutive year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized ACFR, as well as satisfying GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. I believe our current report continues to conform to the Certificate of Achievement program requirements, and I am submitting it to GFOA to determine its eligibility for another certificate.

My sincere appreciation is due to all who overcame immense challenges to continue the operations of the City and produce this report. The professionalism, dedication, and efficiency of the entire staff of the Financial Analysis and Reporting Division of the Controller's Office made the preparation of this report possible. I would also like to express my appreciation to other staff of the Office for their assistance and contribution, as well as other professional contributors citywide.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Ron Galperin", with a stylized, flowing script.

RON GALPERIN
Los Angeles City Controller

LETTER OF TRANSMITTAL

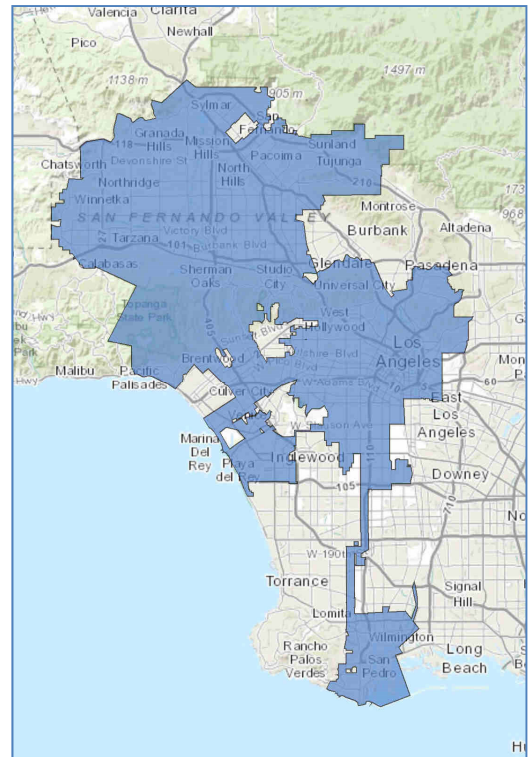
The Annual Comprehensive Financial Report (ACFR) is published annually by the City Controller (Controller) on the City of Los Angeles' (City) financial condition and results of operations at the conclusion of the fiscal year. The ACFR is issued as part of the Controller's City Charter mandate to monitor and report on all matters relating to the City's fiscal health, keep the City's official financial records, and supervise expenditures of the City.

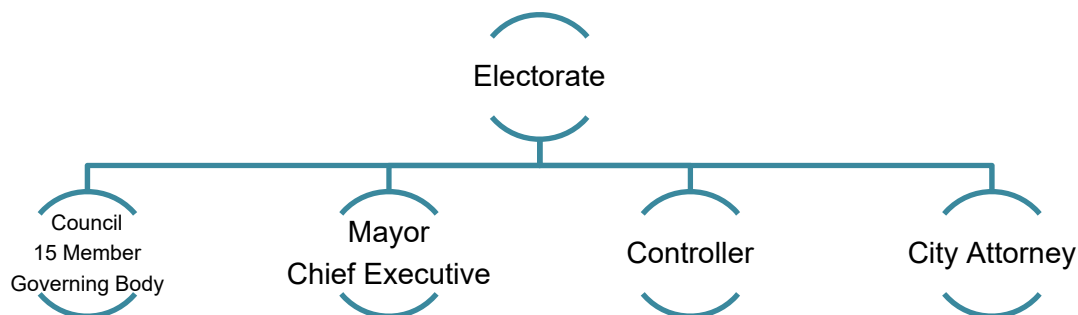
The Letter of Transmittal complements the ACFR as it provides context for the City's financial statements in presenting basic information on the profile of the government, local economy, major initiatives, and financial management policies of the City government.

I. Profile of the Government

The City of Los Angeles is the second most populous city in the nation with an estimated January 1, 2021 population of 3,923,341. It is home to 39% of the population of the County of Los Angeles (County) and 11.5% of the area of the County. With an area of 470 square miles, Los Angeles is located in the southern part of the State of California and is the principal city of a metropolitan region that stretches from the City of Ventura to the north, to the City of San Clemente to the south, and to the City of San Bernardino to the east. Founded in 1781, Los Angeles was for its first century a provincial outpost under a succession of Spanish, Mexican, and American rule. The City was incorporated in 1850 under the provisions of a city charter. The current Charter was approved by the electorate on June 8, 1999 and became operative on July 1, 2000.

The City operates under a mayor-council form of government. As Executive Officer, the Mayor supervises the administrative process of local government and works with the Council in matters relating to legislation, budget and finance. As governing body of the City, the 15-member full-time Council enacts ordinances, levies taxes, approves contracts, authorizes public improvements, adopts zoning and other land use controls, and provides necessary resources for the budgetary departments and offices of the City. Council action is subject to the approval or veto of the Mayor, and Council may override a Mayoral veto by a two-thirds vote. The Charter provides for independently elected City Attorney and City Controller.





The City has 39 departments, bureaus, commissions and offices for which operating funds are annually budgeted by the Council. In addition, three departments consisting of Department of Water and Power (DWP), Harbor Department, and Department of Airports are under the control of boards appointed by the Mayor and confirmed by Council. While the City appoints a voting majority of the governing board of the Housing Authority of Los Angeles (HACLA), it is excluded from the City's financial statements due to its fiscal independence, and the City cannot impose its will over its daily operations. Two departments, Los Angeles City Employees' Retirement System and Fire and Police Pension System, are under the control of boards whose membership is comprised of Mayoral appointees and representatives elected by system members. The Water and Power Employees' Retirement Plans, established by DWP, are under the control of a board whose membership is comprised of three ex officio members (one DWP Board member, DWP General Manager and Chief Accounting Employee), three elected by system members and one retiree appointed by the DWP Board. The City's reporting entity also includes the Municipal Improvement Corporation of Los Angeles (MICLA) as a blended component unit.

Public services provided by the City include police; fire and paramedics; residential refuse collection and disposal; wastewater collection and treatment; street maintenance, traffic management, and other public works functions; enforcement of ordinances and statutes relating to building safety; public libraries; recreation and parks; community development; housing and aging services; planning; two airports; harbor; power and water services; and, the convention center.

The annual budget serves as the foundation for the City's financial planning and control. The City maintains budgetary controls to ensure compliance with legal provisions represented in the budget and that expenditures do not exceed appropriated amounts. Expenditures are controlled by appropriations at the line item level within each object by department, consistent with the level set forth in the resolution adopting the annual operating budget. The City also maintains an encumbrance accounting system that controls spending based on the expenditure budget; which is composed of appropriations, allotments, or a combination of both.



II. Local Economy

The City and its surrounding metropolitan region feature incredible diversity in both population and the economy. Tourism and hospitality, professional and business services, international trade, entertainment production, and wholesale trade and logistics all contribute significantly to local employment. The Port of Los Angeles handles the largest volume of containerized cargo of all U.S. ports and ranks as number one in cargo value for U.S. waterborne foreign traffic. Los Angeles International Airport (LAX) was the fifth busiest airport in the world as measured by revenue of enplaned passengers in calendar year 2020, and was 13th in the world in air cargo tonnage according to Airports Council International statistics, in calendar year 2019.

At the beginning of fiscal year 2020-21, stay at home orders and travel restrictions established at the onset of the COVID-19 pandemic were still in place and Los Angeles was experiencing the negative impacts of the recession, including unemployment of almost 20 percent. As the restrictions began to be lifted in late Summer and early Fall 2020, the economy began an uneven recovery. Some sectors, such as real estate, recovered their previous strength quickly. Other sectors, such as tourism and entertainment, have been much slower to recover and are still well short of pre-pandemic levels. Overall, unemployment in the City has dropped to a seasonally-adjusted 8.9 percent as of November 2021.

The City's fiscal discussions were dominated by austerity, as much of the City's reserves had been used to balance the fiscal year 2019-20 budget and revenues were anticipated to lag behind the already conservative budget estimates. Labor agreements were reopened, resulting in deferral of raises and other payments, as well as a separation incentive program (SIP), capital projects were delayed or cancelled, and a hard hiring freeze was implemented. In addition, facing a potential General Fund revenue shortfall of \$600 million, proposals were made to utilize the rest of the City's reserves and issue debt to be used as operating capital.

The passage of the federal American Rescue Plan Act in March 2021 significantly changed the fiscal outlook, as it included more than \$1.3 billion in direct financial assistance to the City, with half to be received in fiscal year 2020-21 and half to be received the following year. This funding filled the revenue gap and eliminated the need to empty reserves and issue debt to balance the books. By the end of the fiscal year, the combination of federal funding and moderate improvement in revenues left the City in a strong position to face the uncertainty of the continuing pandemic.

Looking forward, while the City is currently in a strong fiscal position, significant challenges lie ahead. The almost \$2 billion in one-time revenue from the federal government will be gone by the end of fiscal year 2021-22, and the City faces difficult decisions on how to continue the programming those funds made possible while simultaneously facing renewed labor negotiations and rising inflation.



III. Major Initiatives

The City is constantly undertaking many significant initiatives discussed at length in the City's annual budget documents. The Mayor has identified four primary priority outcomes for the City: to promote a livable and sustainable city, a more prosperous city, a safe city, and a well-run government. Further, the Mayor's 2021-22 budget, a Justice Budget that makes record-breaking investments in L.A.'s recovery from the pandemic, and lays out a bold, progressive vision for a more just, equitable, and resilient City. All initiatives, including the City's largest-ever investment to confront the homelessness crisis at \$791 million, are intended to contribute to one or more of those outcomes. Two of the largest current initiatives for the City include the following:

- In November 2016, the voters of the City of Los Angeles approved Proposition HHH, authorizing the issuance of up to \$1.2 billion in general obligation bonds to finance construction of housing and service facilities for chronically homeless residents. At the end of the December 2021, \$575 million in bonds have been issued, more than \$343 million has been spent, and the entirety of the approved funding has been allocated to projects. To date, we have completed 18 housing projects (1,142 units) with Proposition HHH funding, with 68 projects (4,347 units) currently under construction.
- Airports is undertaking a multi-billion dollar capital improvement program at LAX. The current Capital Program, estimated to cost approximately \$14.9 billion, is projected to be completed in 2028 and is considered the largest public works program in the City. Projects include various terminal projects, airfield and apron projects, access projects and other projects to accommodate existing and future aircraft designs, and to address forecast passenger growth. A centerpiece of the program is the Landside Access Modernization Program that includes five major elements: a 2.25-mile Automated People Mover that will connect three on-airport stations to Metro Rail and transit services; a Consolidated Rent-A-Car center; two Intermodal Transportation Facilities for additional parking, ground transportation services, and "meeter and greeter" activities; and roadway improvements.



IV. Financial Policies

As part of the City's efforts towards financial sustainability, the City has adopted "Financial Policies for the City of Los Angeles" promoting good fiscal stewardship across a number of critical areas. Following are summaries of select financial policies and charts that provide measures of the City's 2020-21 actual compliance and 2021-22 budgetary compliance.

<u>Policy</u>	<u>2020-21</u>	<u>2021-22</u>
Reserve Fund Policy		
July 1st Percent of General Fund Receipts	3.93%	8.62%
Budget Stabilization Fund Policy		
Growth of seven major General Fund tax receipts	0.28%	3.73%
Amount of Revenue Growth above 4.3%/4.1% (millions)	\$ -	\$ -
Amount of Deposit (millions)	\$ -	\$ -
Capital and Technology Improvement Policy		
1.5 Percent of General Fund Receipts	0.53%	3.46%
Financial Management Policy		
One-Time Revenue (millions)	\$ 60.2	\$ 823.7
One-Time Expenditures (millions)	\$ 69.9	\$ 691.2
Debt Management Policy		
Non-Voter	2.89%	3.35%
Total Approved	4.92%	4.86%

Reserve Fund Policy

The Reserve Fund Policy (Policy) provides guidelines to ensure sufficient reserves are maintained for revenue shortfalls or unanticipated expenditures in the General Fund. The Policy sets a goal for the Reserve Fund balance of five percent of General Fund revenues, with no less than 2.75 percent in the Emergency Reserve Account, and all additional funds allocated to the Contingency Reserve Account. In March 2011, voters approved Charter Amendment P, a measure that establishes the Reserve Fund's Emergency and Contingency Reserve as Charter accounts.

The year-start 2020-21 and 2021-22 adjusted Reserve Fund Balance was \$407.3 million and \$647.0 million, respectively, which exceeded the five percent Policy.

Budget Stabilization Fund Policy

The Budget Stabilization Fund (BSF), also established by Charter Amendment P, is designed to set aside revenues during prosperous years and provide resources to maintain service levels during years of slow revenue growth or declining revenue. The BSF Policy sets aside an appropriation when the combined revenue growth of seven General Fund tax revenues (property tax, utility users' tax, business tax, sales tax, transient occupancy tax, parking users' tax, and documentary tax) is anticipated to exceed the growth threshold, based on the 20-year historical



average of these tax revenues. Conversely, withdrawal from the BSF may be used to offset shortfalls due to revenues lower than the historical average growth.

For 2021-22, the growth rate used to determine BSF contributions was recalculated to be 4.1 percent, based on the 20-year historical average of these tax revenues. Under the BSF Financial Policy, the 2021-22 Budget was neither required to make a deposit into nor permitted to take a withdrawal from the BSF. The BSF began the fiscal year with a cash balance of \$118.2 million. Mid-year deposits to the BSF or deposits above the required amount may be authorized by the City Council, subject to the approval of the Mayor, at any time during the year from various General Fund sources.

Capital and Technology Improvement Policy

The City adopted a revised Capital and Technology Improvement Policy (the “Capital Policy”) in May 2020 to help guide the City’s process for planning, identifying, evaluating, and prioritizing funding for new capital and technology projects. Among other things, the new Capital Policy updates an annual minimum investment target of 1.5 percent of General Fund revenue for the City’s capital and technology improvements, starting in Fiscal Year 2021-22. In 2020-21 and 2021-22, the City budgeted approximately \$36.0 million and \$265.5 million, respectively, for capital and infrastructure projects.

One-Time Revenue Policy

The One-Time Revenue Policy requires that one-time revenues will only be used for one-time expenditures. The 2021-22 Budget fails to satisfy this policy due to the allocation of \$823.7 million in one-time revenues towards \$691.2 million of one-time expenditures, which results in \$132.5 million of these one-time revenues being allocated towards ongoing expenditures.

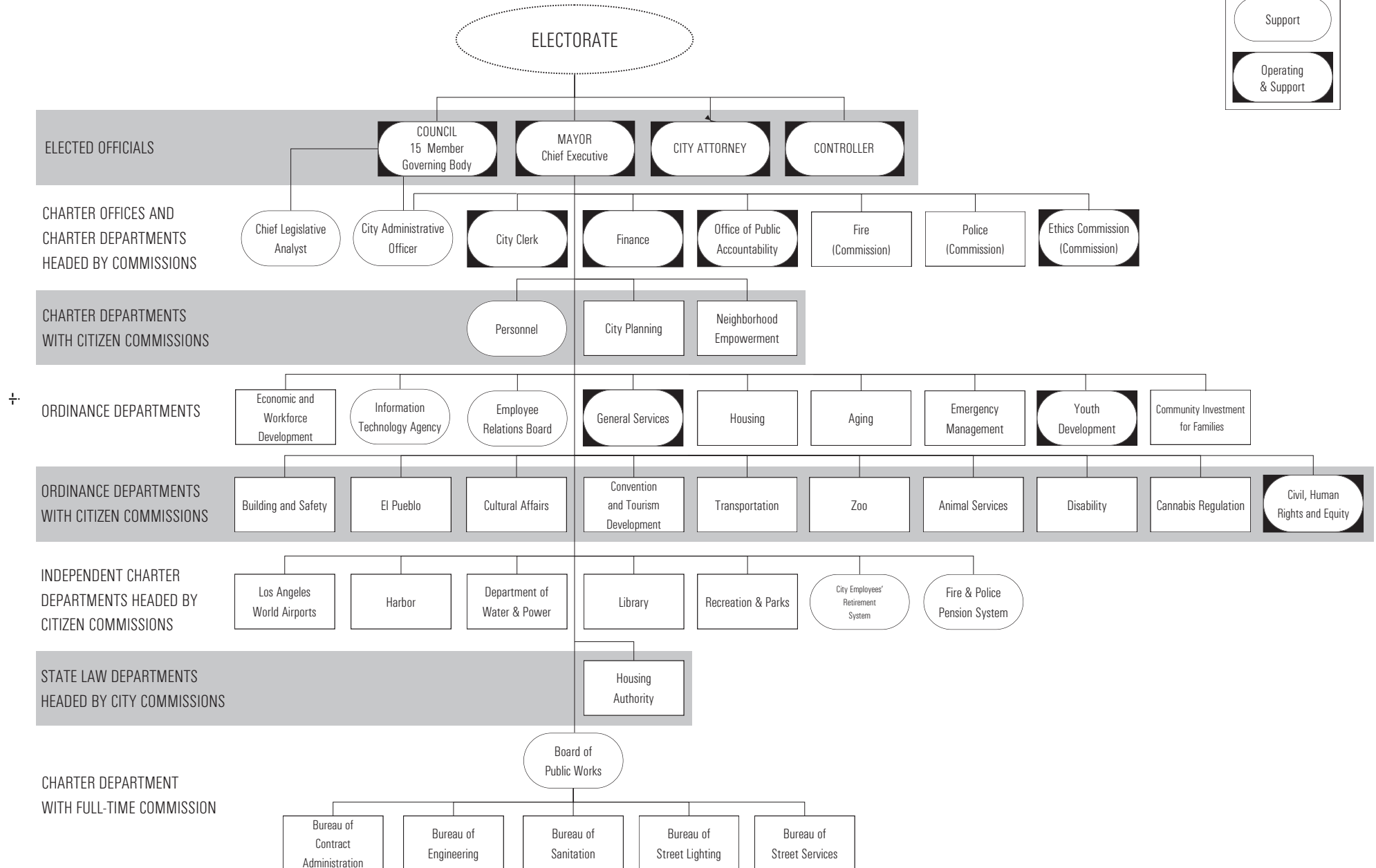
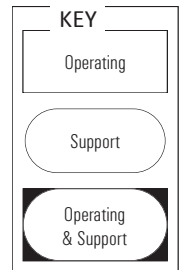
Debt Management Policy

The Debt Management Policy (Debt Policy) was developed to provide guidelines for the issuance of bonds and other forms of indebtedness to finance capital improvements, equipment acquisition and other items. These guidelines include a ceiling level for non-voter debt service of six percent of General Fund revenue and a total debt service cap of 15 percent of General Fund revenue. The 2020-21 and 2021-22 Budget ratio of non-voter debt service and total debt service as a percent of General Fund revenue were below the Debt Policy cap.



ORGANIZATION OF THE CITY OF LOS ANGELES

FY 2020-21



City Officials

City of Los Angeles, California



Eric Garcetti
Mayor



Ron Galperin
City Controller



Mike Feuer
City Attorney

City Council



Nury Martinez
District 6
Council President



Mitch O'Farrell
District 13
President Pro Tempore



Gilbert A. Cedillo
District 1



Paul Krekorian
District 2



Bob Blumenfield
District 3



Nithya Raman
District 4



Paul Koretz
District 5



Monica Rodriguez
District 7



Marqueece Harris-Dawson
District 8



Curren D. Price, Jr.
District 9



Mark Ridley-Thomas*
District 10



Mike Bonin
District 11



John Lee
District 12



Kevin de Leon
District 14



Joe Buscaino
District 15

Non-Elected Fiscal Officers

Diana Mangioglu
Director of Finance
City Treasurer

Matthew W. Szabo
City Administrative Officer

Tony M. Royster
General Manager & City Purchasing Agent
Department of General Services

*Council Member Mark Ridley-Thomas was suspended on October 20, 2021.



Ron Galperin

Los Angeles City Controller

The City Charter establishes the Controller as an elected official and gives the Controller the responsibility for serving as the auditor and chief accounting officer of the City. The Charter guarantees the independence of the Office, and provides for better accountability to the public and a more direct form of public control over the fiscal affairs of the City, in keeping with the established principle of checks and balances exercised for both the executive and legislative branches of municipal government. The Controller is required to exercise general supervision over the accounts of all offices and departments of the City, including the independent departments of Airports, Water and Power, and Harbor (Port of Los Angeles).

Following a successful first term, Ron Galperin was reelected on July 1, 2017. His second and final term ends in 2022.

The City Controller is also the Controller for the Municipal Improvement Corporation of Los Angeles (MICLA).



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to


**City of Los Angeles
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morill

Executive Director/CEO



FINANCIAL SECTION



Independent Auditor's Report

To the Honorable Mayor and Members of the City Council
City of Los Angeles, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Los Angeles, California (City), as of and for the fiscal year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Los Angeles World Airports (Airports), Department of Water and Power (DWP) Water System (Water) and Power System (Power), Port of Los Angeles (Harbor), Los Angeles Fire and Police Pension System (Pensions), Los Angeles City Employees' Retirement System (LACERS), and Water and Power Employees' Retirement, Disability and Death Benefit Insurance Plans (DWP Plans), which collectively represent the following percentages of the assets, net position/fund balances, and revenues/additions of the following opinion units:

Opinion Unit	Assets	Net Position/Fund Balances	Revenues/ Additions
Business-type Activities: Airports, Water, Power and Harbor	90%	87%	91%
Each Major Enterprise Fund:			
Airports	100%	100%	100%
Water	100%	100%	100%
Power	100%	100%	100%
Harbor	100%	100%	100%
Aggregate Remaining Fund Information:			
Pensions, LACERS, and DWP Plans	91%	93%	84%

Those statements were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as they relate to the amounts included for the Airports, Water, Power, Harbor, Pensions, LACERS, and DWP Plans, are based solely on the reports of the other auditors. We conducted our audit 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the DWP Plans were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Los Angeles, California, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the benefit pension plans schedules of employer contributions, the schedules of changes in net pension liability and related ratios, the other postemployment benefits (OPEB) plans schedules of employer contributions, the schedules of changes in net OPEB liability and related ratios, the actuarial methods and assumptions used to determine employer contribution rates, the condition rating for City bridges, and the comparison of needed-to-actual maintenance/preservation costs, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and the other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 26, 2022, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

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
January 26, 2022

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Management's Discussion and Analysis

Management's Discussion and Analysis (Unaudited)

This section of the Annual Comprehensive Financial Report of the City of Los Angeles (the City) presents a narrative overview and discussion of the City's financial activities for the fiscal year ended June 30, 2021. This discussion and analysis should be read in conjunction with the basic financial statements and accompanying notes, which follow this section. We hope that the information and the discussions will provide readers with a clear picture of the City's overall financial condition.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City exceeded the liabilities and deferred inflows of resources at the close of fiscal year 2021 by \$25.1 billion, an increase of \$1.0 billion over fiscal year 2020. The net position of \$25.1 billion consisted of: \$22.0 billion net investment in capital assets; \$5.9 billion restricted net position, which represents resources that are subject to certain restrictions on how they may be used; \$4.7 billion unrestricted net position which may be used to meet the City's obligations for its business-type activities; and a \$7.5 billion deficit of governmental activities.
- Of the \$1.0 billion total change in net position, governmental activities represented \$56.6 million, while the business-type activities represented \$968.9 million.
- As of June 30, 2021, the aggregate fund balances of the City's governmental funds were \$6.5 billion, a net increase of \$179.0 million from June 30, 2020. Of the aggregate fund balances, \$80.6 million or 1.3% were nonspendable, \$3.7 billion or 57.5% were restricted, \$1.6 billion or 25.3% were committed, \$429.6 million or 6.6% were assigned to specific purposes, and \$603.9 million or 9.3% were unassigned.
- At the end of the fiscal year, the General Fund showed a fund balance of \$1.2 billion, of which \$61.2 million were nonspendable, \$426.7 million were assigned for various purposes, \$71.7 million were committed and \$664.4 million were unassigned.
- The City's bonded debt and long-term notes payable at June 30, 2021 totaled \$34.2 billion, an increase of \$2.3 billion from the prior year's balance of \$31.9 billion.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of management's discussion and analysis (MD&A), basic financial statements, including the accompanying notes to the basic financial statements, required supplementary information, and combining statements and schedules for the nonmajor governmental and fiduciary funds. The basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements.

Government-wide Financial Statements are designed to provide readers with a broad overview of the City's finances and are made up of the following two statements: the *Statement of Net Position* and the *Statement of Activities*. Both of these statements were prepared using accounting methods similar to those used by private-sector businesses, which are the economic resources measurement focus and the accrual basis of accounting.

The *Statement of Net Position* presents information on all of the City's assets, liabilities, and deferred outflows/inflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *Statement of Activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods, such as revenues pertaining to uncollected taxes, expenses pertaining to earned but unused compensated absences, and incurred but unpaid workers' compensation claims.

Both of these government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, protection of persons and property, public works, health and sanitation (other than sewer services), transportation, cultural and recreational services, and community development. The business-type activities of the City include airports, harbor, power, water, sewer and convention center services.

Management's Discussion and Analysis (Unaudited)

The government-wide financial statements reflect not only the activities of the City itself (known as the primary government), but also include the Municipal Improvement Corporation of Los Angeles (MICLA). Although legally separate, MICLA is included as an integral part of the primary government because the City Council approves the MICLA Board of Directors as the governing body and its sole purpose is to provide services entirely to and exclusively for the City.

Fund Financial Statements are designed to report information about groupings of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate finance-related legal compliance. The funds of the City are divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental funds financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in determining what financial resources are available in the near future to finance the City's programs.

The governmental funds financial statements are made up of the following: the *Balance Sheet* and the *Statement of Revenues, Expenditures and Changes in Fund Balances*. Both of these statements were prepared using the current financial resources measurement focus and the modified accrual basis of accounting.

The *Budgetary Basis Statement of Revenues, Expenditures and Changes in Fund Balance* is prepared on a modified cash basis of accounting that is different from United States Generally Accepted Accounting Principles (GAAP). Please see Note 3B of the Notes to the Basic Financial Statements for additional information on the basis difference.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains many individual governmental funds organized according to their type (general, special revenue, debt service, and capital projects funds). Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances for the General Fund and MICLA Special Revenue and Debt Service Funds, which are considered to be major funds. Data from the remaining governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements and schedules*.

Proprietary funds are generally used to account for services for which the City charges customers – either outside customers, or other departments/funds of the City. The proprietary funds financial statements provide the same type of information as shown in the government-wide financial statements, only in more detail. The City maintains the following type of proprietary funds:

- *Enterprise funds* are used to report the functions presented as *business-type activities* in the government-wide financial statements. All of the City's enterprise funds, except the convention center, are considered major funds.

Fiduciary funds are used to account for resources held for the benefit of parties outside the City. The City's pension trust, other postemployment benefits trust, and custodial funds are reported under the fiduciary funds. Since the resources of these funds are not available to support the City's own programs, they are not reflected in the government-wide financial statements. The accounting used for fiduciary funds is much like that used for proprietary funds. Both are prepared using the economic resources measurement focus and the accrual basis of accounting.

Notes to the Basic Financial Statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Required Supplementary Information, other than Management's Discussion and Analysis (MD&A), is presented concerning the City's net pension and other postemployment benefits (OPEB) liabilities and contributions related to the City's pension and OPEB plans. Also included in this section is the condition assessment for City bridges.

The **combining and individual fund statements and schedules** provide information for nonmajor governmental funds and fiduciary funds and are presented immediately following the required supplementary information.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Analysis of Net Position: Net position may serve over time as a useful indicator of a government's financial position. The City's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$25.1 billion at the close of fiscal year 2021.

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

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

	Governmental Activities		Business-type Activities		Total	
	FY 2021	FY 2020	FY 2021	FY 2020	FY 2021	FY 2020
Assets						
Current and other assets	\$ 9,923,925	\$ 9,601,868	\$ 12,603,006	\$ 12,198,714	\$ 22,526,931	\$ 21,800,582
Capital assets	8,524,247	8,335,372	46,256,598	42,852,341	54,780,845	51,187,713
Total assets	18,448,172	17,937,240	58,859,604	55,051,055	77,307,776	72,988,295
Deferred outflows of resources	4,173,898	2,745,567	1,637,933	1,348,259	5,811,831	4,093,826
Liabilities						
Current and other liabilities	1,788,184	1,845,931	2,159,261	1,895,573	3,947,445	3,741,504
Long-term liabilities	17,199,291	14,791,473	35,169,111	32,410,531	52,368,402	47,202,004
Total liabilities	18,987,475	16,637,404	37,328,372	34,306,104	56,315,847	50,943,508
Deferred inflows of resources	783,784	1,251,204	882,856	775,794	1,666,640	2,026,998
Net position						
Net investment in capital assets	6,288,850	6,113,258	15,744,950	15,181,630	22,033,800	21,294,888
Restricted	4,096,026	4,125,522	1,840,064	2,223,134	5,936,090	6,348,656
Unrestricted	(7,534,065)	(7,444,581)	4,701,295	3,912,652	(2,832,770)	(3,531,929)
Total net position	\$ 2,850,811	\$ 2,794,199	\$ 22,286,309	\$ 21,317,416	\$ 25,137,120	\$ 24,111,615

Note: Certain accounts were reclassified to conform with fiscal year 2021 presentation.

Of the total net position, \$22.0 billion or 87.7% reflects its investment in capital assets (e.g., land, infrastructure, buildings, facilities and equipment) less any related outstanding debt and deferred outflows and inflows of resources used to acquire those assets. The City uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt and deferred outflows and inflows of resources, it should be noted that the resources to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate the debt.

An additional portion of the City's net position, \$5.9 billion or 23.6%, represents resources subject to various restrictions on how they may be used.

The deficit balance in unrestricted net position of \$2.8 billion or (11.3)% is the net amount of the governmental activities deficit of \$7.5 billion, and \$4.7 billion unrestricted net position that may be used to meet the City's obligations for its business-type activities.

Management's Discussion and Analysis (Unaudited)

Compared to fiscal year 2020, net investment in capital assets increased by \$738.9 million or 3.5%. Restricted net position decreased by \$412.6 million or 6.5% mainly due to decreases in net position restricted for capital projects, community and housing development, transportation programs, and passenger/customer facility programs, while the deficit in unrestricted net position decreased by \$699.2 million or 19.8% primarily attributed to an increase from the unrestricted net position of business-type activities in fiscal year 2021.

The deficit balance for the governmental activities unrestricted net position of \$7.5 billion was mainly due to the net pension liability of \$8.9 billion, net OPEB liability of \$2.1 billion, and the extent to which the City has deferred to future periods the financing of certain liabilities (i.e. claims and judgments, workers' compensation, compensated absences). While accounting is primarily concerned with when a liability is incurred, financing focuses on when a liability will be paid. The City, like many other governments, raises and budgets resources needed to liquidate liabilities during the year in which the liabilities are to be liquidated rather than during the year in which the liabilities are incurred.

Key changes in the statement of net position are as follows:

Capital Assets

Capital assets increased by \$3.6 billion or 7.0%. The increase in governmental activities was \$188.9 million or 2.3%, and the increase in business-type activities was \$3.4 billion or 7.9%. For governmental activities, the increase was primarily due to capital improvement projects, such as recreational, cultural and community centers, bridge housing, animal shelters, and construction and rehabilitation of streets and bridges, including the Sixth Street Viaduct replacement.

Business-type increases reflect additions and ongoing construction and improvements to modernize the LAX airport, such as renovations at Terminals 1 through 8 and construction of the Consolidated Rental Car Facility and the Automated People Mover System. Harbor's projects include design and construction at the San Pedro and Wilmington waterfronts and redevelopment projects at the Everport Container Terminal. Power and Water made improvements in general infrastructure to power and water plants in generation, transmission, distribution, and fuel resources.

Current and Other Assets

Current and other assets increased by \$726.3 million or 3.3%. Governmental activities were \$322.1 million or 3.4% higher, while business-type activities grew by \$404.3 million or 3.3%.

Governmental activities receivables were up by \$361.3 million mainly due to significant increases in intergovernmental receivables of \$178.1 million from various Federal grant programs for emergency services associated with COVID 19, an increase of \$100.9 million from different tax receivables categories, and a combined increase of \$71.5 million loans and notes receivables from the Proposition HHH Program and low and moderate-income housing loans.

Business-type activities current unrestricted assets grew primarily due to a combined increase of \$1.1 billion in unrestricted cash from five major enterprise funds as a result of increases in operating and investment activities. The increase was offset by a combined decrease of \$607.9 million in restricted assets, mainly driven by the Airport's reduction in restricted cash and pooled investments and year-end investment portfolio resulting from drawdowns to reimburse ongoing construction activities at LAX.

Deferred outflows of resources increased by \$1.7 billion or 42.0%, primarily due to net changes in deferred outflows from pensions and OPEB. More detailed information on the changes in deferred outflows from pensions and OPEB can be found in Note 5A and Note 5B of the Notes to the Basic Financial Statements.

Long-term Liabilities

The City's long-term liabilities increased by \$5.2 billion or 11.0%. Business-type activities increased by \$2.8 billion or 8.5%, while governmental activities increased by \$2.4 billion or 16.3% from the prior year. Besides the pension liability increases, business-type activities rose \$2.5 billion liability in bonds and notes payable due to the issuance of long-term debt by Airports, Water, and Power. Governmental activities mainly increased in pension and OPEB liabilities of \$2.3 billion.

Current and Other Liabilities

The City's current and other liabilities increased by \$205.9 million or 5.5%. Business-type activities increased by \$263.7 million or 13.9%, while governmental activities decreased by \$57.7 million or 3.1% from the prior year. Business-type activities primarily increased in accounts payable and accrued expenses of \$246.2 million and accrued interest payable of \$11.7 million. Governmental activities mainly decreased in unearned revenue of \$42.0 million, deposits and advances of \$11.5 million, and accounts payable and accrued expenses of \$90.3 million from fewer working days' salary accruals for the fiscal year 2021. The decrease was offset by an increase in other liabilities of \$75.3 million, mainly due to an increase in the City Treasury's year-end pending investment trade of \$87.2 million as of June 30, 2021.

Deferred inflows of resources decreased by \$360.4 million or 17.8%, primarily due to a decrease of \$789.0 million in deferred inflows from pensions and offset by an increase of \$312.2 million in deferred inflows from OPEB.

Net Position

Compared to the prior year, total net position was higher by \$1.0 billion or 4.3%, with governmental activities up by \$56.6 million or 2.0% from the fiscal year 2020 net position of \$2.8 billion, and business-type activities up by \$968.9 million or 4.6%.

Net investment in capital assets increased by \$175.6 million for governmental activities and went up by \$563.3 million for business-type activities. The restricted net position went down by \$29.5 million for governmental activities, and the deficit in unrestricted net position increased by \$89.5 million. The restricted net position decreased by \$383.1 million for business-type activities, while the unrestricted net position increased by \$788.6 million.

The changes in restricted net position were decreases of \$45.5 million for capital projects, \$35.5 million for debt service, \$6.9 million for transportation, \$106.9 million for community development and housing, and \$453.4 million for passenger/customer facility programs. Offsetting these decreases were increases of \$122.1 million for public safety, \$1.0 million for public works and sanitation, \$72.3 million for culture and recreation activities, and \$40.2 million for other purposes.

Management's Discussion and Analysis (Unaudited)

Analysis of Activities: The following table presents condensed information showing how the City's net position changed during the most recent fiscal year. As previously stated, all changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

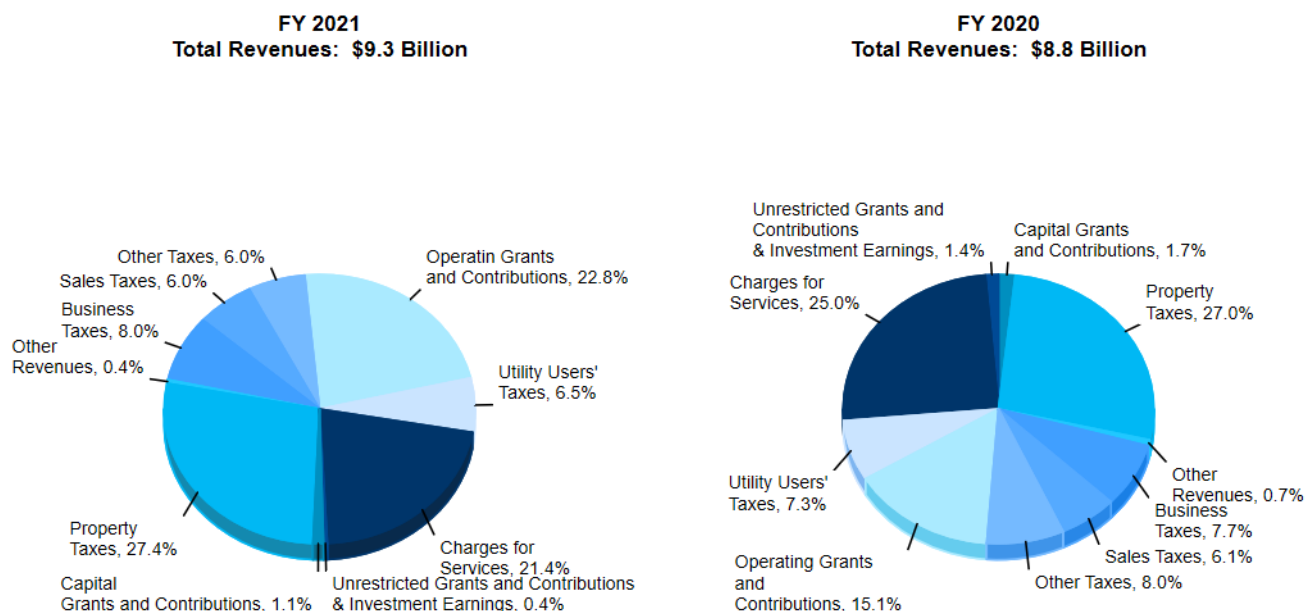
CITY OF LOS ANGELES
Condensed Statement of Activities
(amounts expressed in thousands)

	Governmental Activities		Business-type Activities		Total	
	FY 2021	FY 2020	FY 2021	FY 2020	FY 2021	FY 2020
Revenues						
Program Revenues						
Charges for Services	\$ 1,993,805	\$ 2,204,111	\$ 8,184,078	\$ 7,707,747	\$ 10,177,883	\$ 9,911,858
Operating Grants and Contributions	2,123,367	1,331,396	--	--	2,123,367	1,331,396
Capital Grants and Contributions	99,905	153,045	554,659	226,943	654,564	379,988
General Revenues						
Property Taxes	2,551,138	2,374,311	--	--	2,551,138	2,374,311
Utility Users' Taxes	604,106	642,036	--	--	604,106	642,036
Business Taxes	743,877	677,241	--	--	743,877	677,241
Sales Taxes	560,962	534,631	--	--	560,962	534,631
Other Taxes	564,069	706,645	--	--	564,069	706,645
Unrestricted Grants and Contributions	41,161	24,703	--	--	41,161	24,703
Unrestricted Investment Earnings						
(Losses)	(4,485)	94,910	125	322,371	(4,360)	417,281
Other Revenues	42,389	64,767	304,402	398,696	346,791	463,463
Total Revenues	9,320,294	8,807,796	9,043,264	8,655,757	18,363,558	17,463,553
Expenses						
General Government	1,935,804	1,686,640	--	--	1,935,804	1,686,640
Protection of Persons and Property	3,990,018	3,660,482	--	--	3,990,018	3,660,482
Public Works	587,359	580,169	--	--	587,359	580,169
Health and Sanitation	677,878	634,141	--	--	677,878	634,141
Transportation	577,318	580,613	--	--	577,318	580,613
Cultural and Recreational Services	704,490	746,670	--	--	704,490	746,670
Community Development	909,542	657,301	--	--	909,542	657,301
Interest on Long-Term Debt	99,628	135,580	--	--	99,628	135,580
Airports	--	--	1,558,137	1,684,907	1,558,137	1,684,907
Harbor	--	--	453,024	461,393	453,024	461,393
Power	--	--	3,886,405	3,816,543	3,886,405	3,816,543
Water	--	--	1,293,737	1,184,170	1,293,737	1,184,170
Sewer	--	--	627,866	669,193	627,866	669,193
Convention Center	--	--	36,847	52,138	36,847	52,138
Total Expenses	9,482,037	8,681,596	7,856,016	7,868,344	17,338,053	16,549,940
Excesses (Deficiency) of Revenues Over (Under) Expenses	(161,743)	126,200	1,187,248	787,413	1,025,505	913,613
Transfers	218,355	229,913	(218,355)	(229,913)	--	--
Increase in Net Position	56,612	356,113	968,893	557,500	1,025,505	913,613
Net Position - July 1, As Previously Reported	2,794,199	2,406,740	21,317,416	20,803,373	24,111,615	23,210,113
Change in Accounting Principle, GASB 84 Implementation	--	31,346	--	--	--	31,346
Prior period adjustment	--	--	--	(43,457)	--	(43,457)
Net Position - July 1	2,794,199	2,438,086	21,317,416	20,759,916	24,111,615	23,198,002
Net Position - June 30	\$ 2,850,811	\$ 2,794,199	\$ 22,286,309	\$ 21,317,416	\$ 25,137,120	\$ 24,111,615

Governmental Activities

For the fiscal year ended June 30, 2021, total revenues of governmental activities were \$9.3 billion while total expenses were \$9.5 billion. Of the \$9.5 billion total expenses, 53.2% was funded by taxes and other general revenues, and the remaining 46.8% was funded by program revenues and transfers from business-type funds. Program revenues are resources obtained from parties outside of the City and charges for services between the governmental and business-type activities. They include: (a) amounts received from those who purchase, use or directly benefit from a program; (b) grants and contributions that are restricted to specific programs; and (c) investment earnings that are legally restricted for a specific program.

The following charts are graphical comparisons of governmental revenues by source for fiscal years 2021 and 2020:



Revenues from charges for services of \$2.0 billion, property taxes of \$2.6 billion, and operating grants and contributions of \$2.1 billion were the three largest revenue sources for governmental activities. Together, these accounted for \$6.7 billion or 71.5% of total revenues.

With revenues from department and franchise activities directly impacted by pandemic-related closures, charges for services declined by \$210.3 million or 9.5% in the fiscal year 2021 compared to the fiscal year 2020. Various revenue sources contributed to this decrease, including municipal recreation programs, service fees from proprietary departments, charges for emergency services by the Fire Department, and building permit application and plan check activities.

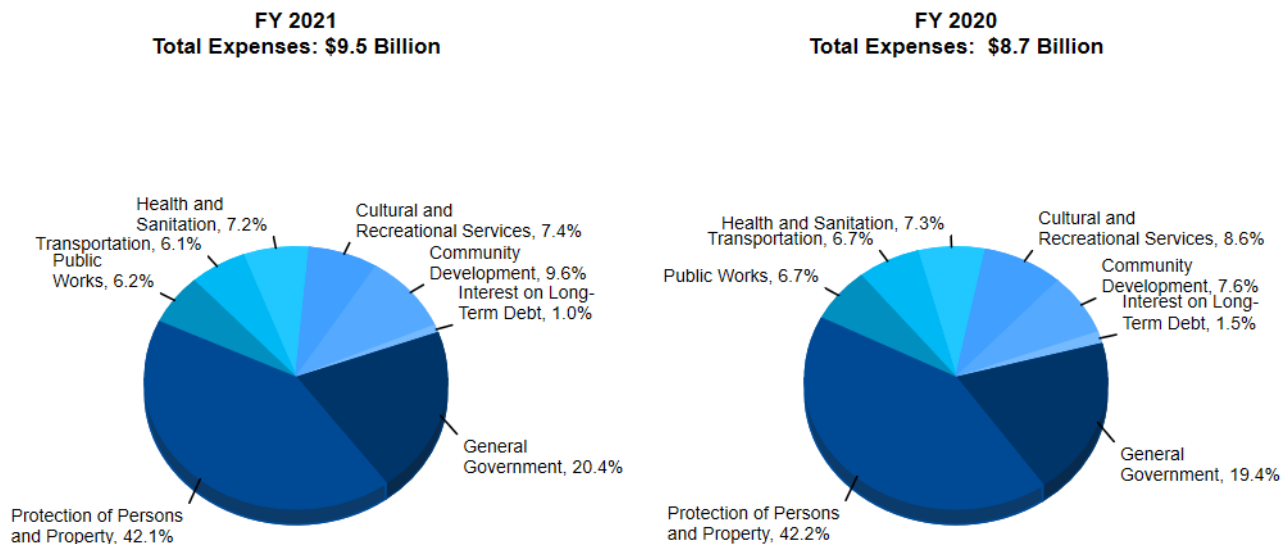
Operating grants and contributions increased by \$792.0 million or 59.5%, mainly due to FEMA grant assistance and recognition of one-time revenues of \$551.4 million and \$317.4 million from the federal Coronavirus Aid, Relief, and Economic Security (CARES) Act and American Rescue Plan Act of 2021 (ARPA), respectively. Capital grants and contributions were \$53.1 million lower than fiscal year 2020, attributed to decreased revenues in Federal grants for various local transportation projects and State grants for capital improvement projects.

Management's Discussion and Analysis (Unaudited)

Property Tax revenue increased by \$176.8 million or 7.5% due to growth in the taxable assessed value of properties mirroring the growth of the real estate market. The increase of \$66.6 million in Business Tax was boosted by cannabis business retail activity combined with a higher balance of business tax receivable. Sales Tax revenues increased by \$26.3 million reflecting the earlier than anticipated receipt of deferred tax revenue from the Tax Deferment Program implemented by the State and a quicker rebound in taxable sales activity. Utility Users' Taxes decreased by \$37.9 million or 5.9% due to a lower collection rate from delinquencies in line with trends separate from the pandemic-related shift from commercial users to residential users.

Offset by a robust increase of \$51.6 million from Documentary Transfer Tax, other taxes declined by \$142.6 million or 20.2%, primarily attributed to combined decreases of \$190.7 million in Transient Occupancy Tax and Parking Occupancy Tax receipts due to pandemic-related travel restrictions and business closures. Unrestricted investment earnings decreased by \$99.4 million due to the negative change in investments' fair value. Other revenues decreased by \$22.4 million, including reducing the \$10.0 million one-time payment from the prior year for State's Destination Crenshaw Project, a decrease of \$4.8 million revenue from Police Department's special event reimbursement, and combined reduction of \$9.9 million in various miscellaneous revenues and contributions; all offset by an increase of \$3.0 million in surplus property sales and expense reimbursement.

The following charts are graphical comparisons of the City's governmental expenses by function for fiscal years 2021 and 2020:



Total expenses increased by \$800.4 million or 9.2% over the fiscal year 2020, which was comprised of increases in the following functions: general government of \$249.2 million, protection of persons and property of \$329.5 million, public works of \$7.2 million, health and sanitation of \$43.7 million, and community development of \$252.2 million, offset by decreases of cultural and recreational services of \$42.2 million, interest on long-term debt of \$36.0 million, and transportation of \$3.3 million.

As discussed below, three major expense categories accounted for most of the increases.

The total pension expense for the Los Angeles City Employees' Retirement System (LACERS) and Fire and Police Pension System (Pensions) increased by \$352.6 million compared to last year due to higher actuarial net pension liabilities.

The liability claim expenses increased by \$269.2 million, mainly due to adding \$199.9 million in workers' compensation liability and a combined increase of \$36.0 million in tort and non-tort judgment liabilities.

To prevent and slow the spread of COVID-19 and provide relief and assistance to Angelenos affected by the health and economic emergency, the expenses for contractual services, operating equipment, and supplies went up by \$243.9 million, primarily attributed to the following: coronavirus response activities, grants and subsidies to eligible organizations, business, or residents for LA COVID-19 regional relief and recovery projects, childcare relief and recovery projects, emergency shelter for homeless residents, emergency rental assistance, and various community development and housing projects.

The above items' increases were offset by a combined decline of \$65.3 million in interest expenses and salaries and human resources benefit compared to the prior year because of hiring freezes, renegotiation of labor agreements, and other austerity measures.

Business-type Activities

The \$8.2 billion combined operating revenues of the City's six business-type activities were \$1.4 billion more than the \$6.8 billion combined operating expenses. Since the proprietary funds provide the same type of information at the fund level as found in the government-wide statements, a more detailed discussion of the activities of the City's business-type activities is found in the financial analysis of the City's funds.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of this section is to provide information on near-term inflows, outflows and balances of resources that are available for spending. Such information is useful in assessing the City's financial requirements. In particular, the unassigned fund balances may serve as a useful measure for the City's net resources available for spending at the end of the fiscal year.

Governmental Funds

At June 30, 2021, the City's governmental funds reported combined fund balances of \$6.5 billion, an increase of \$179.0 million from the previous fiscal year. Of the total fund balance, \$80.6 million were nonspendable associated with inventories, prepaid items and certain advances to other funds, \$3.7 billion were classified as restricted, \$1.6 billion were committed and \$429.6 million were assigned. The remaining balances of \$603.9 million were classified as unassigned and mainly associated with the General Fund.

Governmental funds revenue totaled \$9.1 billion, while expenditures were \$9.5 billion. Although total revenues were \$373.5 million less than total expenditures, net transfers from other funds bridged the gap.

The **General Fund** is the general operating fund of the City and includes transactions of the Reserve Fund and other accounts that have General Fund type activity for GAAP reporting purposes. At June 30, 2021, the General Fund reported a total fund balance of \$1.2 billion, composed of \$61.2 million nonspendable from inventories of \$39.8 million and advances to other funds of \$21.4 million; \$71.7 million committed; \$426.7 million assigned for general government purposes; and \$664.4 million unassigned.

The following table presents the summary of revenues and expenditures of the General Fund:

CITY OF LOS ANGELES Summary of Revenues, Expenditures and Other Financing Sources and Uses - General Fund (amounts expressed in thousands)							
Revenues and Other Financing Sources				Expenditures and Other Financing Uses			
	FY 2021	FY 2020	% Change		FY 2021	FY 2020	% Change
Revenues				Expenditures			
Property Taxes	\$ 2,401,848	\$ 2,213,899	8.5 %	General Government	\$ 1,478,060	\$ 1,553,572	(4.9)%
Sales Taxes	562,217	536,362	4.8	Protection of Persons and Property	3,221,865	3,269,764	(1.5)
Utility Users' Taxes	610,946	643,564	(5.1)	Public Works	147,933	219,657	(32.7)
Business Taxes	686,520	668,035	2.8	Health and Sanitation	121,325	107,329	13.0
Other Taxes	521,955	620,653	(15.9)	Transportation	112,490	102,720	9.5
Licenses and Permits	29,390	34,999	(16.0)	Cultural and Recreational Services	44,018	52,220	(15.7)
Intergovernmental	28,145	27,284	3.2	Community Development	134,074	84,944	57.8
Charges for Services	358,772	351,983	1.9	Capital Outlay	29,164	54,241	(46.2)
Services to Enterprise Funds	328,481	368,706	(10.9)	Debt Service - Interest	5,194	19,609	(73.5)
Fines	100,559	113,643	(11.5)	Debt Service - Cost of Issuance	1,103	559	97.3
Special Assessments	1,731	769	125.1	Total Expenditures	5,295,226	5,464,615	(3.1)
Investment Earnings	28,579	52,787	(45.9)	Other Financing Uses			
Change in Fair Value of Investments	(34,572)	46,461	(174.4)	Transfers Out	728,412	714,147	2.0
Other	46,107	65,406	(29.5)	Total Expenditures and Other Financing Uses	<u>\$ 6,023,638</u>	<u>\$ 6,178,762</u>	(2.5)
Total Revenues	5,670,678	5,744,551	(1.3)				
Other Financing Sources							
Transfers In	584,808	292,948	99.6				
Total Revenues and Other Financing Sources	<u>\$ 6,255,486</u>	<u>\$ 6,037,499</u>	3.6				
Excess of Revenues Over Expenditures	<u>\$ 375,452</u>	<u>\$ 279,936</u>	34.1				
Net Change in Fund Balance	<u>\$ 231,848</u>	<u>\$ (141,263)</u>	264.1				

Revenues and Other Financing Sources

The first eight months of fiscal year 2021 were dominated by the enormous disruption caused by the coronavirus, resulting in a significant General Fund revenue shortfall across various tax and departmental receipts. Still, the final third of the fiscal year brought a reversal of fortunes as help arrived in the form of federal financial assistance and pandemic-impacted tax receipts finished the fiscal year stronger than anticipated. The final General Fund revenues came in just \$73.9 million or 1.3% below the previous fiscal year. Total taxes accounted for nearly \$4.8 billion or 84.4% of General Fund revenue. Overall, tax revenues grew by \$101.0 million or 2.2% from the prior year compared to a 1.2% increase in the fiscal year 2020.

Total Property Taxes, which represent 42.4% of General Fund revenue, increased by \$187.9 million or 8.5% mainly due to strong growth in current secured property tax receipts of \$86.3 million, and a combined increase of \$77.3 million from VLF Replacement and Ex-CRA Property Tax Increment.

Economy-sensitive revenues were reflective of the unique nature of the pandemic-driven phenomenon, including the economic downturn, uncertainties, and uneven recovery. Sales Tax revenues increased by \$26.3 million or 4.8% due to improvement in local economic activity. The increase in Business Tax revenues of \$18.5 million or 2.8% reflected the strong growth in legal recreational cannabis retail activity offset by a decrease in non-cannabis business activity.

Utility Users' Tax revenues, which consist of electric, gas, and communications users' taxes, posted a decrease of \$32.6 million or 5.1%. The decline comprised a reduction of \$4.7 million in Gas User's Tax, a decrease of \$12.1 million in Electrical Users' Tax revenues because of the City's action to suspend collection activities during the pandemic, and a reduction of \$15.8 million in Communications Users' Taxes revenues due to a continuing downward trend in phone service prices and landline usage. Other tax revenues were down by \$98.7 million or 15.9%, mainly from a reduction of \$38.0 million in Parking Occupancy Tax and a \$111.7 million decrease in Transient Occupancy Tax, the most dramatic impact from the pandemic, attributed to pandemic-driven business closures and travel restrictions. Documentary Transfer Tax revenue was \$50.7 million above last fiscal year. The pandemic briefly stalled the market at the end of fiscal year 2020, but the market recovered quickly and sales and the growth in home prices remained strong, leading to a record high for receipts in this category.

Licenses and permits went down by \$5.6 million or 16.0%, mainly due to the decrease in filming permits fee revenue during the pandemic. While revenues for services provided to Enterprise Funds were down by \$40.2 million, the charges for services were \$6.8 million or 1.9% higher, attributed partially to a \$4.4 million increase in Ground Emergency Medical Transportation for emergency services charges by the Fire Department and a \$2.1 million revenue increase in Laboratory Testing Fees from the General Services Department. Combined net investment earnings and other revenues were down \$124.5 million due to a decrease of \$105.2 million in investment earnings and a change in the fair value of investments.

Expenditures and Other Financing Uses

For the first eight months of the fiscal year, the City operated in an environment of austerity, and departments curbed spending in all categories through various budget actions and measures. Fiscal year 2021 total General Fund expenditures were \$5.3 billion, an decrease of \$169.4 million or 3.1% from the prior fiscal year.

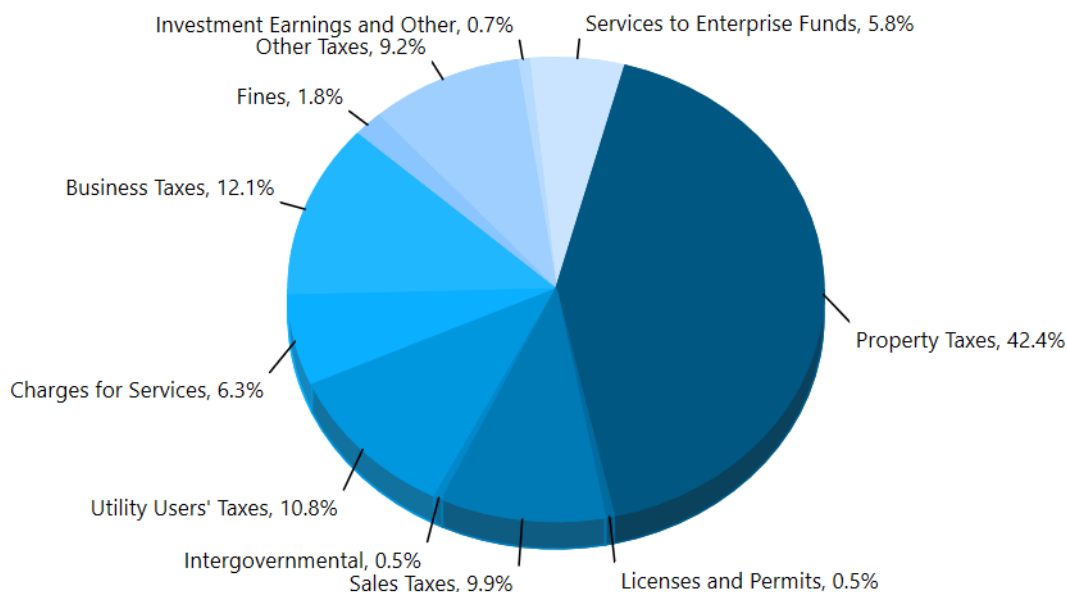
Salaries and human resource benefits decreased by \$96.7 million or 2.8% compared to last year due to a reduced civilian workforce, hiring freezes, unpaid days for all civilian employees, and amended labor contracts that included postponement of excess sick leave payment and deferred pay increases for civilian and sworn employees. This decrease was offset by an increase of \$6.0 million in combined retirement contributions to the Pensions and LACERS compared to last year, primarily due to the higher contribution requirement for the Pensions retirement system.

While leasing spending increased due to the Project Roomkey hotel costs, the total expenditures for workers' compensation and liability claims payouts, contractual services, operating equipment, and supplies went down by \$53.6 million or 4.4%, primarily attributed to decreased pandemic-related purchases such as personal protective equipment and testing kits, and fewer construction-related activities, compared the fiscal year 2020. Capital outlays declined by \$25.1 million or 46.2%, mainly due to a decrease of \$32.2 million in Capital Improvement Expenditure Program (CIEP) expenditures due to cancellation or postponement of capital projects.

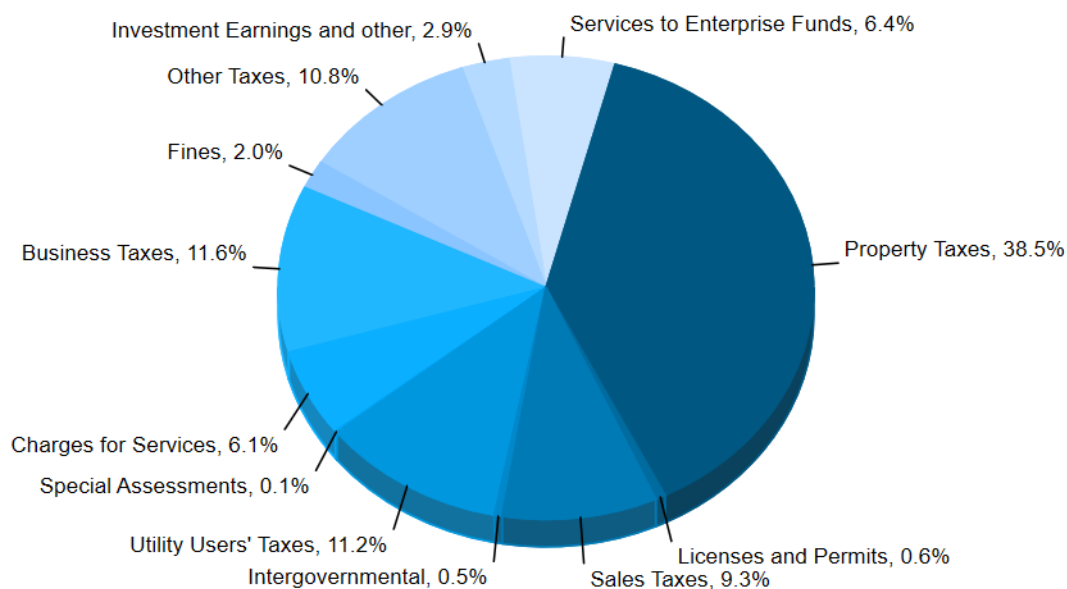
Overall, General Fund revenues exceeded expenditures by \$375.5 million, in comparison to \$279.9 million in fiscal year 2020. Transfers in from other funds amounted to \$584.8 million, while transfers out were \$728.4 million. The ARPA Fund transfer of \$317.4 million and the Power Enterprise Fund transfer of \$218.4 million largely accounted for most transfers-in. The \$728.4 million transfers out included: \$177.3 million for debt service obligations, \$232.0 million for parks and recreational facilities, \$204.9 million for libraries, \$25.3 million for housing and community programs, \$38.8 million for arts and cultural facilities, and \$50.1 million for other departmental operations. The above items' net changes contributed to a year-end fund balance of \$1.2 billion, increasing \$231.8 million from the prior year's fund balance of \$992.1 million.

The following charts are graphical comparisons between June 30, 2021 and 2020, for General Fund revenues by source and expenditures by function:

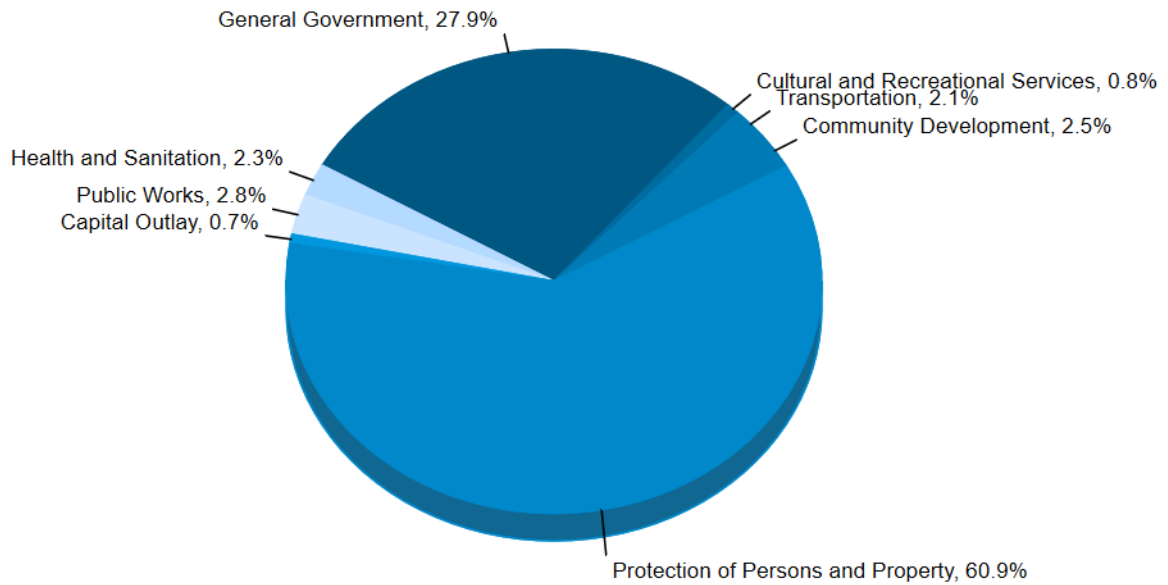
**General Fund Revenues by Source : \$5.7 Billion
Fiscal Year Ended June 30, 2021**



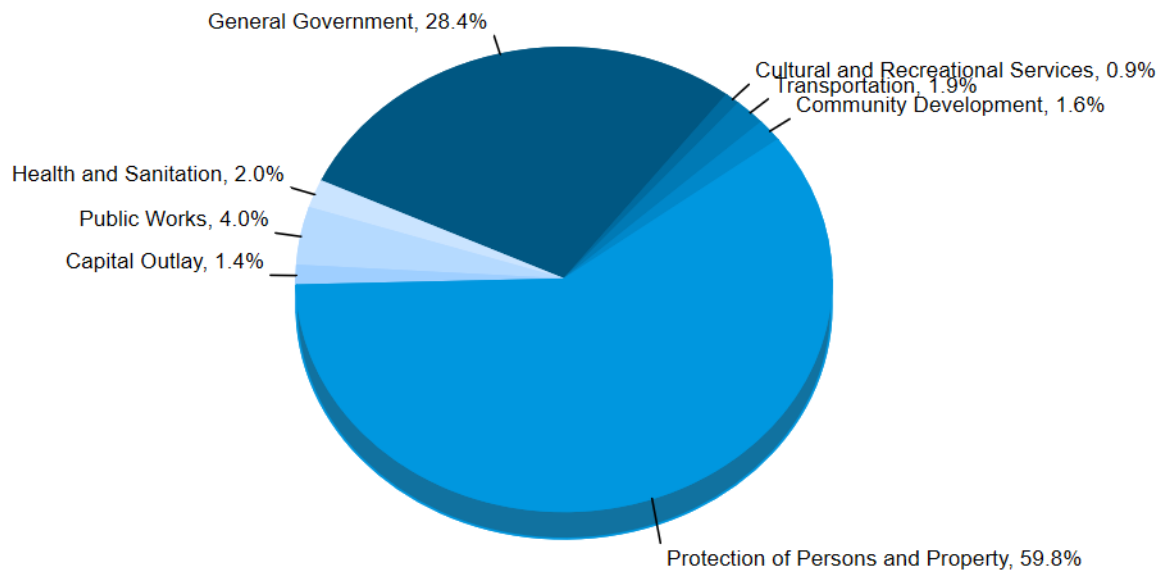
**General Fund Revenues by Source : \$5.7 Billion
Fiscal Year Ended June 30, 2020**



General Fund Expenditures by Function : \$5.3 Billion
Fiscal Year Ended June 30, 2021



General Fund Expenditures by Function : \$5.5 Billion
Fiscal Year Ended June 30, 2020



The **Municipal Improvement Corporation of Los Angeles Special Revenue and Debt Service Funds** account for the activities of the City's public financing entity, MICLA. Acquisition of certain real property and equipment and construction of buildings and other improvements are financed through the issuance of MICLA certificates of participation, lease revenue bonds, and commercial paper.

For the fiscal year ended June 30, 2021, the MICLA Special Revenue and Debt Service Funds reported a total restricted fund balance of \$146.9 million, composed of \$33.9 million in the special revenue fund and \$113.0 million in the debt service fund.

At June 30, 2021, the MICLA Special Revenue Fund reported a restricted fund balance of \$33.9 million, which increased by \$9.8 million from the prior year. Total MICLA Special Revenue Fund revenues went down by \$1.1 million, primarily due to a combined decline in investment earnings and their fair value, while total expenditures dropped by \$5.7 million mainly due to a decrease in capital acquisitions. Although the total expenditures exceeded revenues by \$170.1 million, compared to \$174.7 million in the fiscal year 2020, the issuance of long-term debt of \$182.1 million from other financing sources bridged the gap.

At June 30, 2021, the MICLA Debt Service Fund reported a total restricted fund balance of \$113.0 million, which decreased by \$55.1 million from the prior year. Total MICLA Debt Service Fund revenues went down by \$1.0 million primarily due to a decline in investment earnings, while total expenditures increased by \$124.0 million, mainly attributed to an increase of \$134.3 million in principal payments. Although total expenditures exceeded revenues by \$363.8 million, compared to \$238.7 million in the prior year, lease payments of \$166.5 million from the General Fund and certain Special Revenue Funds and the net proceeds of \$152.1 million from issuance of refunding debt bridged the gap.

As a result of the above financial changes, the combined MICLA Funds' decrease in net position for the fiscal year 2021 amounted to \$45.3 million.

Proprietary Funds

The City's proprietary funds provide the same type of information at the fund level as in the business-type activities column of the government-wide financial statements.

The following table summarizes the operating results of the City's six enterprise funds:

**Business-type Activities
Change in Net Position
For the Fiscal Year Ended June 30, 2021
(amounts expressed in thousands)**

	Airports	Harbor	Power	Water	Sewer	Nonmajor Convention Center	Total
Operating Revenues	\$ 1,072,156	\$ 572,011	\$ 4,268,478	\$ 1,463,781	\$ 788,755	\$ 18,897	\$ 8,184,078
Operating Expenses	(1,237,759)	(427,272)	(3,524,339)	(1,076,855)	(526,001)	(36,847)	(6,829,073)
Operating Income (Loss)	(165,603)	144,739	744,139	386,926	262,754	(17,950)	1,355,005
Net Nonoperating Revenues (Expenses)	(214,858)	(23,195)	(213,656)	(189,026)	(81,698)	17	(722,416)
Capital Contributions	331,730	7,116	103,459	92,739	19,615	--	554,659
Transfers Out	--	--	(218,355)	--	--	--	(218,355)
Change in Net Position	<u>\$ (48,731)</u>	<u>\$ 128,660</u>	<u>\$ 415,587</u>	<u>\$ 290,639</u>	<u>\$ 200,671</u>	<u>\$ (17,933)</u>	<u>\$ 968,893</u>

**Business-type Activities
Change in Net Position
For the Fiscal Year Ended June 30, 2020
(amounts expressed in thousands)**

	Airports	Harbor	Power	Water	Sewer	Nonmajor Convention Center	Total
Operating Revenues	\$ 1,365,494	\$ 467,666	\$ 3,807,291	\$ 1,275,067	\$ 752,727	\$ 39,502	\$ 7,707,747
Operating Expenses	(1,360,591)	(432,183)	(3,443,310)	(957,766)	(560,662)	(52,138)	(6,806,650)
Operating Income (Loss)	4,903	35,483	363,981	317,301	192,065	(12,636)	901,097
Net Nonoperating Revenues (Expenses)	(6,334)	19,422	(101,608)	(155,836)	(96,372)	101	(340,627)
Capital Contributions	105,346	3,440	57,692	47,148	13,317	--	226,943
Transfers Out	--	--	(229,913)	--	--	--	(229,913)
Change in Net Position	<u>\$ 103,915</u>	<u>\$ 58,345</u>	<u>\$ 90,152</u>	<u>\$ 208,613</u>	<u>\$ 109,010</u>	<u>\$ (12,535)</u>	<u>\$ 557,500</u>

Airports

The Airports Enterprise Fund (Airports) accounts for the operation of Los Angeles International Airport (LAX) and Van Nuys Airport (VNY). Airports also owns approximately 17,750 acres of land located east of United States Air Force (USAF) Plant 42 in the City of Palmdale, and retains the rights for future development of the Palmdale property.

Airports operating revenues totaled \$1.1 billion, a \$293.3 million or 21.5% decrease from fiscal year 2020. Aviation revenue decreased by \$70.9 million, and non-aviation revenue decreased by \$222.4 million with a \$218.9 million decrease in concession and a decrease in other operating revenue of \$3.5 million. The downturn in total operating revenue was mainly caused by the outbreak of the coronavirus. The pandemic has resulted in a number of governmental actions, including travel restrictions and warnings domestically and internationally by the CDC, and the issuance of 'stay at home' or 'shelter in place' orders by many state and local governments in the United States and governments abroad. Accordingly, Airports has been acutely impacted by the reductions in passenger volumes and flight operations. Landing fees decreased by \$94.5 million or 36.5%. Building rental revenues increased by \$28.8 million or 5.0% mainly attributable to the increased costs of \$49.8 million or 10.0% primarily attributable to the increased costs in improvements and refurbishments in the terminals recovered under the Terminal Rate Agreement, offset by decreases in terminal use fees of \$21.0 million or 24.7% as a result of the drop in passenger traffic due to the pandemic, and reduction in common use activity. Land rental revenue decreased by \$5.9 million mainly due to an overall decrease in leased areas due to lease terminations, including the leases that were terminated in order to accommodate LAX-it (the opening of the auxiliary curb for taxis and rideshare), Landside Access Modernization Program (LAMP) and other projects. Total revenue from concessions was lower by \$218.9 million or 57.6% mainly due to a waiver of minimum annual guarantee (MAG) and a decrease in passenger traffic as a result of the pandemic.

Airports total operating expenses were \$1.2 billion, a \$122.8 million or 9.0% decrease over the prior fiscal year. There was a \$47.5 million or 8.8% decrease in salaries and benefits. Contractual services decreased by \$42.6 million mainly across the board among all contractual expenses, with the exception of an increase in City services of \$6.4 million caused by higher services provided by L.A. Fire Department and L.A. Police Department. Major contractual expenses experienced notable reduction including a decrease in landside parking and shuttle services, ground transportation services, IT airport system services, merchant fees, operations and emergency consulting services, luggage carts and janitorial services, and Flyaway bus services. Materials and supplies decreased by \$12.2 million mainly due to a decrease of \$2.2 million in automotive equipment expenses, a decrease of \$1.6 million in recycling, trash and waste disposal, and a decrease of \$1.7 million in fuel and petroleum services. Utility expenses decreased by \$8.6 million due to a decrease in water and electricity expenses as a result of lower passenger volume as impacted by the pandemic and the shutdown of Terminal 3 for construction, in addition to a decrease in telephone expenses as a result of cost-saving measures including the cancellation of duplicate phone lines. Depreciation decreased by \$5.6 million due to a reduction of \$20.9 million as a result of fully depreciated and retired assets including the City of Inglewood residential sound insulation program, County of Los Angeles sound insulation program, and Inglewood Unified School District Program, offset by an addition of \$14.3 million in depreciation of newly capitalized assets including the Bradley West Gates (formerly known as Midfield Satellite Concourse).

Airports nonoperating revenue decreased by \$212.5 million due to a \$49.3 million decrease in passenger facility charges, a \$33.0 million decrease in customer facility charges, a \$126.2 million decrease in interest and investment income, and a \$4.0 million decrease in other nonoperating revenue. Nonoperating expenses decreased by \$3.9 million due to \$9.2 million lower interest expense, offset by a \$5.3 million increase in other nonoperating expenses.

As a result of the above financial changes, the Airports Enterprise Fund's change in net position for fiscal year 2021 amounted to \$(48.7) million.

Harbor

The Harbor Enterprise Fund (Harbor) accounts for the operations of the Port of Los Angeles. It provides for maritime commerce, navigation, fisheries, and water-dependent activities to benefit the State of California.

Harbor operating revenues increased to \$572.0 million, reflecting a 22.3% increase from the prior year's revenue of \$467.7 million. The increase was primarily due to the record high container cargo volumes in fiscal year 2021 that produced higher wharfage and led to a rise in total operating revenues relative to the prior fiscal year. Harbor derives its operating revenues mainly from shipping services, rentals, and fees from royalties, concessions, and other fees. Shipping services increased by \$94.3 million mainly due to a \$90.4 million wharfage revenue increase

from higher cargo volumes moved through terminals than 2020.

Harbor's operating expenses, excluding depreciation, increased by \$0.4 million to \$274.0 million from \$273.6 million in the fiscal year 2021. Salaries and benefits expenses, including pension and OPEB expenses, increased by \$0.4 million, or 0.3% higher than prior-year due to increases in pension and OPEB expenses and regular salary expenses offset by decrease in employee benefit expenses. Payments for City services decreased by \$2.5 million related to lower utilizations of fire, recreation and park, and City attorney services. Outside services decreased by \$5.6 million due to pandemic-related project delays and increase in utilization of in-house staff for environmental assessment services offset by spending increases in information technology services for hardware and software, legal services for environmental matters, supports for finance administration, and construction costs for the Harbor Administration Building. Other operating expenses increased by \$5.4 million due to higher provisioning for litigation and claim expenses and higher pollution remediation expense. These increases were offset by lower customer incentive expense, lower provisioning for workers' compensation liabilities, and lower taxes and assessments expense.

Nonoperating revenues decreased by \$53.3 million due to unfavorable variances with respect to lower interest and investment income by \$42.3 million, lower pass-through grant revenues by \$7.0 million, lower delinquency penalties by \$2.5 million, lower settlements by \$1.0 million, lower gain on land sales by \$0.6 million, and lower joint powers authority revenues by \$0.2 million. These decreases were partially offset by higher Federal grant revenues by \$0.3 million. Nonoperating expenses decreased by \$10.7 million in fiscal year 2021 due to lower pass-through grant disbursements by \$7.2 million, lower interest expenses by \$2.9 million, and lower bond administration costs by \$0.7 million.

As a result of the above financial changes and capital contributions of \$7.1 million, the Harbor Enterprise Fund's change in net position for fiscal year 2021 was \$128.7 million.

Power and Water

The Power and Water Enterprise Funds account for the operations of the Department of Water and Power (DWP) in supplying the City and its inhabitants with water and electric power by constructing, operating, and maintaining facilities located throughout the City.

Power

The Power Enterprise Fund's (Power) total operating revenues grew by \$461.2 million or 12.1% from the prior fiscal year primarily due to an increase of \$373.0 million in total revenue from retail customers, an increase of \$125.3 million in Sales for Resale, and a \$3.0 million increase in other revenue, offset by a \$40.0 million increase of uncollectible accounts and the deferral of \$40.0 million to the Rate Stabilization account.

Power operating expenses were \$81.0 million higher as compared to fiscal year 2020, driven primarily by a \$59.3 million increase in purchased power costs, a \$41.2 million increase in depreciation and amortization expense, and a \$21.7 million increase in fuel for generation, \$23.6 million increase in maintenance expenses, offset by a \$64.7 million decrease in other operating expenses. The \$59.3 million increase in purchased power costs can be primarily attributed to higher year over year billings from SCPPA (purchase of renewable energy) and Intermountain Power Agency. The \$21.7 million increase in fuel for generation is primarily due to higher year over year natural gas prices. The \$64.7 million decrease in other operating expense is mainly due to a decrease in customer services expense \$24.0 million, decrease in transmission expense \$22.0 million, decrease in other production expense \$19.0 million, decrease in customer accounts and collection expense \$13.0 million, decrease in decommissioning expense of \$11.0 million, offset by an increase in distribution expense \$16.0 million, and increase in A&G corporate expense \$8.0 million.

The major nonoperating activities of Power for fiscal year 2021 included the transfer of \$218.4 million to the City's General Fund, \$113.4 million in other nonoperating revenue, \$27.8 million in federal bond subsidies, investment income of \$7.2 million, and \$359.0 million in debt expenses. The \$104.0 million decrease in investment income can be primarily attributed to the change in the fair value of the general pool Investment between fiscal year 2020 and fiscal year 2021. The \$13.1 million decrease in other nonoperating income is due mainly to a decrease in revenue recognized for emissions reduction credits. The \$11.2 million decrease in debt expenses is mainly due to the interest expense from variable rate bonds and refunding.

As a result of the above financial changes, including capital contributions of \$103.5 million, Power's change in net position for fiscal year 2021 amounted to \$415.6 million.

Water

During fiscal year 2021, operating revenues increased by \$188.7 million, or 14.8%, from fiscal year 2020, primarily due to an increase in consumption and system average rate for the Residential and Multi-Dwelling customer class. Due to the pandemic, the consumption for the Residential and Multi-Dwelling Class increased by 7.9%. Furthermore, the system average rate for the Residential Class and Multi-Dwelling Class increased by 8.1%.

Operating expenses for fiscal year 2021 were \$119.1 million higher, attributed to an increase of \$136.0 million, or 85% in purchased water expense due to a 55% decrease in water supplied by the aqueduct and runoff available from snowfall, which increased the purchases for water. The increase of \$9.5 million in depreciation and amortization expense can mainly be attributed to year-over-year increases in depreciation and amortization for regulatory assets, distribution plant, source of supply, and general plant. Maintenance and other operating expenses were \$26.4 million lower as compared to the prior year. The decrease is primarily comprised of a decrease in total maintenance of \$21.9 million and other operating expenses of \$4.1 million. Other operating expenses included a net decrease due to source of supply, distribution, purification, and administrative and general corporate expenses.

Nonoperating revenues (expenses), net was \$33.2 million lower than in fiscal year 2020. The \$33.2 million decrease in nonoperating income can be primarily attributed to a \$39.6 million decrease in investment income, a decrease in overall other nonoperating income of \$2.3 million, a decrease of \$9.8 million in debt expenses, and an increase in nonoperating expenses of \$0.8 million. Debt expenses decreased by \$9.8 million from an \$8.0 million decrease in amortization of debt expense and a \$1.8 million decrease in interest on debt.

As a result of the above financial changes and capital contributions of \$92.7 million, the Water Enterprise Fund's change in net position for the fiscal year 2021 was \$290.6 million.

Sewer

The Sewer Construction and Maintenance Fund (Sewer) accounts for the construction, operation, and maintenance of the City's wastewater collection and treatment system.

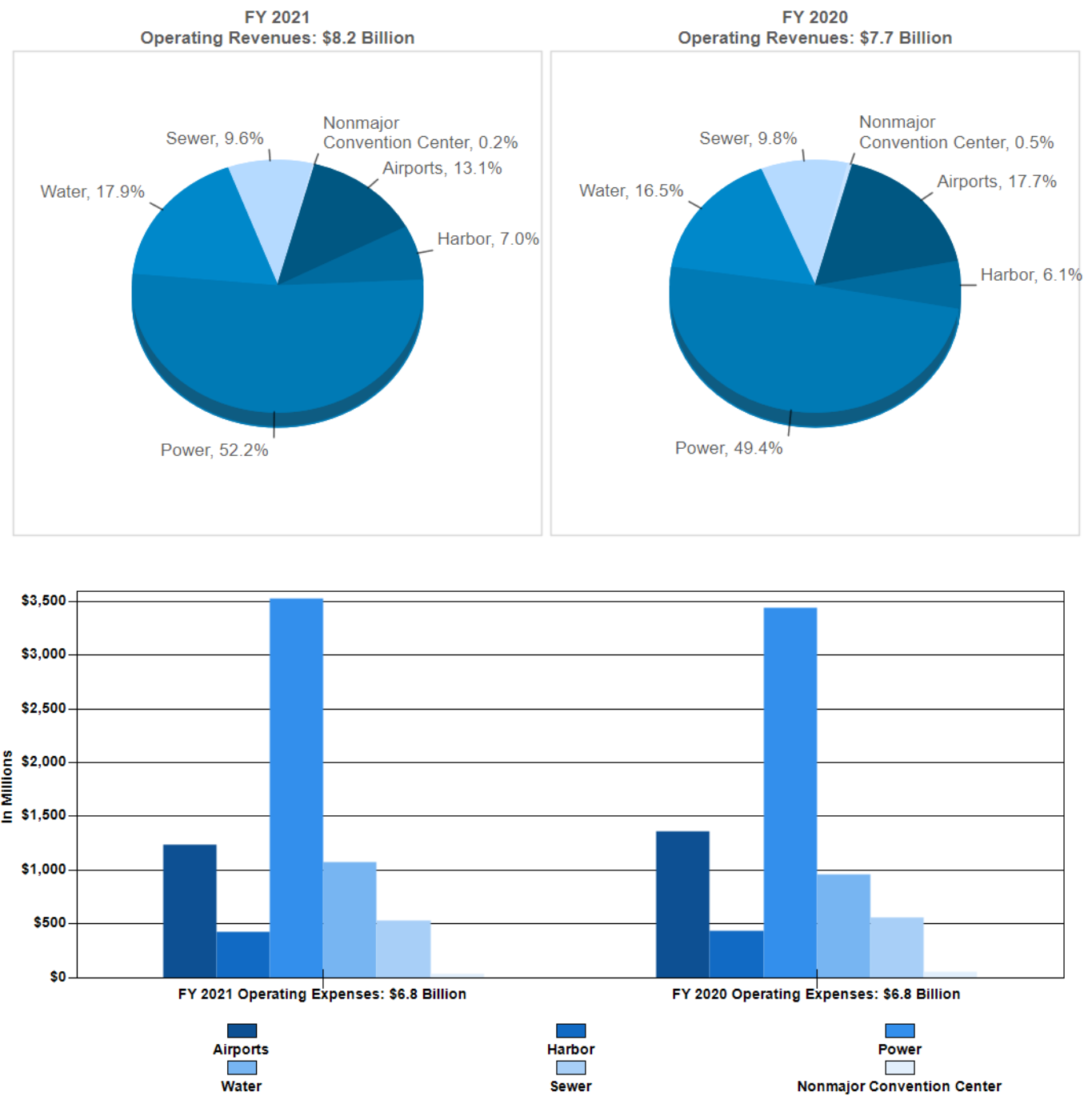
For fiscal year 2021, Sewer generated total operating revenues of \$788.8 million, an increase of \$36.0 million or 4.8% from fiscal year 2020. Sewer Service Charges increased by \$31.8 million or 4.7% from fiscal year 2020, generating \$713.0 million or 90.4% of the total operating revenues. Ordinance No. 182076 dated March 1, 2012 authorized an increase of 4.5% in Sewer Service Charges from wastewater dischargers; increases became effective on April 6, 2012, July 1, 2012, and July 1, 2013. The Ordinance also authorized a series of increases of 6.5% every July 1st from July 1, 2014 until July 1, 2020.

Sewer's major operating expenses include operations, maintenance, and reimbursements to the General Fund for services rendered to the Sewer. The Sewer's operating expenses for the fiscal year 2021 were \$526.0 million, a decrease of \$34.7 million or 6.2% as compared to fiscal year 2020 mainly due to lower reimbursements to the General Fund, and higher depreciation expense. Operations and maintenance comprised 60.6% and depreciation expense was 39.4% of the total operating expenses.

Major components of nonoperating revenues include investment income, lease and rentals, revenue from recycled water sales, non-recurring fees, and other nonoperating revenues. The interest rate on the Sewer's investment pool reflects current economic trends and averaged 0.8% in fiscal year 2021, a decrease of 1.1% from the fiscal year 2020. Sewer's investment income for fiscal year 2021 decreased by \$9.8 million or 99.5% due to lower interest rates and investments. Major components of nonoperating expenses are interest, loss on abandonment of capital assets, litigation settlements, financial advisory, and bond expenses. Sewer's interest expense for fiscal year 2021 decreased by \$6.7 million or 6.1% as compared to 2020 driven primarily by a reduction in interest paid on Senior and Subordinate Bonds. Total other nonoperating expenses were negative \$11.5 million, significantly lower than the \$9.3 million in 2020 mainly due to decrease in loss on abandonment of capital assets, financial advisory and bond expenses, and litigation expenses.

As a result of the above financial changes, including capital contributions of \$19.6 million, Sewer's change in net position for fiscal year 2021 was \$200.7 million.

The following charts are graphical comparisons between June 30, 2021 and 2020, for enterprise funds/business-type activities operating revenues and operating expenses:



GENERAL FUND BUDGETARY HIGHLIGHTS

For purposes of the budget, the General Fund Operating Account is separate and distinct from the non-budgeted Reserve Fund and other accounts that are classified by the City as having General Fund type activity for GAAP reporting purposes. At fiscal year-end, the unassigned fund balance of the General Fund Operating Account is transferred to the Reserve Fund and reported as "Reversion to Reserve Fund."

2021 General Fund actual revenues and expenditures were lower than the final adjusted budget. The following table summarizes the operating results on a budgetary basis of the City's General Fund Operating Account as described above:

CITY OF LOS ANGELES
Budgetary Operating Results - General Fund
For the Fiscal Year Ended June 30, 2021
(amounts expressed in thousands)

	Budgeted Amounts		Budgetary	Variance with
	Original	Final	Basis Actual Amounts	Final Budget Above (Below)
Revenues and Other Financing Sources				
Taxes	\$ 4,898,809	\$ 4,632,818	\$ 4,715,453	\$ 82,635
Licenses, Permits, Fees and Fines	1,475,766	1,364,523	1,350,748	(13,775)
Intergovernmental	15,718	95,216	46,631	(48,585)
Interest	34,613	25,609	27,082	1,473
Other	10,615	10,178	11,487	1,309
Total Revenues	6,435,521	6,128,344	6,151,401	23,057
Power Transfer	224,100	218,355	218,355	--
Transfers from Other Funds	1,186,007	2,076,085	2,012,140	(63,945)
Total Revenues and Other Financing Sources	7,845,628	8,422,784	8,381,896	(40,888)
Expenditures and Other Financing Uses				
General Government	1,884,305	2,232,914	1,853,480	(379,434)
Protection of Persons and Property	2,745,560	2,699,008	2,645,185	(53,823)
Public Works	370,595	443,726	423,790	(19,936)
Health and Sanitation	334,252	335,548	319,821	(15,727)
Transportation	180,373	180,721	165,422	(15,299)
Cultural and Recreational Services	47,257	48,737	44,393	(4,344)
Community Development	168,051	218,381	199,821	(18,560)
Pension and Retirement Contributions	2,716	1,578	1,345	(233)
Capital Outlay	91,552	90,215	22,934	(67,281)
Total Expenditures	5,824,661	6,250,828	5,676,191	(574,637)
Payment of Loans to Other Funds	--	--	49,945	49,945
Loans to Other Funds	--	--	967	967
Transfers to Other Funds	2,103,590	2,171,956	2,161,949	(10,007)
Total Expenditures and Other Financing Uses	7,928,251	8,422,784	7,889,052	(533,732)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under)				
Expenditures and Other Financing Uses	(82,623)	--	492,844	492,844
Fund Balance, July 1	82,623	82,623	--	(82,623)
Appropriation of Fund Balance and Carryforward Appropriations	--	(82,623)	--	82,623
Encumbrances Lapsed	--	--	33,786	33,786
Reversion to Reserve Fund	--	--	(526,630)	(526,630)
Fund Balance, June 30	\$ --	\$ --	\$ --	\$ --

General Fund Revenues and Other Financing Sources

In fiscal year 2021, total actual revenues and other financing sources were \$40.9 million or 0.5%, just slightly below the final budget primarily due to transfers from other funds finishing the year with \$63.9 million lower than projected. Combined grant receipts, licenses, permits, fees, and fines were lower by \$62.4 million than expected, which was offset by higher actual tax receipts of \$82.6 million compared to the final budget.

Higher than projected actual tax receipts were mainly due to the economy slowly recovering from the pandemic. Businesses and hospitality services started to partially re-open toward the end of the fiscal year as a result of lesser travel restrictions and the availability of vaccines to combat the spread of the virus.

Property Taxes were \$21.5 million above the budget due to higher secured and unsecured property tax receipts. An increase in cannabis business retail activity contributed to a higher than anticipated Business Tax revenue of \$15.5 million. The \$16.0 million higher Documentary Transfer Tax than expected was attributable to the real-property prices and sales volume growth. Retail sales were slowly rising, resulting in a better than anticipated Sales Tax receipt of \$8.5 million. Transient Occupancy Tax exceeded the final budget by \$9.7 million due in part to reduced travel restrictions in the final months of the fiscal year.

General Fund Expenditures and Other Financing Uses

The General Fund's actual expenditures were \$574.6 million or 9.2% below budget. All categories of spending were lower than the final budget. The general government's actual expenditures were \$379.4 million lower than estimates, mainly due to the unexpended appropriations during the fiscal year, including unused and set-aside resources in salaries, accessible housing programs, community-based and youth development programs, emergency response services, construction materials, and other various City programs. During the fiscal year, capital outlay expenditures were \$67.3 million below the budget, mainly due to various construction projects that were not fully implemented. Protection of persons and property was \$53.8 million less than budget due to unspent salaries and overtime for Police, Fire, and Building and Safety Departments.

The \$533.8 million lower expenditures and other financing uses and lapsed encumbrances of \$33.8 million were offset by a combined \$41.0 million lower budgeted revenues and other financing sources. As a result, a total of \$526.6 million was reverted from the General Fund to the Reserve Fund at fiscal year-end.

LONG-TERM DEBT

At June 30, 2021 the City's bonded indebtedness and long-term notes payable totaled \$34.2 billion as follows:

CITY OF LOS ANGELES
Summary of Bonded Debt and Long-Term Notes Payable
 (amounts expressed in thousands)

	Governmental Activities		Business-type Activities		Total	
	FY 2021	FY 2020	FY 2021	FY 2020	FY 2021	FY 2020
Debt Backed by the City						
General Obligation Bonds	\$ 642,248	\$ 751,022	\$ --	\$ --	\$ 642,248	\$ 751,022
Debt Secured by Specified Revenue Sources						
Certificates of Participation and Lease Revenue Bonds	1,471,867	1,421,902	--	--	1,471,867	1,421,902
Direct Placements	64,469	97,689	--	--	64,469	97,689
Revenue Bonds and Notes Payable	509,781	539,571	31,451,082	28,990,380	31,960,863	29,529,951
Other Loan Obligations	89,122	134,219	--	--	89,122	134,219
Total	\$ 2,777,487	\$ 2,944,403	\$ 31,451,082	\$ 28,990,380	\$ 34,228,569	\$ 31,934,783

Significant new issuances during the year included the following:

- MICLA issued Lease Revenue Bonds Series 2020-A for \$84.7 million for refunding commercial paper notes used for capital equipment purposes, \$80.9 million Series 2020-B Bonds for refunding commercial paper for the acquisition and improvement of certain real properties and prepay the remaining outstanding balance of a Direct Placement bonds under the 2014 Equipment Lease Agreement. Series 2020-C Bonds for \$102.3 million were issued to pay or refund all of the outstanding Lease Revenue Bonds Series 2012-A, 2012-B and 2012-C. Lease Revenue Refunding Bonds Series 2021-A for \$177.5 million were also issued to pay and refund all of the outstanding Lease Revenue Bonds Series 2014-A and 2014-B and refund a portion of 2019-A and 2019-B, the remaining outstanding balance of 2019-A and 2019-B were exchanged with Lease Revenue Refunding Bonds Series 2021-B which were issued for \$60.5 million. Additionally, MICLA issued Direct Placement Bonds 2020 Streetlights for \$9.1 million for the financing of the City's acquisition and installation of approximately 2,500 streetlights with light-emitting diode (LED) and/or high voltage conversion and other related improvements. During the year, MICLA issued \$173.0 million of commercial paper notes for the acquisition of capital assets.
- Airports issued \$558.5 million of LAX senior refunding revenue bonds Series 2020B, \$380.0 million senior revenue bonds Series 2020C, \$120.0 million senior revenue bonds Series 2020D, \$405.4 million of LAX subordinate revenue and refunding revenue bonds Series 2021A, \$395.0 million of subordinate revenue and refunding revenue bonds Series 2021B and \$92.9 million of subordinate refunding revenue bonds Series 2021C. The bonds were issued to fund capital projects at LAX, refund a portion of outstanding bonds and subordinate commercial paper notes, and various refund and defeasance of prior-year issuances.
- Power issued \$433.1 million of Power System Revenue Bonds, 2020 Series B to pay for capital improvements and refund a portion of the outstanding Power System Revenue Bonds, 2010 Series A, \$250.0 million of Power System Variable Rate Demand Revenue Bonds, 2021 Series A were issued to pay for capital improvements, \$438.4 million of Power System Revenue Bonds, 2021 Series B were issued to pay for capital improvements, and refund a portion of the outstanding Power System Revenue Bonds, 2010 Series D and a portion of the outstanding Power System Revenue Bonds, 2011 Series A.
- Water issued \$204.3 million of Water System Revenue Bonds, 2020 Series A to pay for budgeted capital improvements, refund a portion of the outstanding 2010 Revenue Bonds Series A, and refinance a portion of the outstanding loans from the State Water Resources Control Board. Water System Revenue Bonds, 2020 Series B for \$120.5 million were also issued to refund a portion of the outstanding Water System

Management's Discussion and Analysis (Unaudited)

Revenue Bonds, 2001 Series B, and all of the outstanding Water System Revenue Bonds, 2003 Series B, \$242.6 million of Water System Revenue Bonds, 2020 Series C. were used to refund all of the outstanding Water System Revenue Bonds, 2011 Series A, and a portion of the outstanding Water System Revenue Bonds, 2016 Series A. Water System Variable Rate Demand Revenue Bonds, 2021 Series A for \$200.0 million were issued to pay for budgeted capital improvements, and Water System Revenue Bonds, 2021 Series B for \$158.7 million were used to pay for budgeted capital improvements and refund a portion of the outstanding Water System Revenue Bonds, 2016 Series.

More detailed information on the City's bonds and other long-term debt can be found in Note 4I of the Notes to the Basic Financial Statements.

Credit Ratings

As of June 30, 2021, the ratings of the City's debts by rating agencies were as follows:

	Moody's Investors Service	S&P Global Ratings	Fitch Ratings	Kroll Bond Rating Agency
<u>Governmental Activities</u>				
General Obligation Bonds	Aa2	AA	AA	AA+
MICLA Lease Revenue Obligations (Real Property) ¹	Aa3	AA-	AA-	AA
MICLA Lease Revenue Obligations (Equipment)	Aa3	AA-	AA-	AA
Tax and Revenue Anticipation Notes	MIG1	SP-1+	n/a	n/a
Solid Waste Resources Revenue Bonds	Aa2	A+	AA	AA
<u>Business-type Activities</u>				
Airports Senior Revenue Bonds	Aa2	AA-	AA	n/a
Airports Subordinate Revenue Bonds	Aa3	A+	AA-	n/a
Harbor	Aa2	AA	AA	n/a
Power	Aa2	AA-	AA-	AA
Water	Aa2	n/a	AA	AA+
Wastewater System Senior Revenue Bonds	Aa2	AA+	AA+	AA+
Wastewater System Subordinate Revenue Bonds	Aa3	AA	AA	AA

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

In August 2021, Fitch revised the Airports' rating outlook, from negative to stable, and affirmed the ratings with respect to Airports' outstanding senior bonds and subordinate bonds. Moody's and S&P maintain a stable rating outlook. In December 2021, S&P upgraded its rating with respect to Airports (i) senior revenue bonds from "AA-" to "AA" and (ii) subordinate revenue bonds from "A+" to "AA-".

In October 2021, Fitch Ratings assigned a 'AAA' rating to the City's General Obligation (GO) bonds, series 2021-A and 2021-B issued on November 10, 2021. In addition, Fitch upgraded the City's outstanding GO bonds, series 2017-A and 2017-B to 'AAA' from 'AA' and affirmed the 'AA' rating for the City's GO bonds series 2011-B and 2012-A and the City's Issuer Default Rating. The Outlook revision to stable from negative reflects the improved revenue outlook coupled with sizable federal stimulus, which largely closed the City's budget gaps in fiscal years 2021 and 2022, negating the need to use reserves and maintaining financial resilience while revenues recover fully.

Debt Policies

The City's Debt Management Policies establish guidelines for the structure and management of the City Council-controlled departments' debt. These guidelines include target and ceiling levels for certain debt ratios to be used for financial planning purposes. The policy places certain restrictions on the types of items that can be financed, limiting financing only to those items with a useful life of six years or more. In accordance with this policy, the ratio of annual debt payments cannot exceed 15.0% of General Fund revenues for voter-approved and non-voter approved debt overall, and cannot exceed 6.0% of General Fund revenues for non-voter approved debt alone. The 6.0% ceiling for non-voter approved debt may be exceeded, only if there is a guaranteed new revenue stream for the debt payments and the additional debt will not cause the ratio to exceed 7.5%, or there is no guaranteed revenue stream but the 6.0% ceiling shall not be exceeded for more than one year. For 2021, the ratios were 4.9% for overall debt and 2.9% for non-voter approved debt. As of June 30, 2021, the City had \$627.5 million of General Obligation bonds, excluding bond premium outstanding.

The City's Variable Rate Debt Policy sets forth the purposes and the criteria for using variable rate debt, and the factors to be considered in determining the appropriate amount of the variable rate debt. It also requires diversification of remarketing agents and counterparties. Budgeting, monitoring and reporting requirements are also included in the policy.

As of June 30, 2021, the City is in compliance with the aforementioned policies.

Information related to the City's legal debt margin and pledged revenue bond coverage for the City's enterprise funds is found in the Statistical Section – Debt Capacity.

CAPITAL ASSETS

The City's investment in capital assets for its governmental and business-type activities as of June 30, 2021 amounted to \$54.8 billion, net of accumulated depreciation and amortization. This investment in capital assets, which accounts for 70.9% of the City's total assets, includes land, buildings, facilities, equipment, infrastructure, intangibles, construction in progress, nuclear fuel and a natural gas field. The following table presents the City's capital assets (in thousands):

CITY OF LOS ANGELES
Summary of Capital Assets Used in Operations
(amounts expressed in thousands)

	Governmental Activities		Business-type Activities		Total	
	FY 2021	FY 2020	FY 2021	FY 2020	FY 2021	FY 2020
Not Depreciated / Amortized						
Land	\$ 900,604	\$ 874,237	\$ 3,001,333	\$ 3,001,876	\$ 3,901,937	\$ 3,876,113
Infrastructure	459,170	432,477	--	--	459,170	432,477
Construction in Progress	1,189,903	1,057,531	8,156,313	6,747,384	9,346,216	7,804,915
Intangible Assets	50,989	52,061	60,144	60,144	111,133	112,205
Nuclear Fuel	--	--	39,316	43,323	39,316	43,323
Natural Gas Field	--	--	139,416	151,724	139,416	151,724
Subtotal	2,600,666	2,416,306	11,396,522	10,004,451	13,997,188	12,420,757
Depreciated / Amortized, Net						
Buildings, Facilities and Equipment	3,678,888	3,704,390	34,607,246	32,603,517	38,286,134	36,307,907
Infrastructure	2,181,954	2,166,901	--	--	2,181,954	2,166,901
Intangible Assets	62,739	47,775	252,830	244,373	315,569	292,148
Subtotal	5,923,581	5,919,066	34,860,076	32,847,890	40,783,657	38,766,956
Total	\$ 8,524,247	\$ 8,335,372	\$ 46,256,598	\$ 42,852,341	\$ 54,780,845	\$ 51,187,713

Major capital assets activities during the year are as follows:

Governmental Activities

- Completed building construction and improvements, including transfers from construction in progress, amounted to \$127.5 million. These building projects included \$72.4 million for recreational, cultural and community centers, \$22.0 million for animal shelters, \$31.8 million for bridge housing, and \$1.0 million for transportation facilities.
- Capitalized charges for various projects under construction totaled \$321.7 million. These projects included \$85.7 million for recreational, cultural and community centers, \$4.2 million for municipal facilities projects, \$87.0 million for the Sixth Street Viaduct replacement, \$117.4 million for various public work projects, \$18.6 million for transportation projects, \$3.5 million for police and fire facilities, \$3.0 million for animal shelters and \$2.3 million for bridge housing.
- Total capitalized infrastructure assets amounted to \$125.2 million.
- Acquisition of capitalized machinery and equipment totaled \$122.8 million, while those retired, salvaged, deleted, or sold amounted to \$36.8 million.
- Intangible assets, including net additions to construction in progress, amounted to \$28.8 million.

The modified approach is used in reporting the City's bridges infrastructure system. The City's 2019 Infrastructure Assessment of Bridges and Tunnels Report reported that 70.1% of the City's structures have a grade of "B" or better and concluded that the current overall rating of the City structures comply with the adopted City's Condition Level Policy. The needed costs for preservation and maintenance were \$1.4 million, and \$0.8 million was actually spent. See additional information in Note 1E of the Notes to the Basic Financial Statements and the Required Supplementary Information Section.

Business-type Activities

- Airports' net capital assets increased by \$2.2 billion, or 17.9%. Major capital assets activities at LAX included \$827.6 million for renovations at Terminals 1 to 8, \$477.7 million for construction of Automated People Mover System (APM), \$404.1 million for construction of Consolidated Rental Car Facility (ConRAC), \$187.4 million for construction of Bradley West Gates (formerly known as Midfield Satellite Concourse), \$166.2 million for construction of Intermodal Transportation Facility - West, \$108.6 million for construction of Airport Police Facility, \$105.9 million for construction of runways and taxiways, \$103.5 million for Baggage Optimization Project, \$78.7 million interior improvements and security upgrades at Tom Bradley International Terminal (TBIT) and Bradley West, \$43.5 million Receiving Station Project (RS-X), \$43.4 million construction of Secured Area Access Post - Westside, and \$28.4 million IT network and system projects. Major capital assets activities at VNY included \$24.3 million for taxiway and landside improvements.
- Harbor's net capital assets decreased by \$17.7 million or 0.5% as the increase in accumulated depreciation associated with the Harbor's existing facilities and equipment more than offset the increase in new capital assets associated with capital project development and construction in progress. The major capital assets activities during the fiscal year were: \$5.3 million for various transportation projects and other facility and street improvements, \$45.0 million for design and construction at the San Pedro and Wilmington waterfronts, \$40.4 million for redevelopment projects at the Everport Container Terminal, \$10.3 million for buildings and facilities improvements, pilot boat replacement, floating dock replacement, fire alarm and security system installment and various utility projects, \$3.2 million for various homeland security projects, \$3.1 million for redevelopment projects at various terminals including wharf rehabilitation, facility expansion, and infrastructure improvements, \$2.7 million for various projects for building cover replacement, installation of fire alarm system, and dockside facility improvements, \$0.8 million for various projects of at Harbor's World Cruise Center, \$1.3 million for various projects at berths with liquid bulk oil cargo handling facilities, and \$1.0 million for redevelopment projects at the Pasha Terminal including wharf restoration, roll up door replacement, and facility improvements.
- Power's plant additions totaled \$1.2 billion. Approximately \$312.1 million of the \$1.2 billion in additions were construction work in progress (CWIP) expenditures and the remaining \$858.2 million were direct additions to utility plant categories. Major CWIP additions/expenditures during the year included \$37.0 million for Victorville to Los Angeles Basin Power Injection Upgrade, \$29.0 million for Distribution Automation System, \$24.0 million for re-expansion of Barren Ridge Switching Station, \$18.0 million for Underground Transmission Cable Replacement, and \$12.0 million for implementation cost for Casio-run Energy Imbalance Market (EIM), \$12.0 million for design and construction of new receiving station to serve LAX, \$10.0 million to install new 230kv line between Castaic-Haskell line 3, \$10.0 million for design and construction of new office facilities, and \$9.0 million for Receiving Station Transformer Replacement Program. \$295.0 million in CWIP projects were transferred from CWIP to plant accounts. Transfers from CWIP included \$44.0 million for Cable Replacement Project of 138kv underground transmission lines, \$24.0 million for Power System Reliability Program (PSRP) Major Overhauls to various generating stations, \$22.0 million for design and construction of Power System-built Solar Generation, and \$16.0 million for long-term Transmission Development Project. The completion of these large projects along with current year CWIP additions caused the balance in the CWIP account to increase by \$5.4 million. Approximately, \$636.0 million and \$42.0 million were direct additions to distribution and transmission plant accounts, respectively. Major direct additions included \$160.0 million for replacement of deteriorated poles and crossarms, \$86.0 million for new business line customer facilities, \$80.0 million for reliability replacement of 4.8KV and 34.5KV cables, \$26.0 million for replacement of 138kv Underground Transmission cables, \$23.0 million to enhance circuit capacity, and \$23.0 million for customer stations design and construction.
- Water added utility plant costs of \$777.7 million, of which approximately \$460.9 million were construction work in progress (CWIP) expenditures and \$316.3 million, comprises direct additions by utility plant categories. Approximately, \$56.2 million in CWIP projects were transferred from CWIP to plant accounts. Major CWIP additions/expenditures during the year included: \$115.0 million for Tujunga and North Hollywood centralized treatment to remove contamination, \$34.0 million for River Supply Conduit Upper Reach unit 7, \$32.0 million for Century trunk line rehabilitation, \$27.0 million for City trunk line South unit 3 installation, \$19.0 million for Headworks West reservoir to replace Ivanhoe and Silver Lake reservoir, \$17.0 million for North Hollywood

Management's Discussion and Analysis (Unaudited)

West Wellhead treatment plant, \$14.0 million for Coronado trunk line new regulator station, \$11.0 million to replace pipes at Foothill trunk line, and \$11.0 million for LA Reservoir Ultraviolet Light treatment plant. Approximately, \$53.3 million and \$2.9 million of additions were transferred from CWIP to distribution plant accounts and general plant accounts, respectively. Major projects transferred from CWIP included \$39.0 million for mainline replacement at various water districts, \$11.0 million for tanks/reservoirs nitrification control program, \$3.0 million for downtown water recycling project, and \$3.0 million for water service connections and meter replacements. During fiscal year 2021, the Water System invested \$158.0 million in programs to replace mains, services, reservoirs, tanks, and meters, including continuing replacement of existing meters with lead-free meters and fittings in accordance with the Water System's goal to increase the reliability and safety of its distribution system.

- Sewer's net capitalized additions and betterments to its depreciable assets, including transfers from construction in progress, amounted to \$267.8 million. Of this amount, \$3.0 million was a reduction from construction in progress, \$179.0 million was capitalized for collection system, \$39.9 million relates to treatment plants and equipment, \$17.8 million for pumping plants, and \$34.2 million was used for site improvements and to acquire other equipment and vehicles. The ongoing capital improvement program (CIP) of the Sewer includes Secondary Sewer Renewal Program for \$35.6 million, the Hyperion Water Reclamation Plant Digester Gas Utilization Plant Facility for \$0.2 million, and the North Outfall Sewer Rehabilitation for \$79.1 million. Additional CIP large projects capitalized during fiscal year 2021 are the Cochran Adams Relief Sewer for \$17.3 million, the Venice Pump Plant Generators Replacement for \$8.0 million, the Highbury Pump Plant Rehabilitation for \$6.3 million, the Hyperion Onsite Storm Drain Screens for \$5.3 million, and the Hyperion Service Water Facility Improvements for \$4.2 million.

Significant commitments that include construction contracts are discussed in Note 5C of the Notes to the Basic Financial Statements. As of June 30, 2021, the City's contractual commitments for various capital projects amounted to \$196.5 million for governmental activities and \$433.9 million for business-type activities. The City's policy affecting capital assets can be found in Note 1E of the Notes to the Basic Financial Statements. Additional information can be found in Note 4F.

ECONOMIC FACTORS AFFECTING NEXT YEAR'S BUDGET

The City's fiscal year 2022 total budget is \$11.5 billion. Of this amount, \$5.3 billion (45.7%) is appropriated for departmental expenditures. The remaining \$6.2 billion (54.3%) is appropriated for non-departmental expenditures such as human resources benefits, pension contributions, capital expenditures, and debt service. The sources of funds included in the budget are \$7.5 billion in General Fund receipts, \$3.3 billion in special fund revenues, and \$640.1 million in special fund available balances. The \$509.9 million budget for the fiscal year 2022 Reserve Fund balance represents 6.8% of the General Fund receipts, above the City's policy of setting aside at least 5.0% of General Fund receipts in the Reserve Fund.

The 2022 General Fund budgeted receipts of \$7.5 billion, including the American Rescue Plan Act (ARPA) Transfer of \$639.5 million, represent an increase of \$493.6 million (7.0%), higher than the 2021 actual receipts, as shown below (in millions):

	FY 2022 Budget	FY 2021 Receipts	Increase (Decrease)	
			Amount	Percentage
Taxes	\$ 5,049.6	\$ 4,715.5	\$ 334.1	7.1 %
Licenses, permits, fees and fines	1,368.4	1,350.7	17.7	1.3
Intergovernmental	94.3	46.6	47.7	102.4
Interest	20.6	27.1	(6.5)	(24.0)
Other	11.5	11.5	--	0.0
Transfers from other funds	958.9	858.3	100.6	11.7
Total	<u>\$ 7,503.3</u>	<u>\$ 7,009.7</u>	<u>\$ 493.6</u>	<u>7.0 %</u>

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

With the COVID-19 pandemic almost two years old, fiscal year 2022 still contains great uncertainty. While schools and most businesses have been open since late summer 2021, the appearance of new variants of the virus, and the surges that accompany them, bring with them the possibility of new closures and restrictions.

The 2022 Adopted Budget benefited greatly by grants from the Federal and State governments, most significantly the second tranche of the ARPA, which will contribute \$639.5 million in relatively unrestricted grant receipts in May, 2022. The Budget has also benefited from the deferral of salary increases for most employees until June 2022. In its Second Financial Status Report (FSR), issued on December 2, 2021, the City Administrative Officer (CAO) reported that General Fund revenue through October is \$80.3 million above plan, though this surplus is not necessarily indicative of year-end receipts. The FSR also identified \$37.5 million in unresolved projected overspending, though the CAO concluded that the fiscal challenges are manageable.

With two of the City's most significant revenues, Property Tax and Business Tax, received mainly in the second half of the fiscal year and performing as lagging indicators of the economy, it is very difficult to project where receipts will be by the end of the fiscal year. However, given the ARPA funding and the City's historically high reserves, the City should be able to complete the fiscal year in a strong financial position.

Looking to the future, policy makers will be faced with significant challenges. The significant amount of one-time funding which was available over the past two fiscal years will not be available in fiscal year 2022-23, causing available revenues to tighten. Ongoing programs funded by that one-time revenue will need to be funded or face cuts, and labor contracts covering a majority of City employees expire in June 2022, leading to a new round of negotiations. Both of these factors, and the rest of City operations, will likely be further hindered by increased costs associated with higher inflation.

REQUEST FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, customers, creditors, and other users with a general overview of the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the City Controller, 200 North Main Street, City Hall East Room 300, Los Angeles, CA 90012, or email to controller.galperin@lacity.org.

Basic Financial Statements

CITY OF LOS ANGELES
Statement of Net Position
June 30, 2021
(amounts expressed in thousands)

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Pooled Investments	\$ 6,097,411	\$ 4,854,351	\$ 10,951,762
Other Investments	762	43,578	44,340
Receivables, Net	3,645,719	1,212,900	4,858,619
Inventories	50,431	267,266	317,697
Prepaid Items and Other Assets	8,836	735,482	744,318
Restricted Assets	10,462	3,689,208	3,699,670
Investment in Joint Ventures	--	7,033	7,033
Properties Held for Housing Development	110,304	--	110,304
Regulatory Assets	--	1,793,188	1,793,188
Capital Assets			
Not Depreciated / Amortized	2,600,666	11,396,522	13,997,188
Depreciated / Amortized, Net	5,923,581	34,860,076	40,783,657
TOTAL ASSETS	18,448,172	58,859,604	77,307,776
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows from Debt Refunding	50,529	122,798	173,327
Deferred Outflows from Asset Retirement Obligation	--	30,409	30,409
Deferred Outflows from Pensions	3,353,326	1,158,675	4,512,001
Deferred Outflows from OPEB	770,043	326,051	1,096,094
TOTAL DEFERRED OUTFLOWS OF RESOURCES	4,173,898	1,637,933	5,811,831
LIABILITIES			
Accounts Payable and Accrued Expenses	630,022	1,470,685	2,100,707
Obligations Under Securities Lending Transactions	47,268	45,982	93,250
Accrued Interest Payable	21,237	427,320	448,557
Internal Balances	100,022	(100,022)	--
Unearned Revenue	547,619	--	547,619
Deposits and Advances	240,818	232,533	473,351
Other Liabilities	201,198	82,763	283,961
Long-term Liabilities			
Due Within One Year	862,541	1,178,567	2,041,108
Due In More Than One Year			
Bonds and Notes Payable (Net of Amount Due Within One Year)	2,427,598	30,485,154	32,912,752
Net Pension Liability	8,856,477	2,422,735	11,279,212
Net OPEB Liability	2,094,474	390,128	2,484,602
Asset Retirement Obligation	--	236,596	236,596
Other (Net of Amount Due Within One Year)	2,958,201	455,931	3,414,132
TOTAL LIABILITIES	18,987,475	37,328,372	56,315,847
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows from Business Activities	--	186,473	186,473
Deferred inflows from Derivative Instruments	--	41,431	41,431
Deferred Inflows from Debt Refunding	4,764	93,595	98,359
Deferred Inflows from Pensions	252,552	132,949	385,501
Deferred Inflows from OPEB	526,468	428,408	954,876
TOTAL DEFERRED INFLOWS OF RESOURCES	783,784	882,856	1,666,640
NET POSITION			
Net Investment in Capital Assets	6,288,850	15,744,950	22,033,800
Restricted for:			
Capital Projects	362,062	--	362,062
Debt Service	281,238	901,679	1,182,917
Public Safety	221,921	--	221,921
Public Works and Sanitation	121,782	--	121,782
Transportation	553,374	--	553,374
Culture and Recreation	490,409	--	490,409
Community Development and Housing	2,065,240	--	2,065,240
Passenger/Customer Facility Charges	--	335,431	335,431
Other Purposes	--	602,954	602,954
Unrestricted (Deficit)	(7,534,065)	4,701,295	(2,832,770)
TOTAL NET POSITION	\$ 2,850,811	\$ 22,286,309	\$ 25,137,120

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

CITY OF LOS ANGELES

**Statement of Activities
For the Fiscal Year Ended June 30, 2021
(amounts expressed in thousands)**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
GOVERNMENTAL ACTIVITIES							
General Government	\$ 1,935,804	\$ 243,716	\$ 363,147	\$ --	\$ (1,328,941)	\$ --	\$ (1,328,941)
Protection of Persons and Property	3,990,018	575,127	318,279	--	(3,096,612)	--	(3,096,612)
Public Works	587,359	262,553	189,136	27,409	(108,261)	--	(108,261)
Health and Sanitation	677,878	484,383	55,591	2,542	(135,362)	--	(135,362)
Transportation	577,318	98,855	327,626	21,382	(129,455)	--	(129,455)
Cultural and Recreational Services	704,490	157,638	--	44,742	(502,110)	--	(502,110)
Community Development	909,542	171,533	869,588	3,830	135,409	--	135,409
Interest on Long-Term Debt	99,628	--	--	--	(99,628)	--	(99,628)
TOTAL GOVERNMENTAL ACTIVITIES	9,482,037	1,993,805	2,123,367	99,905	(5,264,960)	--	(5,264,960)
BUSINESS-TYPE ACTIVITIES							
Airports	1,558,137	1,072,156	--	331,730	--	(154,251)	(154,251)
Harbor	453,024	572,011	--	7,116	--	126,103	126,103
Power	3,886,405	4,268,478	--	103,459	--	485,532	485,532
Water	1,293,737	1,463,781	--	92,739	--	262,783	262,783
Sewer	627,866	788,755	--	19,615	--	180,504	180,504
Convention Center	36,847	18,897	--	--	--	(17,950)	(17,950)
TOTAL BUSINESS-TYPE ACTIVITIES	7,856,016	8,184,078	--	554,659	--	882,721	882,721
TOTAL	\$ 17,338,053	\$ 10,177,883	\$ 2,123,367	\$ 654,564	(5,264,960)	882,721	(4,382,239)
GENERAL REVENUES							
Property Taxes					2,551,138	--	2,551,138
Utility Users' Taxes					604,106	--	604,106
Business Taxes					743,877	--	743,877
Sales Taxes					560,962	--	560,962
Other Taxes							
Documentary Transfer					248,793	--	248,793
Transient Occupancy					115,072	--	115,072
Parking Occupancy					62,054	--	62,054
Franchise Income					130,821	--	130,821
Miscellaneous					7,329	--	7,329
Grants and Contributions Not Restricted to Specific Programs							
Other					41,161	--	41,161
Unrestricted Investment Earnings (Losses)					(4,485)	125	(4,360)
Other					42,389	304,402	346,791
Transfers					218,355	(218,355)	--
TOTAL GENERAL REVENUES AND TRANSFERS					5,321,572	86,172	5,407,744
CHANGE IN NET POSITION					56,612	968,893	1,025,505
NET POSITION, JULY 1					2,794,199	21,317,416	24,111,615
NET POSITION, JUNE 30					\$ 2,850,811	\$ 22,286,309	\$ 25,137,120

CITY OF LOS ANGELES

Balance Sheet
Governmental Funds
June 30, 2021
(amounts expressed in thousands)

	Municipal Improvement Corporation		
	General	Special Revenue	Debt Service
ASSETS			
Cash and Pooled Investments	\$ 1,856,003	\$ 53,700	\$ 6,368
Other Investments	762	--	--
Taxes Receivable (Net of Allowance for Uncollectibles of \$21,496)	782,303	--	--
Accounts Receivable (Net of Allowance for Uncollectibles of \$380,996)	139,628	--	--
Special Assessments Receivable	3,550	--	--
Investment Income Receivable	7,812	34	--
Intergovernmental Receivable	193,305	--	306
Loans Receivable (Net of Allowance for Uncollectibles of \$1,234,426)	1,331	--	--
Due from Other Funds	104,675	--	--
Inventories	39,760	--	--
Prepaid Items and Other Assets	34	--	--
Advances to Other Funds	21,374	--	106,417
Restricted Assets	--	--	--
Properties Held for Housing Development	--	--	--
TOTAL ASSETS	\$ 3,150,537	\$ 53,734	\$ 113,091
LIABILITIES			
Accounts, Contracts and Retainage Payable	\$ 272,990	\$ 13,821	\$ 32
Obligations Under Securities Lending Transactions	19,333	182	--
Accrued Salaries and Overtime Payable	120,242	--	--
Accrued Compensated Absences Payable	11,529	--	--
Claims and Judgments Payable	37,511	--	--
Intergovernmental Payable	882	--	--
Due to Other Funds	174,796	5,476	--
Unearned Revenue	322,085	--	--
Deposits and Advances	11,901	--	--
Interest Payable	--	--	--
Advances from Other Funds	81,148	--	--
Other Liabilities	89,104	393	--
Liability for Excess CRA Bond Proceeds	--	--	--
TOTAL LIABILITIES	1,141,521	19,872	32
DEFERRED INFLOWS OF RESOURCES			
Property Tax	88,635	--	--
Taxes Other than Property	431,719	--	--
Receivables from Other Government Agencies	142,325	--	--
Interest Receivable on Loans and Others	122,360	--	--
TOTAL DEFERRED INFLOWS OF RESOURCES	785,039	--	--
FUND BALANCES			
Nonspendable	61,168	--	--
Restricted	--	33,862	113,059
Committed	71,733	--	--
Assigned	426,654	--	--
Unassigned	664,422	--	--
TOTAL FUND BALANCES	1,223,977	33,862	113,059
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 3,150,537	\$ 53,734	\$ 113,091

Continued...

CITY OF LOS ANGELES

**Balance Sheet - (Continued)
Governmental Funds
June 30, 2021
(amounts expressed in thousands)**

	Nonmajor Governmental Funds	Total
ASSETS		
Cash and Pooled Investments	\$ 4,181,340	\$ 6,097,411
Other Investments	--	762
Taxes Receivable (Net of Allowance for Uncollectibles of \$21,496)	16,640	798,943
Accounts Receivable (Net of Allowance for Uncollectibles of \$380,996)	124,010	263,638
Special Assessments Receivable	9,524	13,074
Investment Income Receivable	8,947	16,793
Intergovernmental Receivable	280,466	474,077
Loans Receivable (Net of Allowance for Uncollectibles of \$1,234,426)	2,077,863	2,079,194
Due from Other Funds	104,719	209,394
Inventories	10,671	50,431
Prepaid Items and Other Assets	8,802	8,836
Advances to Other Funds	107,460	235,251
Restricted Assets	10,462	10,462
Properties Held for Housing Development	110,304	110,304
TOTAL ASSETS	\$ 7,051,208	\$ 10,368,570
LIABILITIES		
Accounts, Contracts and Retainage Payable	\$ 206,306	\$ 493,149
Obligations Under Securities Lending Transactions	27,753	47,268
Accrued Salaries and Overtime Payable	12,682	132,924
Accrued Compensated Absences Payable	--	11,529
Claims and Judgments Payable	--	37,511
Intergovernmental Payable	3,067	3,949
Due to Other Funds	117,527	297,799
Unearned Revenue	225,534	547,619
Deposits and Advances	228,917	240,818
Interest Payable	268	268
Advances from Other Funds	165,720	246,868
Other Liabilities	65,402	154,899
Liability for Excess CRA Bond Proceeds	46,299	46,299
TOTAL LIABILITIES	1,099,475	2,260,900
DEFERRED INFLOWS OF RESOURCES		
Property Tax	12,007	100,642
Taxes Other than Property	8	431,727
Receivables from Other Government Agencies	195,437	337,762
Interest Receivable on Loans and Others	642,494	764,854
TOTAL DEFERRED INFLOWS OF RESOURCES	849,946	1,634,985
FUND BALANCES		
Nonspendable	19,473	80,641
Restricted	3,576,817	3,723,738
Committed	1,563,121	1,634,854
Assigned	2,938	429,592
Unassigned	(60,562)	603,860
TOTAL FUND BALANCES	5,101,787	6,472,685
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 7,051,208	\$ 10,368,570

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

CITY OF LOS ANGELES

Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2021
(amounts expressed in thousands)

Total Fund Balances - Governmental Funds \$ 6,472,685

Amounts Reported for Governmental Activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. 8,524,247

Deferred outflows of resources are reported in the statement of net position, but not recognized in the governmental funds. 4,173,898

Unavailable revenues are reported as deferred inflows of resources in the governmental funds, but are recognized as revenues when earned in governmental activities. 1,634,985

Deferred inflows of resources are reported in the statement of net position, but not recognized in the governmental funds. (783,784)

Long-term liabilities, including net pension and OPEB liabilities and bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds. (17,171,220)

Net Position of Governmental Activities \$ 2,850,811

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

CITY OF LOS ANGELES

**Statement of Revenues, Expenditures
and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2021
(amounts expressed in thousands)**

	Municipal Improvement Corporation		
	General	Special Revenue	Debt Service
REVENUES			
Property Taxes	\$ 2,401,848	\$ --	\$ --
Sales Taxes	562,217	--	--
Utility Users' Taxes	610,946	--	--
Business Taxes	686,520	--	--
Other Taxes	521,955	--	--
Licenses and Permits	29,390	--	--
Intergovernmental	28,145	--	554
Charges for Services	358,772	--	--
Services to Enterprise Funds	328,481	--	--
Fines	100,559	--	--
Special Assessments	1,731	--	--
Investment Earnings	28,579	188	22
Change in Fair Value of Investments	(34,572)	(77)	--
Program Income	--	--	--
Other	46,107	--	--
TOTAL REVENUES	5,670,678	111	576
EXPENDITURES			
Current			
General Government	1,478,060	--	1,993
Protection of Persons and Property	3,221,865	--	--
Public Works	147,933	--	--
Health and Sanitation	121,325	--	--
Transportation	112,490	--	--
Cultural and Recreational Services	44,018	--	--
Community Development	134,074	--	--
Capital Outlay	29,164	170,157	--
Debt Service			
Principal	--	--	305,431
Interest	5,194	--	54,755
Cost of Issuance	1,103	88	2,155
TOTAL EXPENDITURES	5,295,226	170,245	364,334
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	375,452	(170,134)	(363,758)
OTHER FINANCING SOURCES (USES)			
Transfers In	584,808	--	166,494
Transfers Out	(728,412)	(2,166)	(9,918)
Issuance of Long-Term Debt	--	182,088	--
Issuance of Refunding Bonds	--	--	505,791
Premium on Issuance of Refunding Bonds	--	--	50,110
Payment to Refunding Bond Escrow Agent	--	--	(403,810)
TOTAL OTHER FINANCING SOURCES (USES)	(143,604)	179,922	308,667
NET CHANGE IN FUND BALANCES	231,848	9,788	(55,091)
FUND BALANCES, JULY 1	992,129	24,074	168,150
FUND BALANCES, JUNE 30	\$ 1,223,977	\$ 33,862	\$ 113,059

CITY OF LOS ANGELES

**Statement of Revenues, Expenditures
and Changes in Fund Balances - (Continued)
Governmental Funds
For the Fiscal Year Ended June 30, 2021
(amounts expressed in thousands)**

	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES		
Property Taxes	\$ 149,371	\$ 2,551,219
Sales Taxes	--	562,217
Utility Users' Taxes	--	610,946
Business Taxes	--	686,520
Other Taxes	57,910	579,865
Licenses and Permits	60,271	89,661
Intergovernmental	2,009,182	2,037,881
Charges for Services	906,424	1,265,196
Services to Enterprise Funds	7,672	336,153
Fines	4,348	104,907
Special Assessments	132,492	134,223
Investment Earnings	48,308	77,097
Change in Fair Value of Investments	(79,249)	(113,898)
Program Income	34,818	34,818
Other	88,161	134,268
TOTAL REVENUES	3,419,708	9,091,073
EXPENDITURES		
Current		
General Government	75,112	1,555,165
Protection of Persons and Property	523,797	3,745,662
Public Works	296,920	444,853
Health and Sanitation	456,247	577,572
Transportation	372,483	484,973
Cultural and Recreational Services	549,191	593,209
Community Development	745,695	879,769
Capital Outlay	411,784	611,105
Debt Service		
Principal	168,322	473,753
Interest	35,257	95,206
Cost of Issuance	--	3,346
TOTAL EXPENDITURES	3,634,808	9,464,613
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(215,100)	(373,540)
OTHER FINANCING SOURCES (USES)		
Transfers In	707,623	1,458,925
Transfers Out	(500,074)	(1,240,570)
Issuance of Long-Term Debt	--	182,088
Issuance of Refunding Bonds	--	505,791
Premium on Issuance of Refunding Bonds	--	50,110
Payment to Refunding Bond Escrow Agent	--	(403,810)
TOTAL OTHER FINANCING SOURCES (USES)	207,549	552,534
NET CHANGE IN FUND BALANCES	(7,551)	178,994
FUND BALANCES, JULY 1	5,109,338	6,293,691
FUND BALANCES, JUNE 30	\$ 5,101,787	\$ 6,472,685

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

CITY OF LOS ANGELES

**Reconciliation of the Statement of Revenues,
Expenditures and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2021
(amounts expressed in thousands)**

Net Change in Fund Balances - Total Governmental Funds	\$	178,994
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Amounts reported for Governmental Activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. Donated capital assets are reported as capital contributions in governmental activities but are not financial resources and are not reported in governmental funds. This is the amount by which donated capital assets and capital outlays exceeded depreciation in the current period.		188,875
---	--	---------

Amortization of gains (losses) on refunding of debt is reported as interest expense in governmental activities, but is not reported for governmental funds.		(5,494)
---	--	---------

Change in unavailable revenues are reported as changes in deferred inflows of resources for governmental funds, but were recognized as revenues for governmental activities.		192,269
--	--	---------

Accrued interest expense on long-term debt is reported in the statement of activities, but does not require the use of current financial resources. Amortization of bond premiums and discounts are expensed as a component of interest expense on the statement of activities. This amount represents the net accrued interest expense and the amortization of bond premiums and discounts not reported in governmental funds.

Change in accrued interest expense	\$ 3,153	
Net amortization of bond premiums and discounts	11,375	
Total net interest expense and amortization of discount/premium		14,528

The issuance of long-term debt (e.g. bonds) provides current financial resources to the governmental funds, while the repayment of the principal on long-term debt consumes the current financial resources of governmental funds. Neither transaction, however has any effect on net position.		155,541
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.		(298,955)
---	--	-----------

Changes in net pension liability, net OPEB liability, deferred outflows of resources and deferred inflows of resources related to pensions and OPEB do not require the use of current financial resources, and therefore, are not reported in the governmental funds.		(369,146)
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Change in Net Position of Governmental Activities	\$	56,612
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The notes to the financial statements are an integral part of this statement.

CITY OF LOS ANGELES

**Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
General Fund
For the Fiscal Year Ended June 30, 2021
(amounts expressed in thousands)**

	Budgeted Amounts		Actual Amounts (Budgetary)	Variance with Final Budget Positive (Negative)
	Original	Final	Basis	
REVENUES				
Taxes	\$ 4,898,809	\$ 4,632,818	\$ 4,715,453	\$ 82,635
Licenses, Permits, Fees and Fines	1,475,766	1,364,523	1,350,748	(13,775)
Intergovernmental	15,718	95,216	46,631	(48,585)
Interest	34,613	25,609	27,082	1,473
Other	10,615	10,178	11,487	1,309
TOTAL REVENUES	6,435,521	6,128,344	6,151,401	23,057
EXPENDITURES				
Current				
General Government	1,884,305	2,232,914	1,853,480	379,434
Protection of Persons and Property	2,745,560	2,699,008	2,645,185	53,823
Public Works	370,595	443,726	423,790	19,936
Health and Sanitation	334,252	335,548	319,821	15,727
Transportation	180,373	180,721	165,422	15,299
Cultural and Recreational Services	47,257	48,737	44,393	4,344
Community Development	168,051	218,381	199,821	18,560
Pension and Retirement Contributions	2,716	1,578	1,345	233
Capital Outlay	91,552	90,215	22,934	67,281
TOTAL EXPENDITURES	5,824,661	6,250,828	5,676,191	574,637
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	610,860	(122,484)	475,210	597,694
OTHER FINANCING SOURCES (USES)				
Transfers from Other Funds	1,410,107	2,294,440	2,230,495	(63,945)
Payments of Loans to Other Funds	--	--	(49,945)	(49,945)
Loans to Other Funds	--	--	(967)	(967)
Transfers to Other Funds	(2,103,590)	(2,171,956)	(2,161,949)	10,007
TOTAL OTHER FINANCING SOURCES (USES)	(693,483)	122,484	17,634	(104,850)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(82,623)	--	492,844	492,844
FUND BALANCE, JULY 1	82,623	82,623	--	(82,623)
Appropriation of Fund Balance and Carryforward Appropriations	--	(82,623)	--	82,623
Encumbrances Lapsed	--	--	33,786	33,786
Reversion to Reserve Fund	--	--	(526,630)	(526,630)
FUND BALANCE, JUNE 30	\$ --	\$ --	\$ --	\$ --

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

CITY OF LOS ANGELES
Statement of Net Position
Proprietary Funds
June 30, 2021
(amounts expressed in thousands)

	Business-type Activities - Enterprise Funds			
	Airports	Harbor	Power	Water
ASSETS				
CURRENT ASSETS				
Cash, Pooled and Other Investments				
Unrestricted	\$ 1,491,140	\$ 1,012,012	\$ 1,432,492	\$ 733,243
Restricted	627,539	12,129	489,558	204,997
Investments Held by Escrow and Fiscal Agents				
Unrestricted	2,147	--	--	--
Restricted	664,843	--	--	--
Loans and Notes Receivable	--	--	68,365	--
Accounts Receivable				
Accounts Receivable				
(Net of Allowance for Uncollectibles of \$316,368)	9,817	43,362	567,714	159,759
Accrued Unbilled Revenue	36,128	--	--	--
Investment Income Receivable	5,567	3,647	2,715	654
Intergovernmental Receivable	9,367	2,399	4,804	1,639
Restricted Passenger/Customer Facility Charges Receivable	23,748	--	--	--
Due from Other Funds	--	--	20,131	--
Inventories	1,413	2,872	207,016	34,915
Prepaid Items and Other Assets	5,182	415	535,727	158,250
TOTAL CURRENT ASSETS	2,876,891	1,076,836	3,328,522	1,293,457
NONCURRENT ASSETS				
Restricted Assets				
Pooled Cash and Cash Equivalents, and Other Investments	--	11,058	484,788	152,632
Investments Held by Escrow and Fiscal Agents	--	42,435	684,227	53,749
Total Restricted Assets	--	53,493	1,169,015	206,381
Long-term Investment				
Investment in Joint Ventures	--	7,033	--	--
Capital Assets				
Land	1,272,795	1,106,805	241,103	200,179
Construction in Progress	4,622,207	375,818	679,306	1,984,834
Buildings, Facilities and Equipment	12,309,089	4,906,132	21,429,935	10,756,472
Natural Gas Field	--	--	139,416	--
Nuclear Fuel	--	--	39,316	--
Intangible Assets	111,306	25,360	229,079	--
Accumulated Depreciation/Amortization	(3,861,883)	(2,673,822)	(9,300,373)	(3,459,623)
Total Capital Assets, Net	14,453,514	3,740,293	13,457,782	9,481,862
Other Noncurrent Assets				
Loans and Notes Receivable	--	--	58,309	--
Derivative Instruments	--	--	41,431	--
Advances to Other Funds	--	--	--	--
Regulatory Assets	--	--	1,393,005	400,183
Other Assets	--	--	35,712	--
Total Other Noncurrent Assets	--	--	1,528,457	400,183
TOTAL NONCURRENT ASSETS	14,453,514	3,800,819	16,155,254	10,088,426
TOTAL ASSETS	17,330,405	4,877,655	19,483,776	11,381,883
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Outflows from Debt Refunding	33,681	11,012	14,926	7,753
Deferred Outflows from Asset Retirement Obligation	--	--	30,409	--
Deferred Outflows from Pensions	282,056	88,162	526,707	261,750
Deferred Outflows from OPEB	43,927	15,147	177,855	89,122
TOTAL DEFERRED OUTFLOWS OF RESOURCES	359,664	114,321	749,897	358,625

Continued...

CITY OF LOS ANGELES

Statement of Net Position - (Continued)
Proprietary Funds
June 30, 2021
(amounts expressed in thousands)

	Business-type Activities - Enterprise Funds		
	Sewer	Nonmajor Convention Center	Total
ASSETS			
CURRENT ASSETS			
Cash, Pooled and Other Investments			
Unrestricted	\$ 168,735	\$ 16,729	\$ 4,854,351
Restricted	129,722	--	1,463,945
Investments Held by Escrow and Fiscal Agents			
Unrestricted	--	--	2,147
Restricted	--	--	664,843
Loans and Notes Receivable	--	--	68,365
Accounts Receivable			
Accounts Receivable			
(Net of Allowance for Uncollectibles of \$316,368)	178,896	519	960,067
Accrued Unbilled Revenue	58,986	--	95,114
Investment Income Receivable	253	--	12,836
Intergovernmental Receivable	--	--	18,209
Restricted Passenger/Customer Facility Charges Receivable	--	--	23,748
Due from Other Funds	90,756	--	110,887
Inventories	21,050	--	267,266
Prepaid Items and Other Assets	--	196	699,770
TOTAL CURRENT ASSETS	648,398	17,444	9,241,548
NONCURRENT ASSETS			
Restricted Assets			
Pooled Cash and Cash Equivalents, and Other Investments	101,069	--	749,547
Investments Held by Escrow and Fiscal Agents	6,714	--	787,125
Total Restricted Assets	107,783	--	1,536,672
Long-term Investment			
Investment in Joint Ventures	--	--	7,033
Capital Assets			
Land	40,859	139,592	3,001,333
Construction in Progress	494,148	--	8,156,313
Buildings, Facilities and Equipment	8,663,746	597,264	58,662,638
Natural Gas Field	--	--	139,416
Nuclear Fuel	--	--	39,316
Intangible Assets	--	--	365,745
Accumulated Depreciation/Amortization	(4,471,117)	(341,345)	(24,108,163)
Total Capital Assets, Net	4,727,636	395,511	46,256,598
Other Noncurrent Assets			
Loans and Notes Receivable	--	--	58,309
Derivative Instruments	--	--	41,431
Advances to Other Funds	11,617	--	11,617
Regulatory Assets	--	--	1,793,188
Other Assets	--	--	35,712
Total Other Noncurrent Assets	11,617	--	1,940,257
TOTAL NONCURRENT ASSETS	4,847,036	395,511	49,740,560
TOTAL ASSETS	5,495,434	412,955	58,982,108
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows from Debt Refunding	55,426	--	122,798
Deferred Outflows from Asset Retirement Obligation	--	--	30,409
Deferred Outflows from Pensions	--	--	1,158,675
Deferred Outflows from OPEB	--	--	326,051
TOTAL DEFERRED OUTFLOWS OF RESOURCES	55,426	--	1,637,933

Continued...

CITY OF LOS ANGELES

Statement of Net Position - (Continued)
Proprietary Funds
June 30, 2021
(amounts expressed in thousands)

	Business-type Activities - Enterprise Funds			
	Airports	Harbor	Power	Water
LIABILITIES				
CURRENT LIABILITIES				
Accounts, Contracts and Retainage Payable	\$ 615,185	\$ 35,388	\$ 459,218	\$ 192,496
Obligations Under Securities Lending Transactions	15,779	7,274	16,366	6,563
Accrued Salaries and Overtime Payable	8,977	6,055	61,055	28,285
Accrued Compensated Absences Payable	6,392	12,745	98,598	50,833
Due to Other Funds	--	--	--	20,131
Deposits and Advances	--	--	--	230,280
Accrued Interest Payable	60,530	13,558	223,487	118,942
Bonds and Notes Payable - Current Portion	242,586	47,190	266,853	147,799
Other Current Liabilities	62,134	51,650	--	11,950
TOTAL CURRENT LIABILITIES	1,011,583	173,860	1,125,577	807,279
LONG-TERM LIABILITIES				
Bonds and Notes Payable - Noncurrent Portion (Net of Unamortized Premiums and Discounts of \$3,451,955)	9,454,707	684,167	11,093,929	6,592,366
Net Pension Liability	1,023,839	287,255	752,368	359,273
Net OPEB Liability	81,728	25,534	191,446	91,420
Asset Retirement Obligation	--	--	236,596	--
Other Long-term Liabilities	146,376	109,274	134,338	22,879
TOTAL LONG-TERM LIABILITIES	10,706,650	1,106,230	12,408,677	7,065,938
TOTAL LIABILITIES	11,718,233	1,280,090	13,534,254	7,873,217
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflows from Business Activities	--	--	186,473	--
Deferred inflows from Derivative Instruments	--	--	41,431	--
Deferred Inflows from Debt Refunding	40,508	--	25,767	26,974
Deferred Inflows from Pensions	24,738	11,027	67,081	30,103
Deferred Inflows from OPEB	31,596	10,176	261,075	125,561
TOTAL DEFERRED INFLOWS OF RESOURCES	96,842	21,203	581,827	182,638
NET POSITION				
Net Investment in Capital Assets	5,403,747	3,016,153	2,086,159	2,834,989
Restricted for:				
Debt Service	--	42,435	742,942	90,115
Passenger/Customer Facility Charges	335,431	--	--	--
Other Purposes	238,685	--	270,825	36,000
Unrestricted (Deficit)	(102,869)	632,095	3,017,666	723,549
TOTAL NET POSITION	\$ 5,874,994	\$ 3,690,683	\$ 6,117,592	\$ 3,684,653

Continued..

CITY OF LOS ANGELES
Statement of Net Position - (Continued)
Proprietary Funds
June 30, 2021
(amounts expressed in thousands)

	Business-type Activities - Enterprise Funds		
	Sewer	Nonmajor Convention Center	Total
LIABILITIES			
CURRENT LIABILITIES			
Accounts, Contracts and Retainage Payable	\$ 61,963	\$ 1,544	\$ 1,365,794
Obligations Under Securities Lending Transactions	--	--	45,982
Accrued Salaries and Overtime Payable	--	519	104,891
Accrued Compensated Absences Payable	--	280	168,848
Due to Other Funds	2,351	--	22,482
Deposits and Advances	--	2,253	232,533
Accrued Interest Payable	10,803	--	427,320
Bonds and Notes Payable - Current Portion	261,500	--	965,928
Other Current Liabilities	820	--	126,554
TOTAL CURRENT LIABILITIES	337,437	4,596	3,460,332
LONG-TERM LIABILITIES			
Bonds and Notes Payable - Noncurrent Portion (Net of Unamortized Premiums and Discounts of \$3,451,955)	2,659,985	--	30,485,154
Net Pension Liability	--	--	2,422,735
Net OPEB Liability	--	--	390,128
Asset Retirement Obligation	--	--	236,596
Other Long-term Liabilities	43,064	--	455,931
TOTAL LONG-TERM LIABILITIES	2,703,049	--	33,990,544
TOTAL LIABILITIES	3,040,486	4,596	37,450,876
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows from Business Activities	--	--	186,473
Deferred inflows from Derivative Instruments	--	--	41,431
Deferred Inflows from Debt Refunding	346	--	93,595
Deferred Inflows from Pensions	--	--	132,949
Deferred Inflows from OPEB	--	--	428,408
TOTAL DEFERRED INFLOWS OF RESOURCES	346	--	882,856
NET POSITION			
Net Investment in Capital Assets	2,008,391	395,511	15,744,950
Restricted for:			
Debt Service	26,187	--	901,679
Passenger/Customer Facility Charges	--	--	335,431
Other Purposes	57,444	--	602,954
Unrestricted (Deficit)	418,006	12,848	4,701,295
TOTAL NET POSITION	\$ 2,510,028	\$ 408,359	\$ 22,286,309

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

CITY OF LOS ANGELES

**Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2021
(amounts expressed in thousands)**

	Business-type Activities - Enterprise Funds			
	Airports	Harbor	Power	Water
OPERATING REVENUES				
Charges for Services	\$ 164,693	\$ 463,849	\$ 4,268,478	\$ 1,463,781
Rents, Concessions and Royalties	891,672	80,479	--	--
Other Operating Revenues	15,791	27,683	--	--
TOTAL OPERATING REVENUES	1,072,156	572,011	4,268,478	1,463,781
OPERATING EXPENSES				
Fuel for Generation	--	--	228,697	--
Purchased Power/Water	--	--	1,301,394	296,261
Maintenance and Repairs	--	--	377,165	370,345
Operating and Administrative	792,778	273,968	945,993	202,985
Depreciation and Amortization	444,981	153,304	671,090	207,264
TOTAL OPERATING EXPENSES	1,237,759	427,272	3,524,339	1,076,855
OPERATING INCOME (LOSS)	(165,603)	144,739	744,139	386,926
NONOPERATING REVENUES (EXPENSES)				
Investment Income (Loss)	(6,099)	(413)	7,249	(677)
Interest Expense	(311,701)	(21,763)	(358,959)	(208,656)
Other Income (Expenses), Net	102,942	(1,019)	138,054	20,307
TOTAL NONOPERATING REVENUES (EXPENSES)	(214,858)	(23,195)	(213,656)	(189,026)
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	(380,461)	121,544	530,483	197,900
Capital Contributions	331,730	7,116	103,459	92,739
Transfers Out	--	--	(218,355)	--
CHANGE IN NET POSITION	(48,731)	128,660	415,587	290,639
NET POSITION, JULY 1	5,923,725	3,562,023	5,702,005	3,394,014
NET POSITION, JUNE 30	\$ 5,874,994	\$ 3,690,683	\$ 6,117,592	\$ 3,684,653

Continued...

CITY OF LOS ANGELES

Statement of Revenues, Expenses and Changes in Fund Net Position - (Continued)
Proprietary Funds
For the Fiscal Year Ended June 30, 2021
(amounts expressed in thousands)

	Business-type Activities - Enterprise Funds		
	Sewer	Nonmajor Convention Center	Total
OPERATING REVENUES			
Charges for Services	\$ 777,401	\$ 329	\$ 7,138,531
Rents, Concessions and Royalties	--	14,853	987,004
Other Operating Revenues	11,354	3,715	58,543
TOTAL OPERATING REVENUES	788,755	18,897	8,184,078
OPERATING EXPENSES			
Fuel for Generation	--	--	228,697
Purchased Power/Water	--	--	1,597,655
Maintenance and Repairs	--	1,202	748,712
Operating and Administrative	318,637	22,766	2,557,127
Depreciation and Amortization	207,364	12,879	1,696,882
TOTAL OPERATING EXPENSES	526,001	36,847	6,829,073
OPERATING INCOME (LOSS)	262,754	(17,950)	1,355,005
NONOPERATING REVENUES (EXPENSES)			
Investment Income (Loss)	48	17	125
Interest Expense	(101,865)	--	(1,002,944)
Other Income (Expenses), Net	20,119	--	280,403
TOTAL NONOPERATING REVENUES (EXPENSES)	(81,698)	17	(722,416)
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	181,056	(17,933)	632,589
Capital Contributions	19,615	--	554,659
Transfers Out	--	--	(218,355)
CHANGE IN NET POSITION	200,671	(17,933)	968,893
NET POSITION, JULY 1	2,309,357	426,292	21,317,416
NET POSITION, JUNE 30	\$ 2,510,028	\$ 408,359	\$ 22,286,309

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

CITY OF LOS ANGELES

**Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2021
(amounts expressed in thousands)**

	Business-type Activities - Enterprise Funds			
	Airports	Harbor	Power	Water
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from Customers and Users	\$ 1,157,010	\$ 546,230	\$ 4,363,545	\$ 1,475,241
Receipts for Interfund Services	--	--	717,466	630,284
Payments to Suppliers	(170,232)	(87,319)	(1,974,344)	(333,332)
Payments to Employees	(460,223)	(140,054)	(814,761)	(401,340)
Payments for Interfund Services	(120,948)	(45,876)	(907,606)	(713,684)
Cash received from nonoperating revenues	--	--	--	--
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	405,607	272,981	1,384,300	657,169
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers Out	--	--	(218,355)	--
Cash Received from Noncapital Grants	10,129	1,839	--	--
NET CASH PROVIDED BY (USED FOR) NONCAPITAL FINANCING ACTIVITIES	10,129	1,839	(218,355)	--
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and Construction of Capital Assets	(2,480,056)	(134,507)	(1,230,577)	(746,418)
Proceeds from Sales of Capital Assets	--	53	--	--
Receipts from Passenger/Customer Facility Charges	80,738	--	--	--
Proceeds from Sale of Bonds, Notes and Loans	1,807,435	--	880,325	561,085
Payments on Bonds, Notes and Loans - Interest	(368,932)	(33,660)	(460,722)	(246,291)
Payments on Bonds, Notes and Loans - Principal	(190,696)	(45,410)	(179,405)	(90,351)
Payments of Bonds and Notes - Expenses	(2,292)	--	--	--
Capital Contributions/Grants Received	399,418	7,433	90,905	55,972
Federal Bond Subsidies	--	--	27,800	15,163
Other	--	5	--	--
NET CASH (USED FOR) CAPITAL AND RELATED FINANCING ACTIVITIES	(754,385)	(206,086)	(871,674)	(450,840)
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment (loss) income	(6,253)	(460)	(1,081)	(124)
Cash Collateral Receipts Under Securities Lending Transactions	2,873	1,629	--	--
(Purchase) Sale of Investment Securities	36,574	13,619	(37,025)	(742)
Proceeds from Notes Receivable	--	--	155,920	--
Payments to Bond Reserve Fund	--	(153)	--	--
NET CASH PROVIDED BY (USED FOR) INVESTING ACTIVITIES	33,194	14,635	117,814	(866)

Continued...

CITY OF LOS ANGELES

Statement of Cash Flows - (Continued)
Proprietary Funds
For the Fiscal Year Ended June 30, 2021
(amounts expressed in thousands)

	Business-type Activities - Enterprise Funds		
	Sewer	Nonmajor Convention Center	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers and Users	\$ 744,248	\$ 21,815	\$ 8,308,089
Receipts for Interfund Services	--	--	1,347,750
Payments to Suppliers	(54,710)	(13,534)	(2,633,471)
Payments to Employees	--	(7,281)	(1,823,659)
Payments for Interfund Services	(279,482)	(3,306)	(2,070,902)
Cash received from nonoperating revenues	8,594	--	8,594
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	418,650	(2,306)	3,136,401
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers Out	--	--	(218,355)
Cash Received from Noncapital Grants	--	--	11,968
NET CASH PROVIDED BY (USED FOR) NONCAPITAL FINANCING ACTIVITIES	--	--	(206,387)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and Construction of Capital Assets	(267,584)	(68)	(4,859,210)
Proceeds from Sales of Capital Assets	--	--	53
Receipts from Passenger/Customer Facility Charges	--	--	80,738
Proceeds from Sale of Bonds, Notes and Loans	115,000	--	3,363,845
Payments on Bonds, Notes and Loans - Interest	(122,320)	--	(1,231,925)
Payments on Bonds, Notes and Loans - Principal	(107,148)	--	(613,010)
Payments of Bonds and Notes - Expenses	(1,000)	--	(3,292)
Capital Contributions/Grants Received	14,836	--	568,564
Federal Bond Subsidies	8,333	--	51,296
Other	--	--	5
NET CASH (USED FOR) CAPITAL AND RELATED FINANCING ACTIVITIES	(359,883)	(68)	(2,642,936)
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment (loss) income	335	17	(7,566)
Cash Collateral Receipts Under Securities Lending Transactions	--	--	4,502
(Purchase) Sale of Investment Securities	--	--	12,426
Proceeds from Notes Receivable	--	--	155,920
Payments to Bond Reserve Fund	--	--	(153)
NET CASH PROVIDED BY (USED FOR) INVESTING ACTIVITIES	335	17	165,129

Continued...

CITY OF LOS ANGELES

**Statement of Cash Flows - (Continued)
Proprietary Funds
For the Fiscal Year Ended June 30, 2021
(amounts expressed in thousands)**

	Business-type Activities - Enterprise Funds			
	Airports	Harbor	Power	Water
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	\$ (305,455)	\$ 83,369	\$ 412,085	\$ 205,463
CASH AND CASH EQUIVALENTS, JULY 1	3,091,124	940,772	1,994,753	885,409
CASH AND CASH EQUIVALENTS, JUNE 30	<u>\$ 2,785,669</u>	<u>\$ 1,024,141</u>	<u>\$ 2,406,838</u>	<u>\$ 1,090,872</u>
CASH AND CASH EQUIVALENTS COMPONENTS				
Unrestricted Cash, Pooled and Other Investments	\$ 1,491,140	\$ 1,012,012	\$ 1,432,492	\$ 733,243
Restricted Cash, Pooled and Other Investments	627,539	12,129	974,346	357,629
Unrestricted Investments, Held by Escrow and Fiscal Agents	2,147	--	--	--
Restricted Investments Held by Escrow and Fiscal Agents	664,843	--	--	--
TOTAL CASH AND CASH EQUIVALENTS, JUNE 30	<u>\$ 2,785,669</u>	<u>\$ 1,024,141</u>	<u>\$ 2,406,838</u>	<u>\$ 1,090,872</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES				
Operating Income (Loss)	\$ (165,603)	\$ 144,739	\$ 744,139	\$ 386,926
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided By (Used For) Operating Activities:				
Depreciation and Amortization	444,981	153,304	671,090	207,264
Depletion	--	--	12,366	--
Amortization of Nuclear Fuel	--	--	13,268	--
Bad Debts Provision	(1,881)	257	77,529	18,813
Other Nonoperating (Expenses) Revenues	(1,701)	--	--	--
Decrease (Increase) in Assets				
Loans Receivable	30,636	--	--	--
Accounts Receivable	93,970	(26,037)	(259,868)	(77,304)
Accrued Unbilled Revenue	(35,920)	--	--	--
Due from Other Funds	--	--	(18,523)	--
Inventories	--	(115)	(2,629)	(9,477)
Prepaid Items and Other Assets	798	89	19,713	901
Increase (Decrease) in Liabilities and Deferred Amounts				
Other Assets	--	--	--	45,645
Asset Retirement Obligation	--	--	(765)	--
Accounts, Contracts and Retainage Payable	9,054	(7,886)	60,642	111,796
Accrued Salaries and Overtime Payable	(30,309)	414	6,505	14,481
Accrued Compensated Absences Payable	1,800	--	21,381	--
Due to Other Funds	--	--	--	18,523
Deferred Inflows, Credits and Other Liabilities	--	2,483	53,468	(51,032)
Deposits and Advances	--	--	--	(28,071)
Pension/OPEB Liabilities and Changes in Deferred Outflows and Inflows of Resources	60,354	5,733	(9,009)	15,026
Other Liabilities	(572)	--	(5,007)	3,678
TOTAL ADJUSTMENTS	<u>571,210</u>	<u>128,242</u>	<u>640,161</u>	<u>270,243</u>
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	<u>\$ 405,607</u>	<u>\$ 272,981</u>	<u>\$ 1,384,300</u>	<u>\$ 657,169</u>
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES				
Net Proceeds of Refunding Bonds Deposited with an Irrevocable Trust Account	\$ 679,895	\$ --	\$ 193,100	\$ 82,800
Defeased Debt and Costs Paid Through Escrow with Revenue Bonds	(679,895)	--	(193,000)	(82,800)
Acquisition of Capital Assets Included in Accounts and Contracts Payable	432,048	6,023	68,000	59,252
Changes in Contributions in Relation to Capital Assets	67,688	7,433	--	--
Write-Off (Loss) on Discontinued Construction Project	--	3,719	--	--
Amortization of Deferred Charges on Refunding	--	--	--	--
Sewage Disposal Contracts Capital Contributions	--	--	--	--

Continued..

CITY OF LOS ANGELES

**Statement of Cash Flows - (Continued)
Proprietary Funds
For the Fiscal Year Ended June 30, 2021
(amounts expressed in thousands)**

	Business-type Activities - Enterprise Funds		
	Sewer	Nonmajor Convention Center	Total
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS			
CASH AND CASH EQUIVALENTS, JULY 1	\$ 59,102	\$ (2,357)	\$ 452,207
CASH AND CASH EQUIVALENTS, JUNE 30	<u>\$ 340,424</u>	<u>19,086</u>	<u>7,271,568</u>
	<u>\$ 399,526</u>	<u>\$ 16,729</u>	<u>\$ 7,723,775</u>
CASH AND CASH EQUIVALENTS COMPONENTS			
Unrestricted Cash, Pooled and Other Investments	\$ 168,735	\$ 16,729	\$ 4,854,351
Restricted Cash, Pooled and Other Investments	230,791	--	2,202,434
Unrestricted Investments, Held by Escrow and Fiscal Agents	--	--	2,147
Restricted Investments Held by Escrow and Fiscal Agents	--	--	664,843
TOTAL CASH AND CASH EQUIVALENTS, JUNE 30	<u>\$ 399,526</u>	<u>\$ 16,729</u>	<u>\$ 7,723,775</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES			
Operating Income (Loss)	\$ 262,754	\$ (17,950)	\$ 1,355,005
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided By (Used For) Operating Activities:			
Depreciation and Amortization	207,364	12,879	1,696,882
Depletion	--	--	12,366
Amortization of Nuclear Fuel	--	--	13,268
Bad Debts Provision	365	--	95,083
Other Nonoperating (Expenses) Revenues	8,594	--	6,893
Decrease (Increase) in Assets			
Loans Receivable	--	--	30,636
Accounts Receivable	(44,872)	2,918	(311,193)
Accrued Unbilled Revenue	--	--	(35,920)
Due from Other Funds	--	--	(18,523)
Inventories	(910)	--	(13,131)
Prepaid Items and Other Assets	--	(66)	21,435
Increase (Decrease) in Liabilities and Deferred Amounts			
Other Assets	--	--	45,645
Asset Retirement Obligation	--	--	(765)
Accounts, Contracts and Retainage Payable	(21,473)	(529)	151,604
Accrued Salaries and Overtime Payable	--	(22)	(8,931)
Accrued Compensated Absences Payable	--	(48)	23,133
Due to Other Funds	6,828	--	25,351
Deferred Inflows, Credits and Other Liabilities	--	--	4,919
Deposits and Advances	--	512	(27,559)
Pension/OPEB Liabilities and Changes in Deferred Outflows and Inflows of Resources	--	--	72,104
Other Liabilities	--	--	(1,901)
TOTAL ADJUSTMENTS	<u>155,896</u>	<u>15,644</u>	<u>1,781,396</u>
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	<u>\$ 418,650</u>	<u>\$ (2,306)</u>	<u>\$ 3,136,401</u>
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES			
Net Proceeds of Refunding Bonds Deposited with an Irrevocable Trust Account	\$ --	\$ --	\$ 955,795
Defeased Debt and Costs Paid Through Escrow with Revenue Bonds	--	--	(955,695)
Acquisition of Capital Assets Included in Accounts and Contracts Payable	27,010	--	592,333
Changes in Contributions in Relation to Capital Assets	--	--	75,121
Write-Off (Loss) on Discontinued Construction Project	331	--	4,050
Amortization of Deferred Charges on Refunding	10,989	--	10,989
Sewage Disposal Contracts Capital Contributions	385	--	385

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

CITY OF LOS ANGELES

**Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2021
(amounts expressed in thousands)**

	Pension and Other Postemployment Benefits Trust Funds	Custodial Funds
ASSETS		
Cash and Pooled Investments	\$ 92,465	\$ 176,004
Accounts Receivable	95,445	--
Special Assessments Receivable	--	248
Investment Income Receivable	184,915	15
Advance to Other Entities	468,408	--
Investments		
Short-term Investments	3,522,065	--
US and Other Government Obligations	6,919,603	--
Domestic Stocks and Bonds	28,415,606	--
International Stocks and Bonds	18,015,536	--
Real Estate	3,767,191	--
Venture Capital and Alternative Investments	10,928,124	--
Securities Lending Collateral	2,027,137	--
Fixed Income and Other Investments	2,183,295	--
Prepaid Expense	27	--
Prepaid Health Subsidy	12,286	--
Capital Assets (Net of Accumulated Depreciation of \$11,483)	67,192	--
TOTAL ASSETS	76,699,295	176,267
LIABILITIES		
Accounts Payable and Accrued Expenses	178,662	--
Benefits in Process of Payment	27,795	--
Due to Brokers	1,014,221	--
Fiduciary Liabilities	--	384
Obligations Under Securities Lending Transactions	2,027,138	64
Due to Other Entities	--	2,552
Mortgage Loan Payable - Current Portion	21,268	--
Mortgage Loan Payable - Noncurrent Portion	196,680	--
Deposits and Advances	37	3,936
TOTAL LIABILITIES	3,465,801	6,936
NET POSITION		
Restricted for:		
Pension Plans	63,553,459	--
Disability Plan	51,214	--
Death Benefit Plan	40,738	--
Postemployment Healthcare Plans	9,588,083	--
Individuals, Organizations and Other Governments	--	169,331
TOTAL NET POSITION	\$ 73,233,494	\$ 169,331

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

CITY OF LOS ANGELES

**Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Fiscal Year Ended June 30, 2021
(amounts expressed in thousands)**

	Pension and Other Postemployment Benefits Trust Funds	Custodial Funds
ADDITIONS		
Contributions		
Employer	\$ 1,929,300	\$ --
Plan Member	540,290	--
Total contributions	<u>2,469,590</u>	<u>--</u>
Self-Funded Insurance Premium	10,924	--
Health Insurance Premium Reserve	919	--
Tax Collections from Community Facilities Districts	--	8,435
Collections for Clean Fuel Rewards Program	--	297,723
Investment Income		
Net Appreciation (Depreciation) in Fair Value of Investments	16,103,111	(134)
Interest Income	382,767	58
Income from Alternative Investments	121,689	--
Dividend Income	616,981	--
Securities Lending Income	13,097	64
Other Investment Income	47,552	--
Income from Real Estate Investments	<u>95,567</u>	<u>--</u>
Investment Income	17,380,764	(12)
Investment Expense	(316,024)	--
Securities Lending Expense	<u>(2,028)</u>	<u>--</u>
Net Investment Income	<u>17,062,712</u>	<u>(12)</u>
Other Income	<u>1,376</u>	<u>--</u>
TOTAL ADDITIONS	<u>19,545,521</u>	<u>306,146</u>
DEDUCTIONS		
Benefits Payments	3,368,510	--
Refunds of Member Contributions	28,579	--
Administrative Expenses	63,372	--
Payments for Clean Fuel Rewards Program	--	136,707
Debt Service Payments for Community Facilities Districts	<u>--</u>	<u>7,906</u>
TOTAL DEDUCTIONS	<u>3,460,461</u>	<u>144,613</u>
CHANGE IN NET POSITION		
Pension Plans	13,790,699	--
Disability Plan	1,286	--
Death Benefit Plan	3,373	--
Postemployment Healthcare Plans	2,289,702	--
Individuals, Organizations and Other Governments	<u>--</u>	<u>161,533</u>
TOTAL CHANGE IN NET POSITION	<u>16,085,060</u>	<u>161,533</u>
NET POSITION, JULY 1	<u>57,148,434</u>	<u>7,798</u>
NET POSITION, JUNE 30	<u>\$ 73,233,494</u>	<u>\$ 169,331</u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS

The Notes to the Basic Financial Statements (Notes) include disclosures considered necessary for a better understanding of the accompanying basic financial statements. An index to the Notes follows:

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NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. General

The City of Los Angeles (City) was incorporated in 1850 under the provisions of a city charter. The current Charter was approved by the electorate on June 8, 1999 and became operative on July 1, 2000.

The City operates under a mayor-council form of government. As Executive Officer, the Mayor supervises the administrative process of the City and works with the Council in matters relating to legislation, budget, and finance. As governing body of the City, the 15-member full-time Council enacts ordinances, levies taxes, approves utility rates, authorizes contracts and public improvements, adopts zoning and other land use controls, and provides the necessary resources for the budgetary departments and offices of the City. Council action is subject to the approval or veto of the Mayor, and Council may override a mayoral veto by a two-thirds vote. The Charter provides for an independently elected City Attorney and independently elected City Controller.

Public services provided by the City include: police; fire and emergency medical services; residential refuse collection and disposal, wastewater collection and treatment, street maintenance, and other public works functions; enforcement of ordinances and statutes relating to building safety; public libraries; recreation and parks; community and economic development; housing and aging services; land use planning; airports; harbor; power and water services; sewer, and the convention center.

B. Reporting Entity

In evaluating how to define the City for financial reporting purposes, management has considered all potential component units. The primary criteria for including a potential component unit within the reporting entity are the governing body's financial accountability and a financial benefit or burden relationship. A primary government is financially accountable and shares a financial benefit or burden relationship if it appoints a voting majority of an organization's governing body and is able to impose its will on the organization, or if there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens, on the primary government. A primary government may also be financially accountable if an organization is fiscally dependent on the primary government regardless of whether the organization has a separately elected governing board, a governing board appointed by a higher level of government, or a jointly appointed board, and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government.

1. Blended Component Unit

Although the following is legally separate from the City, it has been "blended" as though it is part of the City because there is a financial benefit or burden relationship between the City and the component unit; management of the City has operational responsibilities for the component unit; and the component unit provides services entirely to the City.

Municipal Improvement Corporation of Los Angeles

The Municipal Improvement Corporation of Los Angeles (MICLA) is a non-profit corporation formed in 1984 for the sole purpose of providing financial assistance to the City for the acquisition of property and equipment, and the construction of buildings and other improvements, for the benefit of the public, through the issuance of lease revenue bonds, certificates of participation and commercial paper notes. MICLA's Board of Directors (Board) consists of five members. Appointments to fill vacancies are made by the Board, subject to City Council approval. Board members do not receive compensation. The City indemnifies Board members for any liabilities occurring in connection with the performance of their duties. MICLA is reported as major special revenue and debt service funds.

2. Investment in Joint Ventures

The following entities are joint ventures of the Department of Harbor:

Intermodal Container Transfer Facility Joint Powers Authority (ICTF)
Alameda Corridor Transportation Authority (ACTA)

3. Excluded Organizations

Jointly Governed Organizations

The Los Angeles Memorial Coliseum Commission (Commission) was created by a joint powers agreement between the City, the County of Los Angeles (County), and the California Museum of Science and Industry. Its purpose is to provide for the operation and maintenance of the Coliseum. The Commission is not a City function and operates independent of City oversight and financial accountability. City appointees comprise 33% of the Commission.

The Los Angeles Homeless Services Authority (LAHSA) was created by a joint exercise of powers agreement with the County to provide homeless services to residents. It is governed by a ten-member commission. Five members are appointed by the City and five by the County Board of Supervisors. LAHSA operates independently of City oversight and financial accountability.

Related Organization

The Housing Authority of the City of Los Angeles (HACLA) is an organization for which the City has appointed the voting majority of the members of the governing body but for which the City is not financially accountable.

The City retains and exercises its authority over the entity only as provided by the Municipal Code and Federal laws. The entity is fiscally independent from the City. The City is unable to impose its will on the daily operations of the entity. The City's accountability to this entity is limited to removal of a commissioner by the Mayor or the entire board by the City Council for cause and under due process.

4. Separately Audited Financial Statements

City Departments and Component Unit

Separately audited financial statements may be obtained through the Office of the City Controller, 200 North Main Street, Room 300, Los Angeles, California 90012, for the following:

Department of Airports (Airports)

Department of Harbor (Harbor)

Department of Water and Power (DWP)

Sewer Construction and Maintenance Fund (Sewer)

Los Angeles City Employees' Retirement System (LACERS)

Fire and Police Pension System (Pensions)

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

Municipal Improvement Corporation of Los Angeles (MICLA)

Jointly Governed and Related Organizations

Coliseum Commission: 500 West Temple Street, Los Angeles, CA 90012

LAHSA: 707 Wilshire Blvd., 10th Floor, Los Angeles, CA 90017

HACLA: 2600 Wilshire Blvd., Los Angeles, CA 90057

C. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's business-type activities and certain other governmental functions. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely, to a significant extent, on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or program. Included in the direct expenses are indirect costs, such as fringe benefits, administrative overhead, and liability claims, which are allocated to the specific function or program. Charges for workers' compensation, telephone and information technology services, postage, and fleet services are not allocated and are included as part of the general government functional activity. Amounts reported as program revenues include charges to customers or applicants for goods, services, or privileges provided; and operating and capital grants and contributions, including special assessments, that are restricted to meeting operational or capital requirements of a particular function or segment. Revenues that do not meet the criteria to be reported as program revenues are reported as general revenues. All taxes, even those levied for a specific purpose, are reported as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and individual enterprise funds are reported as separate columns in the fund financial statements.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first and then unrestricted resources as they are needed.

D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the Proprietary Funds and Fiduciary Funds financial statements. Revenues are recognized when earned and expenses are recognized when a liability is incurred, regardless of the timing of related cash flows.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due, while expenditures related to compensated absences, claims and judgments, and landfill closure and postclosure care costs are recognized to the extent that they are normally expected to be liquidated with expendable available resources and are due and payable at year-end.

Revenues susceptible to accrual are property taxes, business taxes, sales taxes, utility users' taxes, transient occupancy tax, charges for services, special assessments, franchise income, licenses and permits, investment income, and Federal and State grants and subventions. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenues from Federal and State grants and subventions are recognized when applicable eligibility requirements, including time requirements, are met and the resources are available.

Notes to the Basic Financial Statements

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds are charges to customers for sales and services while operating expenses include cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The City reports the following major governmental funds:

The *General Fund* is the primary operating fund of the City. It is used to account for all financial resources of the general government, except those required to be accounted for in other funds.

The *MICLA Special Revenue and Debt Service Funds* account for the activity of the City's public financing entity component unit, which finances the acquisition of real property and equipment, the construction of buildings, and other improvements for the benefit of the public. The assets acquired or constructed by MICLA are leased to the City under long-term capital lease agreements and become property of the City at the termination of the lease. MICLA derives its operating revenues primarily from rental income (interest portion) paid by the City. The effects of the capital lease arrangements have been eliminated from the basic financial statements.

The City reports the following major enterprise funds:

The *Airports Fund* accounts for the operation, maintenance and development of City airports: Los Angeles International Airport and Van Nuys Airport.

The *Harbor Fund* accounts for the operations of the Harbor formed for purposes of maritime commerce, navigation, fisheries and water-dependent activities for the benefit of the State of California.

The *Power and Water Funds* account for the operations of DWP in supplying the City and its inhabitants with water and electric power by constructing, operating, and maintaining facilities located throughout the City, and Inyo and Mono Counties.

The *Sewer Fund* accounts for the construction, operations, and maintenance of the City's wastewater collection and treatment system.

The City reports the Convention Center Fund as a nonmajor enterprise fund. The Convention Center Fund accounts for the operation of the Los Angeles Convention Center and Exhibition Hall and other related facilities.

Additionally, the City reports the following fund types:

The *Pension and Other Postemployment Benefits Trust Funds* account for the activities of the City's three single-employer defined benefit pension plans, namely: Fire and Police Pension Plan; Los Angeles City Employees' Retirement Plan; and Water and Power Employees' Retirement and Disability Pension Plans; and defined benefit postemployment plans provided through the defined benefit pension plans, namely: Fire and Police Health Subsidy Plan, Los Angeles City Employees' Postemployment Healthcare Plan, and Water and Power Employees' Retiree Health Plan and Death Benefit Plan, respectively.

The *Custodial Funds* account for activities carried out exclusively for the benefit of that outside of the City but not administered through other fiduciary trusts or equivalent arrangements such as assessments for payments of certain conduit debt and monies seized by the law enforcement pending judgment.

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position

1. Cash and Cash Equivalents

For purposes of the statement of cash flows, all governmental and proprietary fund cash and pooled investments with the City Treasurer, cash deposits and other short-term investments that are both readily convertible to known amounts of cash and have maturities of three months or less at the time of purchase, are considered to be cash and cash equivalents.

2 Receivables

The City's receivables are comprised mainly of notes, loans, accounts, and taxes. Accounts receivable and taxes receivable are reported net of an allowance for uncollectible amounts.

Loans Receivable

The City uses funds generated from the former Community Redevelopment Agency (CRA), State and Federal funding sources to offer financial assistance and below-market interest rates to qualified developers, individuals and families primarily for housing development, rehabilitation, economic development, and voter approved debt. Repayment terms on these loans can be classified in the following categories: 1) Deferred loans which are due and payable only upon sale or transfer of title to the property; 2) Amortizing loans which have a set monthly payment, which may be interest bearing or principal only; 3) Service payback loans which by their terms result in no money being paid to the City; 4) Forgivable loans which may convert to grants depending on the terms of the loan agreements; 5) Residual receipts loans which require repayments only when the properties have positive cash flows pursuant to a formula set forth in the loan agreement; 6) Renewal deferred loans which have no scheduled debt service other than renewable maturity dates and may be routinely extended; 7) Term loans which are essentially balloon payment loans; and 8) Equity share loans which have a 30-year term with the original principal amount plus a percentage share of the home appreciation paid upon sale, transfer or other repayment event.

In the financial statements, loans receivable are reported net of the allowance for uncollectibles. In estimating the allowance, the following were considered: a) composition of the loan portfolio; b) past write-off experience, c) past market valuation; and d) average year-end allowance balance as a percentage of the total portfolio. The allowance estimate is continually evaluated and adjusted to reflect what management believes to be the net realizable value of the total loan portfolio. The net loans receivable balance of \$2.1 billion includes net interest receivable of \$569.6 million at June 30, 2021.

3. Inventories

Inventories for materials and supplies, valued on an average cost basis for the governmental activities and governmental funds, consist of expendable supplies held for consumption and are recorded as expenditures when purchased in the fund financial statements, but are recorded as expenses when consumed in the government-wide statement of activities.

For the business-type activities and proprietary funds, inventories for materials and supplies are stated at the lower of average cost or fair value except for Airports, which uses cost on a first-in, first-out basis. Fuel is recorded at the lower of cost or fair value on an average cost basis.

4. Restricted Assets

For governmental activities and governmental funds, assets of \$10.5 million are classified as restricted because their use is limited to activities related to low and moderate income housing projects, public works projects, and systematic code enforcement.

Business-type activities' and proprietary funds' restricted assets of \$3.7 billion include amounts restricted for accumulated resources for debt service payments, nuclear decommissioning funds, natural gas fund, hazardous waste treatment storage and disposal fund, bond security funds, construction funds, restricted passenger/customer facility charges, customer security deposits, China Shipping and Community Mitigation Fund, Narcotics/Customs Enforcement Forfeiture Fund, Clean Truck Program and Fee Fund, Batiquitos Environmental Fund and Harbor Restoration Fund.

5. Capital Assets

Capital assets, which include property, plant, equipment, intangible assets, and infrastructure assets (e.g. streets and bridges) are reported in the applicable governmental or business-type activities columns in the government-wide statement of net position and in the proprietary funds statement of net position. Generally, assets with an individual cost of at least \$5,000 and an estimated useful life of more than one year are capitalized. Purchased or constructed capital assets and intangible assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Assets acquired by donation are recorded at estimated acquisition value on the date received.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Depreciation, which includes amortization of assets under capital leases, is computed using the straight-line method over the estimated useful or service lives of the related assets, except as noted below.

Power's nuclear fuel is amortized and charged to fuel for generation on the basis of actual thermal energy produced relative to total thermal energy expected to be produced over the life of the fuel.

Power uses the successful efforts method of accounting for its investment in gas producing properties. Costs to acquire the mineral interest in gas producing properties, to drill and equip exploratory wells that find proven reserves, and to drill and equip development wells are capitalized. Costs to drill exploratory wells that do not find proven reserves are expensed. Capitalized costs of gas producing properties are depleted by the unit-of-production method based on the estimated future production of the proven wells. Depletion expense related to the gas field is recorded as a component of fuel for generation expense. During fiscal year 2021, Power recorded \$12.4 million of depletion expense.

The estimated useful lives of the City's capital assets are as follows:

Category	Governmental Activities	Business-type Activities
Infrastructure	10 - 138 years	--
Buildings and facilities	20 - 40 years	10 - 75 years
Equipment and vehicles	3 - 20 years	3 - 20 years
Wastewater collection system	--	80 years
Landplane ports	--	10 - 35 years
Power distribution, hydraulic and steam production, transmission plants	--	4 - 75 years
Treatment and pumping plants	--	5 - 50 years
Wharves and sheds	--	15 - 30 years
Intangible assets	5 - 22 years	20 years

The City's collection of artwork, certain scientific equipment, and zoo animals are not capitalized or depreciated. These capital assets are maintained for public exhibition, education, or research, and are being preserved for future generations. The proceeds from sales of any pieces of the collection are used to purchase other items for the collection.

Notes to the Basic Financial Statements

The City's infrastructure assets and the methods the City uses to report them are as follows:

Infrastructure	Reporting Method
Bridges	Modified
Stormwater system	Depreciation
Streets	Depreciation
Traffic signals	Depreciation
Automated traffic surveillance and control	Depreciation
Bikepaths	Depreciation
Fiber optic telecommunication system	Depreciation
Street lighting system	Depreciation
Street pavement markings	Depreciation
Traffic signs	Depreciation

The modified approach is used in reporting the City's bridges infrastructure system. A comprehensive bridge database system, the Bridges and Tunnels System, enables the City to track the entire bridge inventory, the structural condition of various bridge elements, and bridge sufficiency ratings. Condition assessments of these structures are completed in a three-year cycle. The latest assessment report was as of December 31, 2019. A system of letter grades identifies the condition of each structure. Letter grades "A" through "D" represent the condition of the structure as Very Good, Good to Fair, Fair to Poor, and Very Poor. "F" rating symbolizes a failed condition where replacement of the structure is necessary. These letter grades are based on sufficiency ratings, or the overall condition of the structure based on the last inspection. It is the City's policy that at least 70% of the bridges are rated "B" or better and that no bridge shall be rated worse than "D".

The City performs regular inspection and maintenance of the various structural elements for any defects. Funds for annual estimated inspection, maintenance and repair costs are provided in the City's budget. Bridges are excluded in the determination of depreciation provisions for capital assets, while preservation and maintenance costs are charged to expense. Additional information on the condition ratings of City bridges, sufficiency ratings, estimated and actual maintenance, and preservation costs are found in the Required Supplementary Information.

6. Compensated Absences

Accrued Vacation and Sick Leave

Eligible civilian employees accumulate vacation leave up to a maximum of 600 hours, depending on the length of service. Fire sworn employees accumulate vacation leave up to 900 hours, while Police sworn employees have a maximum of 600 hours, depending on the length of service and duty assignment. All employees are paid their accumulated leave upon termination or retirement.

All vacation pay is accrued when incurred in the government-wide, proprietary, and fiduciary funds financial statements. For the governmental funds, earned vacation is recorded as expenditures to the extent that they are normally expected to be liquidated with expendable available resources and are due and payable at year-end. For governmental activities, earned vacation is generally liquidated by the General Fund.

City employees (except those of the DWP) are entitled to 96 hours of sick leave at full pay and 40 hours at 75% of full pay for each calendar year of employment. Sworn employees are entitled also to 40 hours at 50% of full pay. Employees may accumulate sick leave up to 800 hours at full pay and 800 hours at 75% of full pay. The City pays 50% of the excess over the maximum accumulated 800 hours at full pay in the subsequent calendar year. Upon retirement, the City pays 50% of the accumulated sick time at full pay. There is no provision for the payment of the accumulated sick time at 75% of full pay. Fire Department sworn employees under Memoranda of Understanding (MOU) 22 and 23 may accumulate up to 1,632 hours at full pay, depending on the duty assignment. The City pays 100% of the accumulated sick time at full pay upon retirement.

DWP employees accumulate 40 hours of sick leave per year to a maximum of 80 hours. Any excess over the maximum is paid to the employee at 100% of their current salary rate. The employee goes on disability after taking ten consecutive days of sick leave.

Vacation and sick leave are accrued as determined by the agreement between the City and the respective employees' collective bargaining group. For governmental funds, compensated absence obligations are recorded in the appropriate governmental funds when due. The portion not currently due is recorded in the government-wide financial statements. For proprietary funds, compensated absences are expensed when earned by employees. At year-end, the accrued but unpaid compensated absence obligations are recorded as current and noncurrent liabilities in the appropriate proprietary funds.

Accumulated Compensated Time-Off

Accumulated compensated time-off is reported in the government-wide financial statements. For governmental funds, expenditures are recognized to the extent that they are normally expected to be liquidated with expendable available resources and are due and payable at year-end. Also, for governmental activities, accumulated compensated time-off is generally liquidated by the General Fund.

7. Regulatory Assets and Liabilities

Regulatory assets and liabilities were created by Power and Water by deferring certain expenses and revenues that are recoverable or payable by future rate charges in accordance with current rate ordinances, so as to evenly match the recognition of revenue and expenses with the electric and water rates charged to retail customers.

8. Other Assets

Other assets of Power totaling \$35.7 million as of June 30, 2021 represent future receivables from customers related to costs incurred for renewable energy projects and the investments made in power reliability. The 2012 and 2016 Electric Rate Ordinances allowed these costs to be recovered through current rates. The costs are amortized over a ten-year period and are expected to be fully recovered by 2022.

9. Risk Management

The City is self-administered and self-funded for workers' compensation, most property damage, and the majority of tort liability exposures. Commercial insurance is used where it is legally required, contractually required, or judged to be the most effective way to finance risk. Indemnity and insurance protection is also required from all City contractors, vendors, lessees and permit holders. Insurance coverage has exceeded claims settlements in each of the past three years.

Claims and judgments are recorded when it is probable that an asset has been impaired or a liability has been incurred and the amount of loss can be reasonably estimated. The recorded estimated liability for claims and judgments includes a provision for incurred but not reported (IBNR) liabilities for workers' compensation, tort cases and liabilities for allocated expenses. For the governmental funds, only that portion of the liability is recognized that is normally expected to be liquidated with expendable available resources and is due and payable at year-end. For governmental activities, liability for claims and judgments is generally liquidated by the General Fund.

10. Long-term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Gains or losses from refunding of debt are reported as deferred inflows or outflows of resources and amortized over the shorter of the life of the refunded debt or refunding debt. Amortization of these balances is recorded as a component of interest expense.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing

Notes to the Basic Financial Statements

sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. More detailed information on the City's long-term obligations can be found in Note 4I of the Notes to the Basic Financial Statements.

11. Property Taxes

Secured property taxes are levied on or before the first business day of September of each year. They become a lien on real property on January 1 preceding the fiscal year for which taxes are levied. These tax payments can be made in two equal installments; the first is due November 1 and delinquent with penalties after December 10; the second is due February 1 and delinquent with penalties after April 10.

Secured property taxes that are delinquent and unpaid as of June 30 are declared to be tax defaulted and are subject to redemption penalties, costs, and interest when paid. If the delinquent taxes are not paid at the end of five years, the property can be sold at public auction. The proceeds are used to pay the delinquent amounts due, and any excess is remitted, if claimed, to the taxpayer. Additional tax liens are created when there is a change in ownership of property or upon completion of new construction. Tax bills for these new tax liens are issued throughout the fiscal year and contain various payments and delinquent dates but are generally due within one year. Unsecured personal property taxes are not a lien against real property. These taxes are due on January 1 and become delinquent, if unpaid, on August 31. The County assesses, bills, and collects property taxes for all jurisdictions within its borders and remits the applicable portion less an administrative fee to the City throughout the year. Payments are normally remitted on the 20th day of the month.

12. Interfund Transactions

Interfund transactions are reflected as loans, services provided, reimbursements, or transfers. Loans are reported as receivables and payables as appropriate and are subject to elimination in the government-wide financial statements. Services provided are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide presentation. More detailed information on the City's interfund transactions can be found in Note 4G of the Notes to the Basic Financial Statements.

13. Fund Equity

In the fund financial statements, governmental funds report fund balances based on the extent to which the City is bound to observe constraints on the use of the governmental funds' resources. Fund balances are classified as follows:

- **Nonspendable** - includes amounts that are either 1) not in spendable form, or 2) legally or contractually required to be maintained intact. Inventories, prepaid items, and certain advances to other funds are classified as nonspendable fund balances.
- **Restricted** - includes amounts that can only be used for specific purposes due to constraints imposed by external resource providers or by enabling legislation. Restrictions may be changed or lifted only with the consent of resource providers.
- **Committed** - includes amounts that can be used for specific purposes pursuant to an ordinance passed by the Council and approved by the Mayor. Commitments may be changed or lifted only by the City taking the same formal action that imposed the constraint originally.
- **Assigned** - includes amounts that are not classified as nonspendable, restricted or committed, but are intended to be used by the City for specific purposes. Intent is expressed by action of the Council to assign amounts to be used for specific purposes. The Council may authorize executive officers to assign fund balances for specific purposes through Council files.

Notes to the Basic Financial Statements

- Unassigned - includes amounts that are not assigned to other funds and do not meet the criteria for being classified as restricted, committed, or assigned in the General Fund, which is the only fund that reports a positive unassigned fund balance amount. Fund balances that can be utilized for economic stabilization, emergencies and contingencies that do not qualify as restricted or committed are reported as unassigned. In other governmental funds, the unassigned classification is used only if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes.

Notes to the Basic Financial Statements

In circumstances when an expenditure is made for a purpose for which amounts are available in multiple fund balance categories, fund balance is depleted in the order of restricted, committed, assigned and unassigned. Fund balances for all the major and nonmajor governmental funds as of June 30, 2021, were distributed as follows (in thousands):

	MICLA			Nonmajor Governmental Funds	Total
	General	Special Revenue	Debt Service		
NONSPENDABLE					
Advances to Other Funds	\$ 21,374	\$ --	\$ --	\$ --	\$ 21,374
Inventories	39,760	--	--	10,671	50,431
Prepaid Items and Other Assets	34	--	--	8,802	8,836
	<u>61,168</u>	<u>--</u>	<u>--</u>	<u>19,473</u>	<u>80,641</u>
RESTRICTED					
Affordable Housing, Community Development and Services	--	--	--	1,909,981	1,909,981
Debt Service	--	--	113,059	156,130	269,189
Fee Supported Programs	--	--	--	4,812	4,812
Fire and Crime Prevention and Emergency Services	--	--	--	41,742	41,742
Fire and Police Facilities	--	--	--	7,150	7,150
Governmental Functions and Services	--	--	--	21,179	21,179
Library and Cultural Activities	--	--	--	88,162	88,162
Other Capital Projects and Improvements	--	33,862	--	15,336	49,198
Recreation and Parks	--	--	--	620,885	620,885
Stormwater and Sanitation Projects and Services	--	--	--	159,396	159,396
Street Projects and Maintenance	--	--	--	18,295	18,295
Transit Projects and Services	--	--	--	533,749	533,749
	<u>--</u>	<u>33,862</u>	<u>113,059</u>	<u>3,576,817</u>	<u>3,723,738</u>
COMMITTED					
Affordable Housing, Community Development and Services	66,775	--	--	367,329	434,104
Fee Supported Programs	--	--	--	657,288	657,288
Fire and Crime Prevention and Emergency Services	4,692	--	--	11,010	15,702
Street Projects and Maintenance	--	--	--	161,163	161,163
Governmental Functions and Services	266	--	--	92,059	92,325
Library and Cultural Activities	--	--	--	28,799	28,799
Other Capital Projects and Improvements	--	--	--	11,085	11,085
Recreation and Parks	--	--	--	44,253	44,253
Stormwater and Sanitation Projects and Services	--	--	--	137,733	137,733
Transit Projects and Services	--	--	--	52,402	52,402
	<u>71,733</u>	<u>--</u>	<u>--</u>	<u>1,563,121</u>	<u>1,634,854</u>
ASSIGNED					
Affordable Housing, Community Development and Services	1,136	--	--	2,938	4,074
Fire and Crime Prevention and Emergency Services	10,023	--	--	--	10,023
Governmental Functions and Services	282,836	--	--	--	282,836
Library and Cultural Activities	3,894	--	--	--	3,894
Other Capital Projects and Improvements	22,191	--	--	--	22,191
Community and Economic Development	16,184	--	--	--	16,184
Health and Sanitation	10,422	--	--	--	10,422
Public Safety	42,848	--	--	--	42,848
Public Works and Transportation	37,120	--	--	--	37,120
	<u>426,654</u>	<u>--</u>	<u>--</u>	<u>2,938</u>	<u>429,592</u>
UNASSIGNED					
Reserve, Emergency and Contingency	544,759	--	--	--	544,759
Economic Stabilization	119,663	--	--	--	119,663
Unassigned	--	--	--	(60,562)	(60,562)
	<u>664,422</u>	<u>--</u>	<u>--</u>	<u>(60,562)</u>	<u>603,860</u>
	<u>\$ 1,223,977</u>	<u>\$ 33,862</u>	<u>\$ 113,059</u>	<u>\$ 5,101,787</u>	<u>\$ 6,472,685</u>

Reserve Fund

The Reserve Fund is where unrestricted cash is set aside outside the budget for unforeseen expenditures and emergencies. The Charter and Administrative Code provide for a Reserve Fund Policy which establishes an Emergency Reserve Account and a Contingency Reserve Account.

Funds for urgent economic necessity based on a significant economic downturn, an earthquake or other natural disaster after the budget is completed are provided in the Emergency Reserve Account. To utilize funds from this account, a finding by the Mayor, with confirmation by the Council is required, as well as a determination that no other viable sources of funds are available.

The Contingency Reserve Account provides additional funding in the event that there are unanticipated expenses or revenue shortfalls impacting programs approved in the current year budget. Funds must be appropriated by a vote of at least a majority of the Council with mayoral concurrence, or by a super-majority of the Council in the event of a mayoral veto.

The Reserve Fund Policy establishes a goal for the Reserve Fund of 5% of the budgeted General Fund receipts, with a minimum of 2.75% in the Emergency Account, and any additional funds allocated to the Contingency Reserve Account.

As of June 30, 2021, the City's Emergency and Contingency Reserve cash accounts were \$183.9 million and \$749.1 million, respectively.

Budget Stabilization Fund

The purpose of the Budget Stabilization Fund (BSF) is to set aside savings during periods of robust economic growth that can then be drawn upon to stabilize revenues during economic downturns. This Fund is comprised of excess revenue from seven economy-sensitive General Fund taxes: Property Tax, Utilities Users' Tax, Business Tax, Sales Tax, Transient Occupancy Tax, Documentary Tax, and Parking Users' Tax.

Pursuant to the Los Angeles Administrative Code Section 5.120.4, when budgeted growth in the cumulative receipts from the seven General Fund taxes exceeds the Average Annual Ongoing Growth Threshold (the average ongoing annual growth over the prior 20 years), the budget must include a deposit into the Fund, subject to certain exceptions. For every one half percent that revenues exceed the Average Annual Ongoing Growth Threshold, five percent of the value of that excess revenue must be deposited into the BSF, not to exceed 25 percent of the excess growth. When growth of these receipts falls short of the Average Annual Ongoing Growth Threshold, the Budget may include a withdrawal from the BSF in the amount of five percent of the value of the lost revenue for each one percent of growth below the Growth Threshold.

The City's BSF does not meet the criteria for a stabilization arrangement for reporting the funds as either restricted or committed. As such, the BSF is reported as unassigned fund balance in the General Fund. As of June 30, 2021, the BSF's fund balance was \$119.7 million.

14. Deferred Outflows/Inflows of Resources

A deferred outflow of resources is defined as a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. A deferred inflow of resources is defined as an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Unamortized portions of the gain and loss on refunding debt are reported as deferred inflows and deferred outflows of resources, respectively. Deferred outflows of resources are reported for loss on debt refunding, changes in the value of the asset retirement obligation, and changes related to pensions and other postemployment benefits (OPEB). Deferred inflows of resources are reported for changes related to pensions and OPEB, gains on debt refunding, changes in the fair value of hedging derivative instruments, and regulated business activities. In addition to this, when an asset is recorded in the governmental fund financial statements but the revenue is not available, a deferred inflow of resources is reported until such time as the revenue becomes available.

Notes to the Basic Financial Statements

For purposes of measuring the net pension and OPEB liabilities, deferred outflows of resources and deferred inflows of resources related to pensions and OPEB, pension and OPEB expenses, information about the fiduciary net position, and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported by Pensions, LACERS, and DWP Plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. Reported results pertain to liability and asset information as of the measurement date of June 30, 2020.

Power reported deferred inflows of resources from business activities of \$186.5 million at June 30, 2021, which pertain to revenues collected from customers where funds are deferred for future stabilization or deferred because the earnings process is not complete, consistent with accounting standards applicable to regulated utilities. For the fiscal year ended June 30, 2021, Power did not recognize any of this revenue.

15. Net Position

The government-wide and proprietary fund financial statements utilize a net position presentation. Net position is categorized as follows:

- Net investment in capital assets - This category groups all capital assets into one component of net position. Accumulated depreciation/amortization and the outstanding balances of debt that are attributable to the acquisition, construction, or improvement of these assets reduce the balance in this category. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction or improvement of those assets or related debt are also included in this component of net position.
- Restricted net position - This category represents either external restrictions imposed by creditors (such as bond covenants), grantors, contributors, or laws and regulations of other governments, or restrictions imposed by law through constitutional provisions or enabling legislation. At June 30, 2021, the governmental activities restricted net position totaled \$4.1 billion, of which \$994.4 million is restricted by enabling legislation. Business-type activities' restricted net position totaled \$1.8 billion, of which \$574.1 million is restricted by enabling legislation.
- Unrestricted net position - This category represents net position of the City that is not "restricted" or "net investment in capital assets."

16. Use of Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the amounts in the financial statements and accompanying notes. Actual results could differ from the estimates.

17. Reclassifications

Certain reclassifications have been made to amounts reported in the governmental funds and separately audited financial statements of certain proprietary funds, Pension and Other Postemployment Benefits Trust funds, and other component units to conform to the City reporting entity's report format and to account for transactions between the City's reporting entity and such entities in accordance with GAAP.

18. Adoption of New GASB Pronouncements

The City adopted the following in fiscal year 2021:

GASB Statement No. 93, "Replacement of Interbank Offered Rates." Issued in March 2020, this statement is to address accounting and financial reporting implications that result from the replacement of an interbank offered rate (IBOR) such as the London Interbank Offered Rate (LIBOR). It also identifies appropriate benchmark interest rates for hedging derivative instruments. The removal of LIBOR as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2021. All other requirements of this statement are effective for reporting periods

beginning after June 15, 2020. City implemented the non-LIBOR portion of this statement in fiscal year 2021 without material impact.

GASB Statement No. 98, "The Annual Comprehensive Financial Report." Issued in October 2021, this statement established the term annual comprehensive financial report and its acronym ACFR. The new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments. City early implemented the Statement in fiscal year 2021.

19. Recent GASB Pronouncements for Future Adoption

The City is currently analyzing its accounting practices to determine the potential impact on the financial statements of the following recent GASB Statements:

GASB Statement No. 87, "Leases." Issued in June 2017, this statement establishes standards of accounting and financial reporting for leases by lessees and lessors. It provides guidance on accounting treatment of lease assets, lease liability, short-term leases, certain regulated leases, measurement for leases other than short-term leases and contracts that transfer ownership, subleases, lease-leaseback transactions, intra-entity leases, and leases between related parties. The statement will be effective beginning fiscal year 2022.

GASB Statement No. 91, "Conduit Debt Obligations." Issued in May 2019, this statement provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The statement will be effective beginning fiscal year 2023.

GASB Statement No. 92, "Omnibus 2020." Issued in January 2020, this statement was issued for clarity and consistency by addressing practice issues identified from the implementation and application of certain GASB statements. The statement will be effective beginning fiscal year 2022.

GASB Statement No. 93, "Replacement of Interbank Offered Rates." Issued in March 2020, this statement is to address accounting and financial reporting implications that result from the replacement of an interbank offered rate (IBOR) such as the London Interbank Offered Rate (LIBOR). It also identifies appropriate benchmark interest rates for hedging derivative instruments. The removal of LIBOR as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2021. All other requirements of this statement are effective for reporting periods beginning after June 15, 2020. City implemented the non-LIBOR portion of this statement in fiscal year 2021 without material impact.

GASB Statement No. 94, "Public-Private and Public-Public Partnerships and Availability Payment Arrangements." Issued in March 2020, this statement is to improve financial reporting by establishing the definitions of public-private and public-public partnership arrangements (PPPs) and available payment arrangements (APAs) and providing uniform guidance on accounting and financial reporting for transactions that meet those definitions. The statement will be effective beginning fiscal year 2023.

GASB Statement No. 96, "Subscription-Based Information Technology Arrangements." Issued in May 2020, this statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for governments by (1) defining a SBITA, (2) establishing that a SBITA results in a right-to-use subscription asset-an intangible asset-and a corresponding subscription liability, (3) providing the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA, and (4) requiring note disclosures regarding a SBITA. The statement will be effective beginning fiscal year 2023.

GASB Statement No. 97, "Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32." Issued in June 2020, this statement will result in more consistent financial reporting of defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans (e.g., certain Section 457 plans), while mitigating the costs associated with reporting those plans. The statement will be effective beginning fiscal year 2022.

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of Certain Differences Between the Governmental Funds Balance Sheet and the Government-wide Statement of Net Position

The governmental funds balance sheet includes reconciliation between *total fund balances-governmental funds* and *net position of governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that long-term liabilities, including net pension and OPEB liabilities and bonds payable, are not due and payable in the current period and therefore are not reported in the funds. The details of this \$17.2 billion difference are as follows (in thousands):

Direct Placements	\$ 64,469
Bonds, Certificates of Participation, and Notes	2,452,251
Add: Issuance Premium/Discount (to be amortized as interest expense)	171,645
Loans Payable to HUD	46,323
Capital Lease Obligations	42,799
Accrued Interest Payable	20,969
Accrued Compensated Absences	781,463
Claims and Judgments Payable	2,586,487
Landfill Liability	41,815
Estimated Pollution Remediation Liability	12,048
Net Pension Liability	8,856,479
Net OPEB Liability	2,094,472
Net adjustments to reduce governmental fund balances to arrive at governmental activities net position	<u>\$ 17,171,220</u>

B. Explanation of Certain Differences Between the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances and the Government-wide Statement of Activities

The governmental funds statement of revenues, expenditures and changes in fund balances includes reconciliation between *net change in fund balances-total governmental funds* and *change in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that governmental funds report capital outlays as expenditures. However in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The details of this \$188.9 million difference are as follows (in thousands):

Capital Outlays	\$ 611,105
Capital Outlays Not Capitalized	(55,543)
Donated Capital Assets	7,519
Depreciation Expense	<u>(374,206)</u>
Net adjustments to increase net change in fund balances of governmental funds to arrive at change in net position of governmental activities	<u>\$ 188,875</u>

Notes to the Basic Financial Statements

Another element of that reconciliation states that the issuance of long-term debt provides current financial resources to the governmental funds while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. The details of this \$155.5 million difference are as follows (in thousands):

Debt Issued or Incurred	
Certificates of Participation, Lease Revenue Bonds, and	
Direct Placements	\$ (514,879)
MICLA Commercial Paper Notes	(173,000)
Principal Repayments	
General Obligation Bonds	102,060
Certificates of Participation, Lease Revenue Bonds, and	
Direct Placements	496,698
Revenue Bonds	21,165
MICLA Commercial Paper Notes	178,400
Capital Lease Obligations	12,072
HUD Loans	33,025
Net adjustments to increase net change in fund balances of	
governmental funds to arrive at change in net position of	
governmental activities	<u>\$ 155,541</u>

Another element of that reconciliation states that some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. The details of this \$299.0 million difference are as follows (in thousands):

Increase in Accrued Compensated Absences	\$ 69,571
Increase in Estimated Claims and Judgments	234,191
Decrease in Accrued Landfill Liability	(1,375)
Decrease in Pollution Remediation Liability	(3,432)
Net adjustments to decrease net change in fund balances of	
governmental funds to arrive at change in net position of	
governmental activities	<u>\$ 298,955</u>

NOTE 3. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgets and Budgetary Basis of Accounting

Under the City Charter, the Mayor is required each year to submit to the Council a proposed budget by April 20th for the forthcoming fiscal year commencing July 1st. The proposed budget is based on the Mayor's budget priorities, the responses of the City Administrative Officer and City departments to the Mayor's Budget Policy Letter, which is distributed early in the fiscal year, and estimates of receipts from the City's various revenue sources. The Council's Budget and Finance Committee reviews the Mayor's Proposed Budget and reports its recommendations to the full Council. The Council must legally adopt the Mayor's Proposed Budget, as modified by the Council, by June 1st. The Mayor has five working days after adoption to approve or veto any items modified by the Council. The Council then has five working days to override by a two-thirds vote any items changed by the Mayor.

The City Council adopts an annual operating budget for 39 City departments, bureaus, and offices. The annual budget is essentially prepared on a departmental basis, with budgeted receipts and appropriations provided for the General Fund and certain Special Revenue, Debt Service, and Capital Projects Funds. Budgets are generally limited to funds which, in addition to the General Fund, finance the operations of the City departments.

Furthermore, the budgeted receipts and appropriations for the Allocations from Other Governmental Agencies nonmajor special revenue fund (which includes Animal Sterilization Fund, ATSA Trust Fund, Business Improvement Trust Fund, City Attorney Consumer Protection Fund, City Planning System Development Fund, Coastal Transportation Corridor Trust Fund, CRA Non-Housing Bond Proceeds Fund, DOT Expedited Fee Trust Fund, Federal Emergency Shelter Grant Fund, Foreclosure Registry Program Fund, Housing Impact Trust Fund, Housing Production Revolving Fund, Innovation Fund, LA Performance Partnership Pilot Fund, LA Regional Agency Trust Fund, Low and Moderate Income Housing Fund, Medical Intergovernmental Transfer Program Fund, Off-Site Sign Periodic Inspection Fee Fund, Permit Parking Program Revenue Fund, Pershing Square Special Trust Fund, Planning Long-Range Planning Fund, Repair and Demolition Fund, Short-term Enforcement Trust Fund, Sidewalk and Park Vending Trust Fund, Street Banners Revenue Trust Fund, LA County Youth Job Program Fund, Traffic Safety Education Program Fund, Transportation Regulation and Enforcement Fund, Used Oil Collection Trust Fund, Ventura/Cahuenga Corridor Plan Fund, Warner Center Mobility Trust Fund, Warner Center Transportation Trust Fund, and West LA Transportation Improvement and Mitigation Fund) are not all-inclusive because the budget provides for only the portion of fund receipts that are expended to finance City department operations.

The City does not budget for the financial activities of all its Governmental Funds. The following Governmental Funds are not included in the City's legally adopted annual operating budget:

General Fund

Reserve and certain other account components

Special Revenue

Major Fund:

Municipal Improvement Corporation

Nonmajor Funds:

Proposition HHH Loans Program

Recreation and Parks

Covid-19 Federal Relief Fund

Section 108 Loan Guarantee Program Funds

Transportation Grants

Certain Other Nonmajor Grant Funds

Certain Other Nonmajor Special Revenue Funds

Debt Service

Major Fund:

Municipal Improvement Corporation

Nonmajor Funds:

Solid Waste Resources

Certain Other Nonmajor Debt Service Funds

Capital Projects

Nonmajor Funds:

General Obligation Bonds Series 2003-A

General Obligation Bonds Series 2004-A

General Obligation Bonds Series 2005-A

General Obligation Bonds Series 2006-A

General Obligation Bonds Series 2008-A

General Obligation Bonds Series 2009

General Obligation Bonds Series 2011-A

Proposition HHH Facilities Program

Recreation and Parks Grant

Parks Assessment

Certain Other Nonmajor Capital Project Funds

For the majority of the funds listed above, expenditure authority is approved by Council action during the fiscal year.

The City's original budget is subject to revision to reflect changes in revenue projections and to make necessary adjustments to appropriations. Transfers of appropriations are approved by the Mayor subject to certain limitations and conditions. Funds appropriated in the general City budget or thereafter by the Council may be transferred to the Reserve Fund or Unappropriated Balance of the General Fund, or appropriated for the same or other purposes amending the budget and other spending authority, upon approval of the Mayor. The City permits intra-departmental transfer between department accounts in an amount not to exceed the limit of \$57,056 or 1% of the budget for the account receiving the transfer, whichever is greater. Approval of the Mayor is required for transfers between departments and/or funds in an amount not to exceed \$50,000. Transfers above these limits require Council approval.

During the fiscal year, capital related appropriations of \$175.0 million that were reappropriated from prior budget years were included in the current annual operating budget.

Unused and unencumbered appropriations lapse at year-end, with the exception of non-capital related continuing appropriations for certain Special Revenue and Capital Projects Funds that are carried forward to the next budget year. Capital related appropriations that are unused and unencumbered at year-end are reappropriated in the subsequent budget year.

The legal level of budgetary control (the level at which expenditures may not legally exceed appropriations) is as follows: The General Fund is by line item within each object by department, except for capital improvement program expenditures, which are controlled by projects. Object levels of expenditures are salaries, expense, equipment, special, capital outlay, and transfers. For the Special Revenue Funds, Debt Service Funds and Capital Projects Funds, the line items consist of departments, projects, debt service, equipment and programs. Because of the large volume of detail, the budget and actual schedules on a budgetary basis have been aggregated by fund and function in the combining and individual fund budgetary schedules.

The City's annual budget is prepared on a modified cash basis of accounting, which is different from GAAP. Revenues are recognized when cash is received, and expenditures include both cash disbursements and current year encumbered appropriations that have not been paid at the end of the budget year. Where no appropriation is adopted, payments of interfund borrowings (or payment of loans to other funds), though recorded as a component of other financing uses, are not treated as budgetary transactions and are excluded in the separate budget and actual statements.

Notes to the Basic Financial Statements

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is used in the Governmental Funds, except for certain Special Revenue and Capital Projects Funds whose assets are managed by a third-party trustee. Encumbrance balances will be included within restricted, committed or assigned fund balance based on the source of the constraints as described in Note 1E and 5C. These commitments will be honored in the subsequent year carryforward appropriations.

B. Reconciliation of Operations on Budgetary Basis to the GAAP Basis

The actual results of operations on a budgetary basis compared to the appropriations adopted by the City Council for budgeted major governmental funds are included in the fund financial statements. The comparisons of actual results with the budget for nonmajor funds are presented as supplemental information in the combining schedules.

Because accounting principles applied for purposes of developing data on a budgetary basis differ from those used to present financial information in accordance with GAAP, a reconciliation of the resultant basis and perspective differences on operations for the fiscal year ended June 30, 2021 is presented in the following pages for the City's budgeted major fund. The dollar amounts are expressed in thousands.

	<u>General Fund</u>
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses - Budgetary Basis	\$ 492,844
Basis Differences	
Adjustment for net changes to accrued assets and liabilities. The GAAP basis operating statement recognizes revenues as soon as they are both measurable and available, and expenditures generally are recorded when liability is incurred and is due and payable; whereas, the budgetary basis operating statement reflects revenue when received and expenditures when paid.	(216,205)
Interfund borrowings are recorded in the debtor fund as an other financing source "Loans from Other Funds" and in the creditor fund as an other financing use "Loans to Other Funds" (Budgetary) as opposed to "Due to Other Funds" in the debtor fund and "Due from Other Funds" in the creditor fund (GAAP).	50,912
Encumbrances, which represent commitments to acquire goods and services, are recorded as the equivalent of expenditures in the budget year incurred (budgetary), as opposed to a reservation of fund balance (GAAP).	
Encumbrances reported as budgetary expenditures	360,905
Prior year encumbrances expended in current year	(510,615)
Perspective Difference	
For purposes of the budget, the General Fund is a legal entity that is separate and distinct from the Reserve Fund and other accounts that are classified to have General Fund activity for GAAP purposes.	53,071
Additional Budgeted Funds included as General category but Reported in Nonmajor Special Revenue Funds	
Department of Neighborhood Empowerment	(21)
City Ethics Commission	39
Accessible Housing Fund	918
Net Change in Fund Balance - GAAP Basis	<u>\$ 231,848</u>

C. Deficit Fund Balance

The Workforce Innovation Opportunity Act Fund (WIOA) reported a deficit fund balance of \$5.2 million mainly from timing differences in the receipt of grant funds and front funding by the City of expenditures for various grant related projects. The WIOA deficit will be paid by future grant receipts from reimbursements of eligible government expenditures that have been incurred or transfer from other special revenue funds.

NOTE 4. DETAILED NOTES ON ALL FUNDS

A. Cash, Deposits and Investments

1. Summary of Cash and Investments

At June 30, 2021, the summary of cash, pooled, and other investments for governmental activities, business-type activities, and fiduciary funds is as follows (in thousands):

	Governmental Activities	Business-Type Activities	Fiduciary Funds		Total
			Pension and Other Postemployment Benefits Trust	Custodial Funds	
Cash and Pooled Investments	\$ 6,097,411	\$ 4,854,351	\$ 92,465	\$ 176,004	\$ 11,220,231
Other investments with Escrow and Fiscal Agents	762	43,578	-	-	44,340
Restricted Assets					
Cash and Pooled Investments	10,462	2,213,492	-	-	2,223,954
Cash and Investments with Escrow and Fiscal Agents	-	1,451,968	-	-	1,451,968
Investments of Retirement Systems	-	-	75,778,557	-	75,778,557
Total Deposits and Investments	<u>\$ 6,108,635</u>	<u>\$ 8,563,389</u>	<u>\$ 75,871,022</u>	<u>\$ 176,004</u>	<u>\$ 90,719,050</u>
Cash on hand					\$ 287
Deposits					282,059
Investments					
Pooled					13,119,655
Other					77,317,049
Total Deposits and Investments					<u>\$ 90,719,050</u>

Cash and Pooled Investments Held by the City Treasurer. The City maintains a cash and investment pool governed by the City's investment policy (the Policy) and established pursuant to the California Government Code. Each fund's portion of this pool is displayed on the accompanying governmental fund balance sheets, proprietary fund and fiduciary fund statements of net position as "Cash and Pooled Investments" and "Restricted Assets".

Other Investments. The City has investments outside the City Treasurer that are invested pursuant to various governing bond covenants and California Government Code provisions.

Other investments consist primarily of deposits and investments with trustees related to the issuance of bonds, contractor agreements and to certain loan programs operated by the City. These investments are pledged for the payment or security of the bonds, and in lieu of retention upon pending satisfactory completion of a contract.

Restricted Assets. Assets that is set aside for a particular purpose, primarily to satisfy regulatory or contractual requirements.

Investments of Retirement Systems. LACERS, Pensions and DWP Plans (Retirement Systems) funds are invested pursuant to the Los Angeles City Charter and the Retirement Systems' investment policies established by the Retirement Systems' Boards as required by Article XI Section 1106(d) of the City Charter. The Retirement Systems' Boards adopted asset allocation policies on the types of investments to ensure a diversified portfolio. The objective of each investment policy is to maximize the expected return of the funds at an agreed upon level of risk.

Investment Risk. The investments are subject to certain types of risk:

Interest Rate Risk. The risk that changes in interest rate will adversely affect the fair value of an investment.

Credit Risk. The risk that an issuer or other counterparty to an investment will not fulfill its obligations.

Concentration of Credit Risk. The risk of loss attributed to the magnitude of a government's investment in a single issuer.

Notes to the Basic Financial Statements

Custodial Credit Risk. For deposits, custodial credit risk is the risk that, in the event of the failure of a depository financial institution, the City will not be able to recover deposits or collateral securities from an outside party. For investments, custodial credit risk is the risk that, in the event of the failure of the counterparty to a transaction, the City will not be able to recover the value of investment or collateral securities from an outside party.

Foreign Currency Risk. The risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit.

These risks are addressed separately for the investments related to governmental and business-type activities and those related to the Retirement Systems.

2. Deposits

At June 30, 2021, the book balance of the City's deposits was \$282.0 million and the balance per various financial institutions was \$281.9 million. The difference of \$0.1 million represents primarily deposits in transit and other reconciling items. Of the bank balance, \$12.1 million was covered by Federal Deposit Insurance Corporation (FDIC) and \$269.8 million was uninsured. The uninsured deposits of \$269.8 million are held by financial institutions that are legally required by the California Government Code Section 53630 to collateralize the City's deposits by pledging certain eligible securities with a fair value of at least 110% of the City's deposits. The collateral is held by a third-party agent of the bank separate from the depository institution.

The City has a daylight overdraft facility with a bank that maintains the City's operating account, which may be used to facilitate intra-day transfers between City accounts. Any overdraft in the City's account, including any charges, must be repaid immediately without demand, except when the City and the bank agree otherwise or when the bank advises otherwise in writing.

3. Pooled Investments

The cash balances of substantially all funds on deposit in the City Treasury are pooled and invested by the City Treasurer for the purpose of maximizing interest earnings through pooled investment activities, but safety and liquidity still take precedence over return. Investments in special investment pools will be managed in accordance with respective pool's policy, if no policy exists, investments must comply with the California State Government Code Sections 53600-53635 et seq. Special pool participants include the City, Airports, Power, Water, Harbor, Sewer, and MICLA. Interest earned on pooled investments is allocated to and recorded in certain participating funds, as authorized by the Council and permitted by the City Charter and the California Government Code, based on each fund's average daily deposit balance. Unless allocation provisions are specifically stipulated in City ordinance, Council action, or funding source, interest earned on certain funds are allocated to and recorded in the General Fund. The City measures and categorizes its investments using fair value measurement guidelines established by generally accepted accounting principles.

Pursuant to California Government Code Section 53607 (State Code) and the Council File No. 94-2160, the City Treasury shall render to the Council a statement of investment policy (the Policy) annually. Council File No. 11-1740 was adopted on December 2, 2020, as the City's investment policy. This Policy shall remain in effect until the Council and the Mayor approve a subsequent revision. The Policy governs the City's pooled investment practices. The Policy addresses soundness of financial institutions in which the City Treasurer will deposit funds and types of investment instruments permitted by California Government Code Sections 53600-53638, 16340 and 16429.1. The City Treasury further reports that the current policy allows for the purchase of investments with maturities up to thirty (30) years.

Notes to the Basic Financial Statements

At June 30, 2021, the investments held in the City Treasury's General and Special Investment Pool Programs and their maturities are as follows (in thousands):

Type of Investments	Amount	Investment Maturities				
		1 to 30 Days	31 to 60 Days	61 to 365 Days	366 Days to 5 Years	Over 5 Years
U.S. Treasury Bills	\$ 279,289	\$ 181,480	\$ 39,998	\$ 57,811	\$ -	\$ -
U.S. Treasury Notes	7,617,677	-	-	581,856	4,538,790	2,497,031
U.S. Agencies Securities	535,039	-	-	72,882	296,667	165,490
Medium-Term Notes	1,236,167	-	-	245,158	991,009	-
Mutual Funds	2,468	2,468	-	-	-	-
Commercial Paper	1,489,447	668,876	296,790	523,781	-	-
Negotiable Certificates of Deposit	668,256	500,256	100,000	68,000	-	-
Municipal Bonds	20,330	-	-	20,330	-	-
Asset-Backed Securities	54,959	-	-	-	54,959	-
Supranational Obligations	101,746	-	-	-	101,746	-
Short-Term Investment Funds	1,020,887	1,020,887	-	-	-	-
Securities Lending Short-Term Repurchase Agreements	93,390	93,390	-	-	-	-
Total General and Special Pools	<u>\$ 13,119,655</u>	<u>\$ 2,467,357</u>	<u>\$ 436,788</u>	<u>\$ 1,569,818</u>	<u>\$ 5,983,171</u>	<u>\$ 2,662,521</u>

4. Fair Value Measurements

The City measures and categorizes its investments using fair value measurement guidelines established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset or liability. The levels of valuation inputs are as follows:

Level 1 - Quoted prices for identical assets or liabilities in an active market

Level 2 - Observable inputs other than quoted market prices

Level 3 - Unobservable inputs

At June 30, 2021, the fair value hierarchy of the City's General and Special Pool investments are as follows (in thousands):

Investments	Amount	Fair Value Measurements Using	
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Investments Subject to Fair Value Hierarchy			
U.S. Treasury Notes	\$ 7,617,677	\$ 200,880	\$ 7,416,797
U.S. Agencies Securities	529,439	-	529,439
Medium-Term Notes	1,236,167	-	1,236,167
Municipal Bonds	20,330	-	20,330
Asset-Backed Securities	54,959	-	54,959
Supranational Obligations	101,746	-	101,746
Total Investments Subject to Fair Value Hierarchy	<u>\$ 9,560,318</u>	<u>\$ 200,880</u>	<u>\$ 9,359,438</u>
Investments Not Subject to Fair Value Hierarchy			
Short-Term Investment Funds *	\$ 1,020,887		
U.S. Treasury Bills *	279,289		
U.S. Agencies Securities *	5,600		
Commercial Paper *	1,489,447		
Negotiable Certificates of Deposit*	668,256		
Securities Lending Short-Term Repurchase Agreement **	93,390		
Total Investments not Subject to Fair Value Hierarchy	<u>3,556,869</u>		
Total Investments Measured at Fair Value	<u>13,117,187</u>		
Investments Measured at the Net Asset Value (NAV) Mutual Funds - AMT-Free, Tax Exempt	2,468		
Total Investments	<u>\$ 13,119,655</u>		

* These investments are recorded at amortized cost and have remaining maturities of one year or less at the time of purchase.

** These investments are recorded based on the cash collateral received and reinvested in repurchase agreements.

Notes to the Basic Financial Statements

Investments classified in Level 1 of the fair value hierarchy, valued at \$200.9 million, are valued using observable unadjusted quoted prices in an active market.

Investments classified in Level 2, totaling \$9.4 billion, are valued using matrix pricing obtained from various pricing sources by our custodian bank. At the time of purchase, securities are automatically assigned a primary pricing source, that are used in the portfolio valuation report which are evaluated based on market inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers, and reference data.

Investments measured at NAV (in thousands):

	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Mutual Funds - AMT-Free, Tax Exempt	\$ 2,468	\$ -	Anytime	--

Mutual Fund investments measured at NAV normally invest substantially all of their assets in short-term, high quality municipal obligations that provide income exempt from Federal income taxes. The fund also may invest in high quality, short-term structured notes, which are derivative instruments whose value is tied to underlying municipal obligations. There are no restrictions on redemption and no stipulated redemption notice period.

Interest Rate Risk. The Policy limits the maturity of its investments to thirty years for the U.S. Treasury and U.S. Agency obligations; five years for medium-term notes, CD placement service, negotiable certificates of deposit, collateralized bank deposits, mortgage-backed and asset-backed securities, and supranational obligations; one year for repurchase agreements; 270 days for commercial paper; 92 days for reverse repurchase and securities lending agreements; and no maturity for mutual funds. The Policy also allows City funds with longer-term investments horizons, to be invested in securities that at the time of the investment have a term remaining to maturity in excess of five years, but with a maximum final maturity of thirty years.

Credit Risk. The Policy establishes minimum credit rating requirements for investments. There are no credit quality requirements for Local Agency Bonds, U.S. Treasury Obligations, State of California Obligations, California Local Agency Obligations, and U.S. Agency (U.S. government sponsored enterprises) Obligations. The City's \$535.0 million investments in U.S. government sponsored enterprises consist of securities issued by the Federal Home Loan Bank - \$22.1 million, Federal National Mortgage Association (Fannie Mae) - \$377.2 million, Federal Home Loan Mortgage Corporation (Freddie Mac) - \$15.5 million, Federal Farm Credit Bank - \$110.1 million, and Tennessee Valley Authority - \$10.1 million. Of the City's \$535.0 million investments in U.S. Agencies securities, \$5.6 million were rated A-1+ by S&P and P-1 by Moody's while the remaining \$529.4 million were rated AA+ by S&P and Aaa by Moody's.

Medium-term notes must have at least an A rating at the time of purchase. The City's investment in medium-term notes of \$1.2 billion were rated A or better by S&P and A3 or better by Moody's.

Commercial paper must be issued by corporations organized and operating within the U.S., have assets in excess of \$500 million, and debt other than commercial paper must be in a rating category of A or its equivalent or higher by a nationally recognized statistical rating organization (NRSRO), or the issuing corporation must be organized within the United States as a special purpose corporation, trust, or LLC, have program wide credit enhancements, and have commercial paper that is rated A-1 or higher, or the equivalent, by a NRSRO. The City's investments in commercial paper of \$1.5 billion were rated A-1+/A-1 and A-2 by S&P and P-1 by Moody's.

Mutual funds must receive the highest ranking by not less than two NRSROs. The City's \$2.5 million investments in mutual funds were rated AA_m by S&P and Aa_{mf} by Moody's.

Municipal bonds have no minimum rating requirement. The City's \$20.3 million investments in municipal bonds were rated AA- by S&P and Aa2 by Moody's.

Notes to the Basic Financial Statements

Supranational obligations must have a minimum of AA rating or better. The City's \$101.7 million investments in supranational obligations were rated AAA by S&P and Aaa by Moody's.

Investments in asset-backed securities of \$2.3 million were rated AAA by S&P and Aaa by Moody's, \$36.3 million were rated AAA by S&P were not rated by Moody's and the remaining \$16.4 million were not rated by S&P and were rated Aaa by Moody's.

Concentration of Credit Risk. The Policy does not allow more than 40% of its investment portfolio be invested in commercial paper, 30% in negotiable certificates of deposit, medium-term notes and supranational obligations, 20% in money market mutual funds, mortgage-backed and asset-backed securities, reverse repurchase and securities lending agreements. The Policy further provides for a maximum concentration limit of 10% in any one issuer including its related entities. There is no percentage limitation on the amounts that can be invested in U.S. Treasury and U.S. Agency obligations. The City's pooled investments comply with these requirements. GAAP requires disclosure of certain investments in any one issuer that represent 5% or more of total investments. Of the City's total pooled investments as of June 30, 2021, \$700.2 million (5.3%) was invested in Treasury Plus Money Market Fund.

The following table identifies the investment types that are authorized by the Policy as of June 30, 2021:

Investment Type	Maximum Maturity	Maximum Specified Percentage of Portfolio	Minimum Credit Quality Requirements
Local Agency Bonds	5 years	None	None
U.S. Treasury Obligations	30 years	None	None
State Obligations	5 years	None	None
CA Local Agency Obligations	5 years	None	None
U.S. Agency Obligations	30 years	None	None
Commercial Paper	270 days	40% ^A	A1/P1 ^B
Negotiable Certificates of Deposit	5 Years	30% ^C	None
Placement Service Deposits	5 years	30% ^D	None
Placement Service Certificates of Deposit	5 years	30% ^D	None
Repurchase Agreements	1 year	None	None
Reverse Repurchase Agreements and Securities Lending Agreements	92 days	20%	None ^E
Medium-Term Notes	5 years	30%	A > ^F
Money Market and Mutual Funds	N/A	20% ^G	Multiple ^{H, I}
Collateralized Bank Deposits ^J	5 years or Less	None	None
Mortgage-Backed and Asset-Backed Securities	5 years or Less	20%	A >
Local Agency Investment Fund (LAIF)	N/A	None	None
Voluntary Investment Program Fund ^K	N/A	None	None
Supranational Obligations ^L	5 years or Less	30%	AA>

Other restrictions on investments are summarized as follows:

- ^A No more than 40 percent of the Local Agency's money may be invested in eligible commercial paper. Notwithstanding section 53601, the City of the Los Angeles shall be subject to the concentration limits of this section for counties and for cities and counties in eligible commercial paper.
- ^B Issuing corporation must be organized and operating within the United States., have assets in excess of \$500 million, and debt other than commercial paper must be in a rating category of A or its equivalent or higher by a nationally recognized statistical rating organization, or the issuing corporation must be organized within the United States as a special purpose corporation, trust, or LLC, have program wide credit enhancements, and have commercial paper that is rated A-1 or higher, or the equivalent, by a nationally recognized statistical rating agency.

- ^C No more 30 percent of the agency's money may be in negotiable certificates of deposit that are authorized under Section 53601(i).
- ^D No more than 30 percent of the agency's money may be invested in deposits, including certificates of deposit, through a placement service (excludes negotiable certificates of deposit authorized under Section 53601(i)).
- ^E Reverse repurchase agreements must be made with primary dealers of the Federal Reserve Bank of New York or with a nationally or state chartered bank that has a significant relationship with the local agency. The local agency must have held the securities used for the agreements for at least 30 days.
- ^F Medium-term notes are defined in Section 53601 as "all corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States."
- ^G No more than 10 percent invested in any one mutual fund. This limitation does not apply to money market mutual funds.
- ^H A mutual fund must receive the highest ranking by not less than two nationally recognized rating agencies or the fund must retain an investment advisor who is registered with the SEC (or exempt from registration), has assets under management in excess of \$500 million, and has at least five years' experience investing in instruments authorized by Section 53601 and 53635.
- ^I A money market mutual fund must receive the highest ranking recognized statistical rating organizations or retain an investment advisor registered with the SEC or exempt from registration and who has not less than five year' experience investing in money market instruments with assets under management in excess of \$500 million.
- ^J Investments in notes, bonds, or other obligation under Section 53601(n) require that collateral be placed into the custody of a trust company or the trust department of a bank that is not affiliated with the issuer of the secured obligation, among other specific collateral requirements.
- ^K Local entities can deposit between \$200 million and \$10 billion into the Voluntary Investment Program Fund, upon approval by their governing bodies. Deposits in the fund will be invested in the Pooled Money Investment Account.
- ^L Only those obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development (IBRD), International Finance Corporation (IFC), and Inter-American Development Bank (IADB), with a maximum remaining maturity of five years or less.

General Investment Pool Securities Lending Program. Securities lending is permitted and limited under provisions of California Government Code Section 53601. The Council approved the Securities Lending Program (the SLP) on October 22, 1991 under Council File No. 91-1860, which complies with the California Government Code. The objectives of the SLP in priority order are safety of loaned securities and prudent investment of cash collateral to enhance revenue from the investment program. The SLP is governed by a separate policy and guidelines.

The City's custodial bank acts as the securities lending agent. In the event a counterparty defaults by reason of an act of insolvency, the bank shall take all actions, which it deems necessary or appropriate to liquidate permitted investment and collateral in connection with such transaction, and shall make a reasonable effort for two business days (Replacement Period) to apply the proceeds thereof to the purchase of securities identical to the loaned securities not returned. If during the Replacement Period the collateral liquidation proceeds are insufficient to replace any of the loaned securities not returned, the bank shall, subject to payment by the City of the amount of any losses on any permitted investments, pay such additional amounts as necessary to make such replacement.

Notes to the Basic Financial Statements

Under the provisions of the SLP, and in accordance with the California Government Code, no more than 20% of the fair value of the General Investment Pool (the Pool) is available for lending. The City loans out U.S. Treasury Notes, U.S. Agencies Securities, and Medium-Term Notes. The City receives cash as collateral on the loaned securities, which is reinvested in securities permitted under the Policy. In addition, the City receives securities as collateral on loaned securities, which the City has no ability to pledge or sell without borrower default. In accordance with the California Government Code, the securities lending agent marks to market the value of both the collateral and the reinvestments daily. Except for open loans where either party can terminate a lending contract on demand, term loans have a maximum life of 92 days. Earnings from securities lending accrue to the Pool and are allocated on a pro-rata basis to all Pool participants.

During fiscal year 2021, collateralizations on all loaned securities were compliant with the required 102% of the fair value. The City can sell collateral securities only in the event of borrower default. The lending agent provides indemnification for borrower default. There were no violations of legal or contractual provisions and no borrower or lending agent default losses during the fiscal year. There was no credit risk exposure to the City because the amounts owed to the borrowers exceeded the amounts borrowed. Loaned securities are held by the City's agents in the City's name and are not subject to custodial credit risk.

The following table provides information on securities lent and collateral received as of June 30, 2021 (in thousands):

Type of Investments Lent	
For Cash Collateral	
U.S. Treasury Notes	\$ 69,594
U.S. Agencies Securities	9,125
Medium-Term Notes	12,795
Total Cash Collateral	<u>91,514</u>
For Non-Cash Collateral	
U.S. Treasury Notes	208,912
U.S. Agencies Securities	25,898
Medium-Term Notes	3,633
Total Non-Cash Collateral	<u>238,443</u>
Total Fair Value of Securities Lent	<u>\$ 329,957</u>
Type of Collateral Received	
Cash Collateral *	\$ 93,390
Non-Cash Collateral **	
For Lent U.S. Treasury Notes, U.S. Agencies Securities and Medium-Term Notes	243,796
Total Collateral Received	<u>\$ 337,186</u>

* Amount represents cash collateral received and reinvested in repurchase agreements that have the mark-to-market value of the cash collateral pool at 102% for the liquidity of the portfolio and 100% for the duration portfolio for fiscal year 2021.

** The City has no ability to pledge or sell collateral securities without borrower default.

5. Other Investments

Other deposits and investments maintained outside the City Treasury are invested pursuant to policies adopted by the boards of commissioners of the City's pension systems and Water and Power, governing bond covenants or California Government Code provisions. Investments made under these provisions are reported as follows:

- Investments are stated at fair value.
- Pensions and other postemployment benefits investments are reported in accordance with generally accepted accounting principles.

Notes to the Basic Financial Statements

- Real estate investments are recorded in the financial statements under the equity method, and are carried at fair value as determined by real estate fund managers based on a periodic appraisals, and reports of investment advisors.
- The fair value of real estate investments were determined using a practical expedient based on the investments' net asset values per share or its equivalent.
- Investments denominated in foreign currencies are translated to the U.S. dollar at the rate of exchange in effect at the statement of fiduciary net position date, with resulting gains and losses recorded in the statement of changes in fiduciary net position.
- The fair value of alternative investments is estimated based on audited financial statements provided by the individual fund managers, which are based on the net asset value.
- Mortgages are valued on the basis of future principal and interest payments, and are discounted at prevailing interest rates for similar investments.

The City's other investments as of June 30, 2021 are as follows (in thousands):

DWP	\$ 779,407
Pensions	31,898,876
LACERS	23,307,350
DWP Plans	20,572,331
Others	759,085
Total	<u>\$ 77,317,049</u>

Department of Water and Power (DWP)

The City Charter grants the Board of Water and Power Commissioners control over the investments of all financial assets of DWP.

At June 30, 2021, the investments of DWP outside of the City's investment pool programs and their maturities are as follows (in thousands):

Type of Investments	Amount*	Investment Maturities				
		1 to 30 Days	31 to 60 Days	61 to 365 Days	366 Days to 5 Years	Over 5 Years
U.S. Government Securities	\$ 45,331	\$ 11,005	\$ 7,022	\$ 6,034	\$ 17,217	\$ 4,053
U.S. Agencies Securities	192,881	3,106	1,000	30,834	133,670	24,271
Supranationals	50,899	4,064	-	10,183	36,652	-
Medium-Term Notes	125,036	7	1,000	33,500	90,529	-
Commercial Paper	1,000	1,000	-	-	-	-
Negotiable Certificates of Deposit	31,564	2,600	3,301	25,663	-	-
Bankers acceptances	9,539	3,740	5,799	-	-	-
California Local Agency Bonds	133,699	2,675	20,942	22,202	87,880	-
California State Bonds	36,659	6,000	-	22,047	8,612	-
Other State Bonds	68,720	2,830	8,828	29,986	27,076	-
Money Market Funds	42,648	42,648	-	-	-	-
Total	<u>\$ 737,976</u>	<u>\$ 79,675</u>	<u>\$ 47,892</u>	<u>\$ 180,449</u>	<u>\$ 401,636</u>	<u>\$ 28,324</u>

*Excluded investment derivative instruments of \$41.4 million.

DWP holds investments and derivative instruments that are measured at fair value in the amount of \$41.4 million on a recurring basis. Because investing is not a core part of the DWP's mission, DWP determines that the disclosures related to these investments only need to be disaggregated by major type. DWP categorizes its fair value measurements within the fair value hierarchy established by U.S. generally accepted accounting principles. More detailed information on the Power Derivative Instruments can be found in Note 4N of the Notes to the Basic Financial Statements.

Notes to the Basic Financial Statements

At June 30, 2021, DWP's summary of the fair value hierarchy of investments are as follows (in thousands):

	Amount*	Fair Value Measurements Using			Not Classified
		Quoted Prices in	Significant Other	Significant	
		Active Markets for Identical Assets (Level 1)	Observable Inputs (Level 2)	Unobservable Inputs (Level 3)	
Investments by Fair Value Level					
Debt Securities					
U.S. Government Securities	\$ 45,331	\$ 45,331	\$ -	\$ -	-
U.S. Agencies Securities	192,881	-	192,881	-	-
Supranationals	50,899	-	50,899	-	-
Medium-Term Notes	125,036	-	125,036	-	-
California Local Agency Bonds	133,699	-	133,699	-	-
California State Bonds	36,659	-	36,659	-	-
Other State Bonds	68,720	-	68,720	-	-
Total Debt Securities	653,225	45,331	607,894	-	-
Other					
Commercial Paper	1,000	-	1,000	-	-
Negotiable Certificates of Deposit	31,564	-	31,564	-	-
Bankers acceptances	9,539	-	9,539	-	-
Money Market Funds	42,648	-	-	-	42,648
Total Other	84,751	-	42,103	-	42,648
Total Investments by Fair Value Level	\$ 737,976	\$ 45,331	\$ 649,997	\$ -	\$ 42,648

*Excluded investment derivative instruments of \$41.4 million.

Debt and other securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities classified in Level 2 of the fair value hierarchy are valued using a multidimensional relationship model or matrix pricing model utilizing market data including, but not limited to, benchmark yields, reported trades, and broker/dealer quotes. Money market funds with maturity dates of one year or less from the statement of net position and thus are recorded at amortized cost and not required to be classified.

Interest Rate Risk. DWP's investment policy limits the maturity of its investments to a maximum of 30 years for U.S. Government and U.S. Agencies securities; 5 years for supranational securities, medium-term corporate notes, municipal bonds, California local agency obligations, California State obligations, and other state obligations; 270 days for commercial paper; 397 days for certificates of deposit; and 180 days for bankers acceptances.

Credit Risk. Under its investment policy and the California Government Code, DWP is subject to the prudent investor standard of care in managing all aspects of its portfolios. The prudent investor standard requires that DWP "shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and in familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency."

The U.S. government securities in the portfolio consist of securities issued by or explicitly guaranteed by the U.S. government. All of the U.S. government securities in the portfolio, \$45.3 million as of June 30, 2021 carried the highest or second highest credit ratings of the Nationally Recognized Statistical Rating Organizations (NRSROs) that rated them.

The U.S. Agencies securities in the portfolio consist of securities issued by government-sponsored enterprises, which are not explicitly guaranteed by the U.S. government. Of the U.S. Agencies securities in the portfolio as of June 30, 2021, \$183.8 million (95.3%) was rated with either the highest or second highest possible credit ratings by the NRSROs that rated them and \$9.1 million (4.7%) was not rated.

Notes to the Basic Financial Statements

DWP's investment policy specifies that supranational notes must be rated AA or its equivalent or better by an NRSRO upon purchase. As of June 30, 2021, all of the DWP's investments in supranational notes were rated with the highest possible credit ratings by each of the NRSROs.

DWP's investment policy specifies that medium-term corporate notes must be rated in a rating category of A or its equivalent or better by a NRSRO upon purchase. Of DWP's investments in corporate notes as of June 30, 2021, \$4.0 million (3.2%) was rated in the category of AAA, \$46.3 million (37.1%) was rated in the category of AA, \$74.7 million (59.7%) was rated in the category of A by at least one NRSRO.

DWP's investment policy specifies that commercial paper must be of the highest ranking or of the highest letter and number rating as provided for by at least two NRSROs. As of June 30, 2021, all of the DWP's investments in commercial paper were rated with at least the highest letter and number rating as provided by at least two NRSROs.

DWP's investment policy provides that negotiable certificates of deposit must be of the highest ranking or letter and number rating as provided for by at least two NRSROs and that for non-negotiable certificates of deposit, the full amount of principal and interest is insured by the Federal Deposit Insurance Corporation (FDIC) or National Credit Union Administration. As of June 30, 2021, DWP's investments in certificates of deposits included \$31.6 million of negotiable certificates of deposit with at least the highest letter and number rating as provided by at least two NRSROs.

DWP's investment policy specifies that bankers acceptances must be of the highest ranking or letter and number rating as provided for by at least two NRSROs. As of June 30, 2021, all of DWP's investments in bankers acceptances were rated with at least the highest letter and number rating as provided by at least two NRSROs.

DWP's investment policy specifies that California Local Agency bonds, which include municipal commercial paper, must be rated in a rating category of A or its equivalent or better by a NRSRO. Of DWP's investments in California Local Agency bonds as of June 30, 2021, \$20.8 million (15.6%) was rated in the category of AAA; \$103.7 million (77.6%) was rated in the category of AA and \$9.2 million (6.8%) was rated in the category of A or the equivalent or better short-term rating by at least one NRSRO.

DWP's investment policy specifies that California State bonds must be rated in a rating category of A or its equivalent or better by a NRSRO. Of DWP's investments in California State bonds as of June 30, 2021, \$2.0 million (5.4%) was rated in the category of AAA, \$20.2 million (55.0%) was rated in the category of AA, \$14.5 million (39.6%) was rated in the category of A or the equivalent or better short term rating by at least one NRSRO.

DWP's investment policy specifies that obligations of other states in addition to California must be rated in a rating category of A or its equivalent or better by a NRSRO. Of DWP's investments in other state obligations as of June 30, 2021, \$9.2 million (13.4%) was rated in the category of AAA, \$48.4 million (70.4%) was rated in the category of AA, \$11.1 million (16.2%) was rated in the category of A or the equivalent or better short-term rating by at least one NRSRO.

DWP's investment policy specifies that money market funds may be purchased as allowed under the California Government Code, which requires that the fund must have either (1) attained the highest ranking or highest letter and numerical rating provided by not less than two NRSROs or (2) retained an investment advisor registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience in managing money market mutual funds with assets under management in excess of \$500.0 million. As of June 30, 2021, each of the money market funds in the portfolio had the highest possible ratings by at least two NRSROs.

Concentration of Credit Risk: DWP's investment policy specifies that there is no percentage limitation on the amount that can be invested in U.S. government agencies securities, except that a maximum of 30% of the cost value of the portfolio may be invested in the securities of any single U.S. government agency issuer. Included within DWP's total investments as of June 30, 2021, \$48.8 million (6.6%) was invested in securities issued by the Federal Farm Credit Bank, \$53.5 million (7.3%) was invested in securities issued by the Federal Home Loan Bank, and \$59.5 million (8.1%) was invested in securities

Notes to the Basic Financial Statements

issued by the Federal Home Loan Mortgage Corporation.

Fire and Police Pension and Health Subsidy Plans (Pensions)

At June 30, 2021, the Pensions' investments are as follows (in thousands):

Investment Type	Pensions Plan	Health Subsidy Plan	Total
Short-Term Investments	\$ 1,648,613	\$ 170,143	\$ 1,818,756
U.S. Government Obligations	2,498,210	257,825	2,756,035
Domestic Corporate Bonds	2,186,714	225,678	2,412,392
International Bonds	87,464	9,027	96,491
Domestic Stocks	10,785,370	1,113,093	11,898,463
International Stocks	5,417,893	559,148	5,977,041
Real Estate	1,466,561	151,355	1,617,916
Alternative Investments	3,930,571	405,650	4,336,221
Security Lending Collateral	893,363	92,198	985,561
Total	<u>\$ 28,914,759</u>	<u>\$ 2,984,117</u>	<u>\$ 31,898,876</u>

At June 30, 2021, Pensions has the following recurring fair value measurements (in thousands):

	Amount	Fair Value Measurements Using		
		Quoted Prices for Identical Assets or Liabilities in an Active Market (Level 1)	Observable Inputs Other than Quoted Market Prices (Level 2)	Unobservable Inputs (Level 3)
Investments by Fair Value Level				
Debt Securities				
U.S. Treasuries	\$ 2,272,640	\$ -	\$ 2,272,640	\$ -
U.S. Agencies	435,048	-	435,048	-
Municipal/Provincial Bonds	18,145	-	18,145	-
Collateralized Debt Obligations	296,854	-	296,854	-
Commercial Paper	35,352	-	35,352	-
Corporate Bonds	2,154,490	-	2,145,354	9,136
Total Debt Securities	<u>5,212,529</u>	<u>-</u>	<u>5,203,393</u>	<u>9,136</u>
Equity Securities				
Common Stock	17,767,470	17,748,496	8,547	10,427
Preferred Stock	107,782	104,265	-	3,517
Other	253	48	-	205
Total Equity Securities	<u>17,875,505</u>	<u>17,852,809</u>	<u>8,547</u>	<u>14,149</u>
Real Estate	<u>712,623</u>	<u>256,545</u>	<u>-</u>	<u>456,078</u>
Derivatives	<u>4,644</u>	<u>-</u>	<u>4,645</u>	<u>(1)</u>
Total Investments by Fair Value Level	<u>\$ 23,805,301</u>	<u>\$ 18,109,354</u>	<u>\$ 5,216,585</u>	<u>\$ 479,362</u>
Investments Measured at the Net Asset Value (NAV)				
Private Equity Partnerships	\$ 4,220,495			
Real Estate	905,293			
Hedge Funds	111,082			
Corporate Debt Securities	52,388			
Total Investments Measured at NAV	<u>\$ 5,289,258</u>			

Equity securities classified in Level 1 are valued using prices quoted in active markets for those securities. Debt and equity securities such as U.S. Treasuries, U.S. Agencies, municipal bonds, collateralized debt obligations, commercial paper, corporate bonds and other equity securities are classified in Level 2. They are valued using quoted prices for identical securities in markets that are not active. The value prices observed used market-based inputs.

Debt securities, namely collateralized debt obligations and corporate bonds, classified in Level 3 are valued using unobservable inputs which can be extrapolated data, proprietary models or indicative quotes. Other equity securities classified in Level 3 are valued using uncorroborated indicative quotes.

Notes to the Basic Financial Statements

Real estate corporate accounts investments are valued based on an independent appraisal or other methods using various techniques including models. Real estate corporate accounts are scheduled for independent appraisal on a rolling 3-year period.

Pensions' investments such as private equity partnerships, comingled real estate funds, hedge funds, asset/mortgage-backed security funds and commercial mortgages are valued using the net asset value (NAV). Real estate pooled investments are valued based on an independent appraisal or other methods using various techniques including models. Hedge funds generally do not have readily obtainable fair values and take the form of limited partnerships. Valuation is either based on the partnerships audited financial statements or from the most recently available internal valuation.

Investments measured at the NAV are as follows (in thousands):

Investment Strategy	Fair Value	Unfunded Commitments	Redemption Frequency (if currently eligible)	Redemption Notice Period
Private Equity Funds and Partnerships	\$ 4,220,495	\$ 2,242,944	N/A	--
Real Estate ⁽¹⁾	905,293	376,269	Quarterly	90-179 days
Hedge Funds	111,082	-	Quarterly	90 days
Corporate Debt Securities	52,388	-	Anytime	--
Total Investments Measured at NAV	<u>\$ 5,289,258</u>	<u>\$ 2,619,213</u>		

⁽¹⁾ This type of investment includes \$857.0 million of comingled real estate committed and funded that can be redeemed quarterly with 90 to 179 days redemption notice period.

Interest Rate Risk. Pensions manages its exposure to interest rate risk by requiring a fixed income investment manager to maintain the effective duration of their portfolio within a specified range of (1) the Bloomberg Barclays US Aggregate Bond Index for core fixed income investments, (2) the Bloomberg Barclays US Government/Credit Long-Term Bond Index for long duration investments, and (3) the B of A ML High Yield Master II Index for high yield investments. The longer the duration, the greater the sensitivity to interest rate changes. Information about the sensitivity of Pensions' investments to interest rate fluctuations is provided in the following table that shows the weighted average effective duration of Pensions' fixed income investments by investment type:

Investment Type	Amount (in thousands)	Weighted Average Maturity (in years)
Asset-Backed Securities	\$ 164,589	10.09
Bank Loans	35,352	5.58
Commercial Mortgage-Backed	90,639	22.92
Corporate Bonds	2,020,364	11.34
Corporate Convertible Bonds	9,766	13.33
Government Agencies Bonds	77,810	8.19
Government Bonds	1,067,607	10.53
Government Mortgage-Backed Securities	378,537	21.78
Government Issued Commercial Mortgage-Backed	8,515	3.71
Index Linked Government Bonds	1,286,759	9.02
Municipal/Provincial Bonds	30,964	23.85
Non-Government Backed Collateralized Mortgage Obligations	41,627	23.37
Asset/Mortgage-Backed Securities/Other Fixed Income Funds	52,388	N/A
Total	<u>\$ 5,264,917</u>	

Notes to the Basic Financial Statements

Investments that are highly sensitive to interest rate risk at June 30, 2021 are as follows (in thousands):

Investment Type	Amount
Asset-Backed Securities	\$ 164,589
Commercial Mortgage-Backed	90,639
Government Agencies Bonds	77,810
Government Mortgage-Backed Securities	378,537
Index Linked Government Bonds	1,286,759
Non-Government Backed Collateralized Mortgage Obligations	41,627
Total	<u>\$ 2,039,961</u>

Credit Risk. Pensions seeks to maintain a diversified portfolio of fixed income securities in order to obtain the highest total return at an acceptable level of risk within this asset class. As of June 30, 2021, the quality ratings of Pensions' fixed income investments are as follows:

Credit Rating	Amount (in thousands)	Percentage
AAA	\$ 2,379,168	49.71 %
AA	114,458	2.39
A	475,862	9.94
BBB	762,270	15.93
BB	398,360	8.32
B	290,929	6.08
CCC	59,265	1.24
CC	800	0.02
C	768	0.02
Not Rated	304,009	6.35
Subtotal	<u>4,785,889</u>	<u>100.00 %</u>
U.S. Government Issued or Guaranteed Securities	<u>479,028</u>	
Total Fixed Income Investments	<u>\$ 5,264,917</u>	

Concentration of Credit Risk. As of June 30, 2021, Pensions' investment portfolio has no concentration of investments of 5% or more of the total investment portfolio in any one entity except those issued or guaranteed by the U.S. Government.

Custodial Credit Risk. For deposits, custodial credit risk is the risk that, in the event of a bank failure, the Pensions' deposits and collateral securities in the possession of an outside party would not be recoverable. Deposits are exposed if they are not insured or are not collateralized. As of June 30, 2021, Pensions' exposure to custodial credit risk comprised of foreign currencies held outside the custodial bank amounted to \$14.1 million.

For investment securities, custodial credit risk is the risk that, in the event of the failure of the counterparty, Pensions will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial credit risk if they are not insured, or are not registered in Pensions' name, and held by the counterparty. As of June 30, 2021, Pensions' investments in publicly traded stocks and bonds were not exposed to custodial risk since they are all held by the custodian and are registered in Pensions' name. As of June 30, 2021, Pensions' sole hedge fund investment of \$111.1 million, private equity of \$4.2 billion and commingled real estate funds of \$905.3 million were exposed to custodial credit risk.

Notes to the Basic Financial Statements

Foreign Currency Risk. The Pensions' asset allocation policy sets a target of 16% of the total portfolio for non-U.S. equity investments. The majority of Pensions' currency exposure comes from its holdings of foreign stocks. Pensions' foreign investment holdings, including foreign currencies in temporary investments at June 30, 2021, are as follows (in thousands):

Foreign Currency	Fair Value
Australian Dollar	\$ 233,196
Brazilian Real	142,236
British Pound Sterling	758,488
Canadian Dollar	193,696
Chilean Peso	2,822
Colombian Peso	1,288
Czech Koruna	4,776
Danish Krone	124,618
Euro	1,568,539
HK Offshore Chinese Yuan Renminbi	46,205
Hong Kong Dollar	654,362
Hungarian Forint	1,963
Indian Rupee	168,510
Indonesian Rupiah	23,586
Japanese Yen	836,010
Kenyan Shilling	7,893
Malaysian Ringgit	10,723
Mexican Peso	59,759
New Israeli Shekel	16,536
New Taiwan Dollar	238,731
New Zealand Dollar	6,713
Norwegian Krone	28,304
Philippine Peso	5,883
Polish Zloty	8,814
Qatari Riyal	3,695
Singapore Dollar	40,270
South African Rand	55,077
South Korean Won	267,083
Swedish Krona	149,741
Swiss Franc	382,746
Thai Baht	20,350
Turkish Lira	3,517
United Arab Emirates Dirham	3,879
Total	<u>\$ 6,070,009</u>

The foreign currency total comprises foreign stocks, foreign bonds, and currency holdings.

Money-Weighted Rate of Return. The money-weighted rate of return expresses investment performance, gross of investment expense, adjusted for the changing amounts actually invested. The annual money-weighted rate of return on Pensions' investments, gross of Pensions' investment expense, for the year ended June 30, 2021 was 32.6%. The source for the rate of return was the June 30, 2021 Monthly Returns Analysis provided by the custodian bank, Northern Trust.

Securities Lending Transactions. Pensions has entered into various short-term arrangements with its custodian, whereby investments are loaned to various brokers, as selected by the custodian. The lending arrangements are collateralized by cash, letters of credit, and marketable securities held on the Pensions' behalf by the custodian. These agreements provide for the return of the investments and for a payment of: a) a fee when the collateral is marketable securities or letters of credit, or b) interest earned when the collateral is cash on deposit.

Notes to the Basic Financial Statements

Upon direction of the Board, the custodian may loan securities to brokers or dealers or other borrowers upon such terms and conditions as it deems advisable. Collateral for the securities on loan will be maintained at a level of at least 102% of their fair value plus any accrued interest for U.S. securities lending and 105% of the fair value plus any accrued interest for non-U.S. securities lending. At year-end, Pensions has no credit risk exposure to borrowers because the amounts Pensions owes the borrowers exceed the amounts the borrowers owe Pensions.

The borrower has all incidents of ownership with respect to the borrowed securities and collateral including the right to vote and transfer or loan borrowed securities to others. Pensions is entitled to receive all distributions, which are made by the issuer of the borrowed securities, directly from the borrower. Under the agreement, the custodian will indemnify Pensions as a result of the custodian's failure to: (1) make a reasonable determination of the creditworthiness of a potential borrower before lending and, during the term of the loan or loans, the borrower files a petition of bankruptcy or similar action, (2) demand adequate collateral, or (3) otherwise maintain the securities lending program in compliance with the Federal Financial Institutions Examinations Council Supervisory Policy on Securities Lending.

These agreements provide the return of the securities and revenue determined by the type of collateral received (from which the custodian's fee is deducted). The securities on loan to brokers are shown at their fair value on Pensions' statement of fiduciary net position.

Cash received as collateral on securities lending transactions is reported as an asset, and the liabilities from these transactions are reported in the statement of fiduciary net position. Pensions cannot pledge or sell non-cash collateral unless the borrower defaults.

As of June 30, 2021, the fair value of securities on loan was \$1.6 billion and the fair value of collateral received was \$1.6 billion. Of the \$1.6 billion collateral received as of June 30, 2021, \$985.6 million was cash collateral and \$628.7 million represented the fair value of non-cash collateral. Non-cash collateral, which Pensions does not have the ability to pledge or sell unless the borrower defaults, is not reported in the statement of fiduciary net position.

The following represents the balances relating to the security lending transactions (in thousands):

Fair value of collateral received for loaned securities as of June 30, 2021:

Securities Lent	Cash	Non-Cash	Total Collateral Securities
U.S. Government and Agency Securities	\$ 293,817	\$ 55,780	\$ 349,597
Domestic Corporate Fixed Income Securities	206,527	29,294	235,821
Domestic Equities	430,063	468,001	898,064
International Fixed Income Securities	5,867	-	5,867
International Equities	49,287	75,624	124,911
	<u>\$ 985,561</u>	<u>\$ 628,699</u>	<u>\$ 1,614,260</u>

Fair value of loaned securities as of June 30, 2021:

Securities Lent	Cash	Non-Cash	Total Loaned Securities
U.S. Government and Agency Securities	\$ 287,681	\$ 54,588	\$ 342,269
Domestic Corporate Fixed Income Securities	201,641	28,607	230,248
Domestic Equities	419,181	456,087	875,268
International Fixed Income Securities	5,431	-	5,431
International Equities	45,441	69,950	115,391
	<u>\$ 959,375</u>	<u>\$ 609,232</u>	<u>\$ 1,568,607</u>

For fiscal year ended June 30, 2021, securities lending income amounted to \$5.2 million, while securities lending expenses amounted to \$0.7 million.

Notes to the Basic Financial Statements

Derivative Instruments. Pensions, through its outside investment managers, holds investments in swaps, options, rights, and warrants and enters into futures and forward foreign currency contracts to manage portfolio risk or use them as substitutes for owning securities. Forward contracts are subject to credit risk if the counterparties to the contracts are unable to meet the terms of the contract. Futures contracts have little credit risk, as organized exchanges are the guarantors. Due to the level of risk associated with derivative investments, it is reasonably possible that changes in the values of these investments will occur in the near term and that such changes could materially affect the amount reported in the financial statements.

The fair values of the futures that are traded on various exchanges are determined by the price on that exchange. Fair values for the currency forward contracts are determined by the exchange rate of the reference currency on the last day of the reporting period. For options, swaps, rights, and warrants pricing would come from the exchange they are traded on if they are exchange traded securities.

They can also trade as over the counter securities and the fair values would then be determined by the value of a reference security or value that would typically be publicly priced. For assets traded over the counter and held at the custodian bank, an independent pricing service is involved in calculating the price of the derivative security using the value of the reference security or reference value.

The fair value balances and notional amounts of derivative instruments outstanding at June 30, 2021, classified by type, and the changes in fair value of such derivative instruments are as follows (in thousands):

Type	Changes in Fair Value		Fair Value at June 30, 2021		Notional Amount
	Classification	Amount	Classification	Amount	
Investment Derivatives:					
Futures - Shorts	N/A	\$ -	Investment	\$ -	(232,092)
Futures - Longs	Investment Revenue	49,504	Investment	--	241,038
Forwards	Investment Loss	(776)	Investment	(1,171)	--
Options	Investment Revenue	486	Investment	--	(18)
Rights/Warrants	Investment Loss	(373)	Investment	252	--
Swaps	Investment Revenue	98,923	Investment	4,447	--

Notes to the Basic Financial Statements

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

At June 30, 2021, LACERS' investments are as follows (in thousands):

Investment Type	Retirement Plan	Postemployment Health Care Plan	Total
Short-Term Investments	\$ 894,327	\$ 177,780	\$ 1,072,107
U.S. Government Obligations	1,798,328	357,483	2,155,811
Municipal Bonds	10,073	2,002	12,075
Domestic Corporate Bonds	856,674	170,295	1,026,969
International Bonds	971,978	193,217	1,165,195
Other Fixed Income	921,346	183,151	1,104,497
Bank Loans	73,024	14,517	87,541
Opportunistic Debts	211,957	42,134	254,091
Domestic Stocks	5,070,107	1,007,869	6,077,976
International Stocks	4,524,265	899,362	5,423,627
Mortgage-Backed Securities	376,663	74,876	451,539
Government Agencies	753	149	902
Derivative Instruments	2,454	488	2,942
Real Estate	750,473	149,183	899,656
Alternative Investments	2,749,850	546,632	3,296,482
Security Lending Collateral	230,183	45,757	275,940
Total	<u>\$ 19,442,455</u>	<u>\$ 3,864,895</u>	<u>\$ 23,307,350</u>

Equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt and equity securities classified in Level 2 or 3 of the fair value hierarchy are valued using a matrix pricing technique based on the availability of the market price, the pricing source and type, and the country of incorporation of the securities. The hierarchy levels are determined based on the level of corroborative information obtained from other market sources to assert that the prices provided represent observable data.

The exchange traded Future Contracts classified in Level 1 of the fair value hierarchy are valued using a daily settlement when available or as a daily mark to market. The Foreign Exchange Contracts classified in Level 2 of the fair value hierarchy are valued using independent pricing services including London Close mid-evaluation, WM/Reuters Company, Bloomberg, and Thomson Reuters.

Real estate funds classified in Level 3 of the fair value hierarchy are valued based on periodic appraisals in accordance with industry practice, or other valuation methods and techniques including models.

LACERS's remaining investments not categorized under the fair value hierarchy, such as private equity partnerships, real estate comingled funds and other investments which do not have a readily determinable fair value have been valued at the Net Asset Value (NAV). NAV is calculated and used as a practical expedient to estimate fair value of LACERS' interest, unless it is probable that all or a portion of the investments will be sold for an amount different from the NAV. As of June 30, 2021, LACERS had no specific plans to sell investments at amounts different from NAV. These investments are disclosed in the Investments Measured at the NAV.

Notes to the Basic Financial Statements

LACERS has the following recurring fair value measurements as of June 30, 2021 (in thousands):

	Amount	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)
Investments by Fair Value				
Debt Securities				
Government Bonds	\$ 2,862,345	\$ -	\$ 2,860,263	\$ 2,082
Government Agencies	71,808	-	50,690	21,118
Municipal/Provincial Bonds	13,591	-	13,591	-
Corporate Bonds	1,413,207	-	1,403,381	9,826
Bank Loans	87,540	-	85,718	1,822
Government Mortgage Bonds	363,772	-	360,763	3,009
Commercial Mortgage Bonds	87,767	-	87,767	-
Opportunistic Debts	15,064	-	-	15,064
Funds - Fixed Income ETF	2,223	2,223	-	-
Total Debt Securities	4,917,317	2,223	4,862,173	52,921
Equity Securities				
Common Stock				
Basic Industries	1,407,765	1,399,521	7,692	552
Capital Good Industries	584,053	584,049	-	4
Consumer and Services	2,820,024	2,818,374	82	1,568
Energy	639,132	639,130	-	2
Financial Services	1,549,959	1,549,641	4	314
Health Care	1,072,356	1,072,125	-	231
Information Technology	1,868,729	1,867,506	-	1,223
Real Estate	730,739	730,711	-	28
Other Funds - Common Stock	747,223	-	747,223	-
Miscellaneous	19,191	13,753	5,438	-
Total Common Stock	11,439,171	10,674,810	760,439	3,922
Preferred Stock	49,641	46,784	2,857	-
Stapled Securities	11,169	11,169	-	-
Unit Trust Equity	1,623	1,623	-	-
Total Equity Securities	11,501,604	10,734,386	763,296	3,922
Real Estate Funds	197,794	-	-	197,794
Total Investments by Fair Value Level	16,616,715	\$ 10,736,609	\$ 5,625,469	\$ 254,637
Investments Measured at the Net Asset Value (NAV)				
Common Fund Assets	1,102,275			
Private Equity Funds	3,296,482			
Real Estate Funds	701,862			
Opportunistic Debts	239,027			
Total Investments Measured at NAV	5,339,646			
Total Investments Measured at Fair Value ⁽¹⁾	\$ 21,956,361			
Investment Derivative Instruments				
Future Contracts (Liabilities)	\$ (424)	\$ (424)	\$ -	\$ -
Foreign Exchange Contracts (Liabilities)	3,144	-	3,144	-
Rights/Warrants/Options/Swaps	221	354	(138)	5
Total Investment Derivative Instruments	\$ 2,941	\$ (70)	\$ 3,006	\$ 5

⁽¹⁾ Excluded investment derivative instruments of \$2.9 million which is shown separately and \$275.9 million of securities lending collateral.

Investments Measured at NAV (in thousands):

	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Common Fund Assets (1)	\$ 1,102,275	\$ -	Daily	2 days
Private Equity Funds (2)	3,296,482	1,467,846	N/A	N/A
Real Estate Funds (3)	701,862	130,304	Daily, Quarterly	1-90 days
Opportunistic Debts (4)	239,027	-	Monthly	30 days
Total Investments Measured at NAV	\$ 5,339,646	\$ 1,598,150		

Notes to the Basic Financial Statements

(1) Common fund assets - This investment type includes one fund that primarily invests in U.S. bonds. The fair value of the investment has been determined using a practical expedient based on the investments' NAV per share (or its equivalent). This investment can be redeemed daily, with a two-day advance redemption notice period.

(2) Private equity funds - This investment type includes 243 closed-end commingled private equity funds that invest primarily in securities of privately held U.S. and non-U.S. companies. The fair value of these investments have been determined using a practical expedient based on the investments' NAV per share (or its equivalent). These investments are not redeemable. It is expected that these investments will be held for the entire lives of the funds and will not be sold in the secondary market. Distributions from each fund will be received as the underlying assets are liquidated by the fund managers. It is expected that the underlying assets of these funds will be liquidated over the next one to 13 years, depending on the vintage year of each fund.

(3) Real estate funds - This investment type includes 24 commingled real estate funds that invest primarily in U.S. commercial real estate. The fair values of these investments have been determined using a practical expedient based on the investments' NAV per share (or its equivalent). Nine investments, representing approximately 85.8% of the value of this investment type, are in open-end funds, which may be redeemed according to terms specific to each fund. Redemptions generally are subject to the funds' available cash and redemption queues. One of the open-end funds informed LACERS of an additional restriction above the original investment agreement beginning in January 2020. The fund expects this additional restriction to persist into calendar year 2021. There is no intention to redeem any of these nine investments in the near future. Fifteen investments, representing approximately 14.2% of the value of this investment type, are in closed-end funds and are not redeemable. It is expected that these investments will be held for the entire lives of the funds and will not be sold in the secondary market. Distributions from each fund will be received as underlying assets are liquidated by the fund managers. It is expected that the underlying assets of these funds will be liquidated over the next one to 12 years, depending on the vintage year of each fund.

(4) Opportunistic debts - This investment type includes two commingled funds: one that invests primarily in senior loans of non-investment grade companies (senior loan fund) and another one invests primarily in the securities and obligations of companies experiencing operational or financial distress (distressed investment fund). The fair values of these investments have been determined using a practical expedient based on the investments' NAV per share (or its equivalent). The senior loan fund, representing approximately 94% of the value of this investment type, can be redeemed monthly. The distressed investment fund, representing approximately 6% of the value of this investment type, is being dissolved and is no longer making new underlying investments. Distributions from this fund will be received as underlying investments are liquidated by the fund manager. It is expected that this fund will be liquidated fully over the next two years.

Interest Rate Risk. One of the ways LACERS manages its exposure to interest rate risk is by requiring the fixed income investment managers to maintain their portfolio effective duration within a specified range of the BC U.S. High Yield 2% Capped Index, the BC Intermediate Government Credit Index, the BC Aggregate Bond Index, or the J.P. Morgan EMBI Global Diversified Index, depending on the LACERS' Board's mandates. The effective duration is a measure, in years, of interest-rate sensitivity in debt investments. The longer the effective duration, the greater the sensitivity to interest rate changes.

Notes to the Basic Financial Statements

Information about the sensitivity of the fair values of LACERS investments to market interest rate fluctuations as of June 30, 2021 is provided by the following table that shows the weighted average effective duration of LACERS fixed income securities by investment type:

Investment Type	Fair Value (in thousands)	Weighted Average Duration (in years)
Asset-Backed Securities	\$ 36,468	1.27
Bank Loans	87,540	1.64
Commercial Mortgage-Backed Securities	87,767	4.14
Corporate Bonds	1,369,706	6.21
Government Agencies	71,808	7.98
Government Bonds	1,716,255	7.44
Government Mortgage-Backed Securities	363,772	3.69
Index Linked Government Bonds	1,146,089	4.99
Municipal/Provincial Bonds	13,591	6.75
Non-Government Backed Collateralized Mortgage Obligations (C.M.O.s)	7,034	3.97
Opportunistic Debts	254,091	0.30
Other Fixed Income (Funds)	1,104,498	6.59
Derivative Instruments	(337)	9.04
Total	<u>\$ 6,258,282</u>	

Credit Risk. LACERS seeks to maintain a diversified portfolio of fixed income instruments in order to obtain the highest total return for the fund at an acceptable level of risk within this asset class. The credit quality ratings of investments in fixed income securities by S&P Global Ratings (S&P), a nationally-recognized statistical rating organization, as of June 30, 2021, are as follows:

S&P Ratings	Fair Value (in thousands)	Percentage
AAA	\$ 38,524	2.03 %
AA+	4,110	0.22
AA	17,632	0.93
AA-	35,223	1.86
A+	42,684	2.25
A	53,793	2.83
A-	142,120	7.49
BBB+	259,209	13.66
BBB	234,991	12.38
BBB-	207,076	10.91
BB+	90,443	4.77
BB	105,939	5.58
BB-	152,923	8.06
B+	99,192	5.23
B	126,539	6.67
B-	129,091	6.80
CCC+	104,785	5.52
CCC	42,831	2.26
CCC-	5,726	0.30
C	142	0.01
D	4,567	0.24
	<u>1,897,540</u>	<u>100.00 %</u>
U.S. Government Guaranteed Securities *	<u>4,361,080</u>	
Total Fixed Income Investments	<u>\$ 6,258,620</u>	

* Consists of U.S. Government Bonds and GNMA Mortgage-Backed Securities which had the AA+ rating.

Concentration of Credit Risk. The investment portfolio as of June 30, 2021, contained no concentration of investments in any one entity that represented 5% or more of the total investment portfolio.

Notes to the Basic Financial Statements

Custodial Credit Risk. Deposits are exposed to custodial credit risk if they are not insured or not collateralized. As of June 30, 2021, LACERS has exposure to such risk in the amount of \$44.0 million, or 0.6% of the fair value of total international investments. The amount represents non-invested cash denominated in foreign currencies, managed by 18 different investment managers, and held outside of LACERS custodial bank. LACERS' policy requires each individual publicly traded equities investment manager to hold no more than 10% of their portfolios in the form of cash. LACERS is in compliance with the policy.

Investment securities are exposed to custodial credit risk if the securities are not insured, are not registered in LACERS' name, and are held by the counterparty, or the counterparty's trust department or agent but not in LACERS name. As of June 30, 2021, LACERS' investments were not exposed to custodial credit risk because all securities were registered in the name of LACERS.

Foreign Currency Risk. LACERS' Asset Allocation policy sets a target of 26% of the total portfolio for non-U.S. investments in equities. In addition, fixed income, real estate, and private equity managers may hold non-U.S. investments depending on their individual mandates. Forward currency contracts are permitted primarily to reduce the foreign currency risk.

LACERS' non-U.S. currency investment holdings as of June 30, 2021, which represent 26.5% of the fair value of total investments, are as follows (in thousands):

Foreign Currency	Fair Value
Australian Dollar	\$ 157,646
Brazilian Real	109,789
British Pound Sterling	629,857
Canadian Dollar	325,560
Chilean Peso	10,123
Chinese Yuan Renminbi	113,656
Colombian Peso	25,556
Czech Koruna	25,556
Danish Krone	85,030
Egyptian Pound	11,739
Euro	1,517,737
Hong Kong Dollar	373,880
Hungarian Forint	21,560
Indian Rupee	198,498
Indonesian Rupiah	70,483
Israeli New Shekel	27,854
Japanese Yen	797,075
Kazakhstan Tenge	976
Malaysian Ringgit	26,699
Mexican Peso	112,706
New Romanian Leu	17,051
New Taiwan Dollar	207,498
New Zealand Dollar	3,065
Norwegian Krone	30,354
Peruvian Nuevo Sol	6,992
Philippine Peso	5,435
Polish Zloty	54,761
Qatari Riyal	2,603
Russian Ruble	42,616
Singapore Dollar	56,839
South African Rand	61,890
South Korean Won	193,263
Swedish Krona	155,269
Swiss Franc	321,893
Thai Baht	74,253
Turkish Lira	9,950
United Arab Emirates Dirham	2,670
Total	<u>\$ 5,888,382</u>

Notes to the Basic Financial Statements

Highly Sensitive Investments. Highly-sensitive investments are certain debt investments whose terms may cause their fair value to be highly-sensitive to market interest rate changes. Terms include embedded options, coupon multipliers, benchmark indexes, and reset dates. LACERS' asset-backed investments have embedded prepayment options that will typically cause prepayments by the obligees of the underlying investments when interest rates fall. Prepayments eliminate the stream of future interest payments and, therefore, diminish the fair value of the asset-backed investment. The following table shows the fair value of LACERS' asset-backed investments by investment type (in thousands):

Investment Type	Fair Value
Asset-Backed Securities	\$ 36,468
Commercial Mortgage-Backed Securities	87,767
Government Agencies	71,808
Government Mortgage-Backed Securities	363,772
Non-Government Backed C.M.O.s	7,034
Total	<u>\$ 566,849</u>

Money-Weighted Rate of Return. For the fiscal year ended June 30, 2021, the aggregate annual money-weighted rate of return on LACERS investments, net of investment expenses was 28.5%. The money-weighted rate of return is a measure of the performance of an investment calculated by finding the rate of return that will set the present values of all cash flows equal to the value of the initial investment. It expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Derivative Instruments. LACERS enters into derivative contracts for investment purposes and to manage risks associated with its investment portfolio. For financial reporting purposes, all of LACERS derivatives are classified as investment derivatives.

The notional amount and the fair value of derivative instruments as of June 30, 2021, are as follows (in thousands):

Derivative Type	Notional Amount	Fair Value	Change in Fair Value
Future Contracts -			
Commodities	\$ -	\$ -	\$ (2,076)
Equity Index	24,081	(87)	(160)
Foreign Exchange	--	-	(1)
Interest Rate	(43,446)	(337)	(508)
Currency Forward			
Contracts	776,583	3,144	3,732
Currency Options	N/A	(138)	(138)
Right / Warrants	N/A	69	(169)
Swaps-Interest Rate	N/A	(750)	(901)
Swaps-Credit Contracts	N/A	1,040	1,040
Total Value		<u>\$ 2,941</u>	<u>\$ 819</u>

Credit Risk. Derivatives are subject to credit risk that the counterparty to a contract will default. LACERS is exposed to credit risk on reported assets of the investment derivatives that are traded over the counter. The credit risk of exchange traded derivatives for future contracts is considered minimal because the exchange clearing house is the counterparty and guarantees the performance.

LACERS permits investment managers, under the terms of individual guidelines, to use derivative instruments as set forth in each manager's investment guidelines to control portfolio risk. It is the responsibility of these investment managers to actively monitor counterparties on their financial safety and ensure compliance with the investment restrictions. LACERS has no general investment policy with respect to netting arrangements or collateral requirements. However, these individual investment managers have set up the arrangements with the counterparties to net off the positive and negative contracts with the same counterparty in case of the counterparty's default.

As of June 30, 2021, without respect to netting arrangements, LACERS maximum income on derivative instruments subject to credit risk, namely currency forward contracts, is \$9.2 million. All

Notes to the Basic Financial Statements

counterparties of these investment derivatives had the credit rating of “A” or “AA” assigned by S&P.

Securities Lending Transactions. Under authority granted by the City Charter, LACERS has entered into various short-term arrangements with its custodian to lend securities to various brokers. There are no restrictions on the amount of securities that may be lent, and the custodian determines which lenders’ accounts to lend securities from by using an impartial sequential system that matches loan requests with various lenders’ accounts. All lenders are deemed to have relatively equal opportunity to profit from the lending of securities. Therefore, should a collateral deficiency occur beyond the custodian’s responsibilities, the deficiency is allocated pro rata among all lenders.

Minimum collateralization is 102% of the fair value of the borrowed U.S. securities and 107% for international securities. Collateral consists of cash, government and corporate securities, and commercial bank obligations. Cash collateral is invested in a separate account comprised of money market or high quality short-term investments.

LACERS cannot pledge or sell non-cash collateral unless the borrower defaults. The cash collateral value of securities on loan is reported in the statement of fiduciary net position. As of June 30, 2021, LACERS had no losses on securities lending transactions resulting from default of a borrower or lending agent. All securities loans can be terminated on demand by either LACERS or the borrower. Because of this nature, their duration did not generally match the duration of the investment made with the cash collateral.

The following table represents the fair value of securities on loan and corresponding cash collateral received as of June 30, 2021 (in thousands):

Securities on Loan	Fair Value of Securities on Loan	Cash Collateral Received
U.S. Government and Agency Securities	\$ 56,118	\$ 57,430
Domestic Corporate Fixed Income Securities	104,584	107,323
International Fixed Income Securities	9,289	10,000
Domestic Stocks	89,333	91,858
International Stocks	8,690	9,329
	<u>\$ 268,014</u>	<u>\$ 275,940</u>

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

At June 30, 2021, DWP Plans’ investments are as follows (in thousands):

Investment Type	Retirement and Disability Benefit Plans	Retirees Health and Death Benefit Plans	Total
Domestic Stocks	\$ 4,900,015	\$ 875,458	\$ 5,775,473
International Stocks	3,895,138	695,922	4,591,060
Mortgage-Backed Securities	227,241	40,600	267,841
Domestic Corporate Bonds	1,038,746	185,587	1,224,333
International Bonds	646,598	115,524	762,122
Alternative Investments	2,797,085	498,336	3,295,421
Real Estate	1,064,928	184,691	1,249,619
U.S. Treasuries	911,234	162,805	1,074,039
U.S. Agency Notes	791,418	141,398	932,816
Municipal Bonds	2,349	420	2,769
Short-Term Investments	535,523	95,679	631,202
Security Lending Collateral	640,770	124,866	765,636
Total	<u>\$ 17,451,045</u>	<u>\$ 3,121,286</u>	<u>\$ 20,572,331</u>

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DWP Plans has the following recurring fair value measurement as of June 30, 2021 (in thousands):

Investments by Fair Value	Fair Value Measurements Using			Total
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)	
Equity Securities				
Domestic Equities	\$ 5,775,473	\$ -	\$ -	\$ 5,775,473
International Equities	4,591,060	-	-	4,591,060
Preferred Securities	60,883	-	-	60,883
Fixed Income Securities				
U.S. Treasuries	-	1,074,039	-	1,074,039
U.S. Agencies	-	932,816	-	932,816
Mortgage and Asset-Backed Securities	-	267,841	-	267,841
Corporate Debt - Domestic	-	1,163,450	-	1,163,450
Corporate Debt - International	-	516,285	-	516,285
Government Debt - International	-	245,837	-	245,837
Municipal / Provincial Bonds	-	2,769	-	2,769
Real Estate	80,525	-	-	80,525
Total Investments by Fair Value	<u>\$ 10,507,941</u>	<u>\$ 4,203,037</u>	<u>\$ -</u>	<u>\$ 14,710,978</u>

* Mutual funds of \$631.2 million and Security Lending Short-Term Investments of \$765.6 million are not included in fair value hierarchy. Investment measured at NAV are also not included within the fair value hierarchy.

Equity securities, preferred securities, and certain real estate funds classified in level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities and real estate funds. Debt securities classified in level 2 of the fair value hierarchy are valued based on evaluated quotes provided by independent pricing services and matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. Mortgage and asset-backed securities classified in level 2 are valued on the basis of discounted future principal and interest payments.

Fair Value of Investments Measured at the Net Asset Value (NAV). Below is a summary of the DWP Plans' investments at June 30, 2021 for which fair value is measured based on the NAV (in thousands):

Investments Measured at NAV	Fair Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Private Equity				
Direct Partnership	\$ 1,252,279	\$ 702,024	Not Eligible	Not Eligible
Fund of Funds	346,880	360,712	Not Eligible	Not Eligible
Real Estate				
Open Ended	700,464	-	Quarterly	45-90 days
Close Ended	468,630	500,882	Not Eligible	Not Eligible
Real Return				
Commodities	333,211	-	Daily	2 days
Timberland	34,299	-	Not Eligible	Not Eligible
Short Duration TIPS	543,769	-	Daily	3 days
Hedge Fund				
Fund of Funds	784,983	-	Daily	60 days
Total Investments Measured at NAV	<u>\$ 4,464,515</u>	<u>\$ 1,563,618</u>		

DWP Plans' private equity portfolio consists of, venture capital, leveraged buyouts, distressed debt, and other special equity funds. DWP Plans' participation is either through direct partnership or fund of funds. Both structures are not eligible for redemption. Instead, distributions are received as underlying investments within the partnerships and funds are liquidated, which on average can occur over the span of 10 to 15 years.

The real estate portfolio consists of investments in domestic and international commercial and industrial real property. DWP Plans is invested in both open ended and close ended funds/partnerships. Open ended funds/partnerships can be redeemed subject to the redemption

Notes to the Basic Financial Statements

schedule as listed above. Close ended funds/partnerships are not eligible for redemption. Instead, distributions are received as underlying investments within the funds/partnerships are liquidated, which on average can occur over the span of 10 to 15 years.

Real return investments include a commingled commodities fund and two timberland direct partnerships. The timberland partnerships are not eligible for redemption. The estimated duration of these partnerships ranges from 10 to 15 years.

One hedge fund investments is executed through fund of funds. The underlying third party hedge fund managers' strategies could include, but are not limited to, convertible arbitrage, distressed securities, fixed income arbitrage, merger arbitrage, long/short credit, long/short equity, etc.

Credit Risk. DWP Plans' investment policy is to apply the "prudent person" standards. Investments are made with care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims. DWP Plans' investment policy has been designed to produce the most favorable long-term total portfolio return consistent with reasonable levels of risks. Prudent risk-taking is warranted within the context of overall portfolio diversification.

DWP Plans can invest in both investment grade and high yield fixed income securities. Investment grade fixed income securities that are rated by Moody's, S&P, and Fitch, should have a minimum rating of BBB- or Baa3 by two or more rating agencies. Investment managers for investment grade fixed income securities will notify the DWP Plans' management of subsequent decline in ratings and will develop an investment strategy for investments rated below Baa3 or BBB-.

Active high yield fixed income investment is composed primarily of non-investment grade securities as rated by Moody's, S&P or Fitch. If a bond is rated by all three rating agencies, then it must be graded BB+ or Ba1 or below by two or more rating agencies. If a bond is rated by two rating agencies, it must be rated below investment grade by at least one rating agency.

The credit ratings of DWP Plans' investments at June 30, 2021 are as follows:

Credit Rating	Amount (in thousands)	Percentage
AAA	\$ 141,109	4.89 %
A or Better	237,533	8.22
B or Better	1,422,609	49.25
C or Better	188,637	6.54
Not Rated	898,379	31.10
Subtotal	2,888,267	100.00 %
U.S. Government Issued or Guaranteed Securities	2,006,855	
Total Fixed Income Investments	\$ 4,895,122	

Custodial Credit Risk. As of June 30, 2021, DWP Plans' cash balances consist primarily of cash deposits in the City Treasury.

Concentration of Credit Risk. According to DWP Plans' investment policy, no more than 5% of investments shall be invested in any one issue, except for investment in the fixed income asset class where no more than 10% of investments shall be invested in any one issue. United States Treasury or United States Agency issues are exempted from this limitation. As of June 30, 2021, there were no investment holdings of more than 5% in any one issue of each fund's net position or in DWP Plans' aggregate net position, except investments issued or guaranteed by the U.S. Government and investments in commingled funds.

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Interest Rate Risk. As of June 30, 2021, DWP Plans' exposure to interest rate risk is as follows:

Investment Type	Amount (in thousands)	Weighted Average Maturity (Years)
U.S. Treasuries	\$ 1,074,039	3.60
U.S. Agency Notes	932,816	20.39
Preferred Securities	60,883	--
Mortgage and Asset-Backed Securities	267,841	18.30
Corporate Debt - Domestic	1,163,450	8.56
Corporate Debt - International	516,285	9.33
Government Debt - International	245,837	12.86
Municipal / Provincial Bonds	2,769	5.01
Mutual Funds	631,202	--
Total	<u>\$ 4,895,122</u>	9.35

DWP Plans has a long-term investment horizon and it utilizes an asset allocation that encompasses a long-run perspective of capital markets. DWP Plans maintains an interest rate risk consistent with its long-term investment horizon.

Foreign Currency Risk. DWP Plans' investment policy permits the investment in foreign currency of up to 21.8% of total investments in non-U.S. investments. As of June 30, 2021, DWP Plans' exposure to foreign currency risk is 16.2% of the fair value of total investments, as follows (in thousands):

Foreign Currency	Fair Value
Australian Dollar	\$ 60,740
Brazilian Real	38,714
Canadian Dollar	170,238
Chilean Peso	2,216
Chinese Yuan Renminbi	32,516
Czech Koruna	5
Danish Krone	31,346
Euro Currency Unit	1,154,198
Hong Kong Dollar	240,864
Hungarian Forint	4,376
Indonesian Rupiah	919
Japanese Yen	554,971
Malaysian Ringgit	8,441
Mexican New Peso	11,212
New Taiwan Dollar	120,287
New Zealand Dollar	9,840
Norwegian Krone	29,771
Philippine Peso	3,532
Polish Zloty	19,933
Pound Sterling	346,488
Singapore Dollar	14,834
South African Rand	24,930
South Korea Won	130,376
Swedish Krona	75,887
Swiss Franc	202,120
Thailand Baht	24,007
Turkish Lira	5,455
United Arab Emirates Dirham	10,123
Total	<u>\$ 3,328,339</u>

Notes to the Basic Financial Statements

Money-Weighted Rate of Return. For the fiscal year ended June 30, 2021, the annual money-weighted rate of return on DWP Plans' investments, net of investment expense, was 26.4%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for changing amounts actually invested.

Derivative Instruments. The fair value balances and notional amounts of derivatives instruments outstanding at June 30, 2021, classified by type, and the changes in fair values of such derivative instruments are as follows (in thousands):

Type	Changes in Fair Value		Fair Value		Notional Amount
	Classification	Amount	Classification	Amount	
Forward Contracts	Investment Income (Loss)	\$ 13,583	Investment	\$ 2,346	\$ 908,247

At June 30, 2021, DWP Plans had direct commitments to purchase and/or sell foreign currency in the forms of forward contracts as part of the strategy of hedging its currency risk. The fair values of forward contracts were based on the market price.

Securities Lending Transactions. DWP Plans is authorized by the City Charter and the DWP Plans Board's investment policy to lend its investment securities to various brokers, without limit. The lending is managed by the DWP Plans' custodial bank. DWP Plans or the borrowers can terminate the contract with advance notice. Prior to August 2013, the lending arrangements are collateralized by cash and marketable securities (guaranteed by the full faith and credit of the U.S. Government) at (i) 102% with respect to U.S. Securities; (ii) 105% with respect to foreign securities; or (iii) a percentage mutually agreed of the underlying securities' fair value. In August 2013, DWP Plans Retirement Board adopted an amendment to the securities lending program to expand the acceptance of equities as non-cash collateral. Equities received are required to be collateralized at 110% with respect to loaned securities' value. The custodial bank will assume the equity risk and indemnify DWP Plans 100% for any shortfall if a loan position is not returned, and proceeds from the sale of equity collateral were insufficient to replace the loan position.

These arrangements provide for the return of the investments and a share of the interest earned on the collateral. The securities on loan to brokers remain the property of the DWP Plans and continue to be included in their respective accounts on the statement of fiduciary net position. DWP Plans does not have the ability to pledge or sell collateral assets unless the borrower is in default of its obligation. As of June 30, 2021, DWP Plans has no credit risk exposure because the value of the collateral received exceeded the value of the securities on loan.

DWP Plans' custodian is the authorized agent to handle DWP Plans' securities lending activity. DWP Plans' custodian may invest the cash collateral received in connection with securities on loan in investments permitted by DWP Plans. DWP Plans bears sole risk of all losses of the invested collateral, including losses incurred in the event of liquidation of the permitted investments. The custodian bank is responsible for the return of loaned securities from borrowers. In lending domestic securities, cash collateral is invested in the lending agent's short-term investment pool, which has an average maturity of 69 days as of June 30, 2021.

The fair values of the underlying securities on loan, collateralized by cash and securities as of June 30, 2021 are (in thousands):

Securities on Loan	Amount
Global Agencies	\$ 322
Global Equities	425,733
Global Corporate Fixed	24,879
Global Government Fixed	366,635
U.S. Agency Notes	1,671
U.S. Corporate Fixed	154,131
U.S. Equities	343,575
U.S. Government Fixed	398,279
Total	<u>\$ 1,715,225</u>

Notes to the Basic Financial Statements

Others

Other investments are generally those required to be deposited in accounts established under various bond indentures and will be held, invested and reinvested by the trustees/fiscal agents in permitted investments as defined in the indentures. Investment maturities are scheduled to coincide with bond retirement and interest payments. At June 30, 2021, other investments are as follows (in thousands):

Investment Type	Amount	Investment Maturities			
		1 to 30 Days	31 to 60 Days	61 to 365 Days	366 Days to 5 Years
U.S. Government Securities	\$ 37,767	\$ 8,420	\$ 14,428	\$ -	\$ 14,919
U.S. Agency Securities	13,062	-	-	-	13,062
Common Stock	661	661	-	-	-
State of California LAIF	148,619	-	-	148,619	-
Short-Term Investments	558,976	42,752	516,224	-	-
Total	<u>\$ 759,085</u>	<u>\$ 51,833</u>	<u>\$ 530,652</u>	<u>\$ 148,619</u>	<u>\$ 27,981</u>

Credit Risk. At June 30, 2021, \$3.4 million of U.S. Agency Securities were rated AA+ by S&P and Aaa by Moody's, the remaining \$9.7 million were not rated individually by S&P or Moody's. \$519.6 million of short-term investments were rated AAAM by S&P and Aaa by Moody's, and the remaining \$39.4 million were not rated by either S&P or Moody's.

As of June 30, 2021, investments in the Local Agency Investment Fund (LAIF) held by fiscal agents totaled \$148.6 million. The total amount invested by all public agencies in LAIF was \$37.1 billion. The LAIF is part of the State's Pooled Money Investment Account (PMIA). As of June 30, 2021, the investments in the PMIA totaled \$193.5 billion, of which 97.7% is invested in non-derivative financial products and 2.3% in structured notes and asset-backed securities. The weighted average maturity of LAIF investments was 291 days as of June 30, 2021. LAIF is not rated.

Concentration of Credit Risk. According to the City's Investment Policy, no more than 10% of the portfolio, except U.S. Treasuries and Agencies, may be invested in securities of a single issuer including its related entities. There is no specific requirement in the agreements with fiscal agents that limits the amount fiscal agents may invest in any one issuer. At June 30, 2021, the City had no investment holdings of more than 10% in any one issuer.

At June 30, 2021, the fair value hierarchy of the City's Other Investments are as follows (in thousands):

Investments	Amount	Fair Value Measurements Using	
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Investments Subject to Fair Value Hierarchy			
U.S. Government Securities	\$ 37,767	\$ 37,767	\$ -
U.S. Agency Securities	13,062	-	13,062
Common Stock	661	661	-
Total Investments Subject to Fair Value Hierarchy	<u>\$ 51,490</u>	<u>\$ 38,428</u>	<u>\$ 13,062</u>
Investments Not Subject to Fair Value Hierarchy			
Short-Term Investment Funds *	\$ 558,976		
Local Agency Investment Fund (LAIF)*	148,619		
Total Investments not Subject to Fair Value Hierarchy	<u>707,595</u>		
Total Investments Measured at Fair Value	<u>\$ 759,085</u>		

* These investments have remaining maturities of one year or less and are not subject to Fair Value Hierarchy.

B. Receivables**1. Primary Government**

The primary government's net receivables at June 30, 2021 are as follows (in thousands):

	Governmental Activities	Business-type Activities
Gross Receivables		
Taxes	\$ 820,439	\$ --
Accounts	644,634	1,371,549
Special Assessments	13,074	--
Investment Income	16,793	12,836
Intergovernmental	474,077	18,209
Loans and Notes	3,313,620	126,674
Total	<u>5,282,637</u>	<u>1,529,268</u>
Allowance for Uncollectibles		
Taxes	(21,496)	--
Accounts	(380,996)	(316,368)
Loans and Notes	(1,234,426)	--
Total	<u>(1,636,918)</u>	<u>(316,368)</u>
Net Receivables	<u>\$ 3,645,719</u>	<u>\$ 1,212,900</u>
Net Receivables not Scheduled for Collection During the Subsequent Year:		
Loans, Notes and Intergovernmental	\$ 1,454,637	\$ 58,309

The majority of the governmental activities loans consist of grant funded loans provided as follows:

- Loans to property owners for the upgrading and rehabilitation of residential or rental properties to eliminate the spread of slums and blight and repair earthquake damage;
- Loans to businesses to carry out economic development projects; and
- Loans to community based organizations to acquire, construct or improve existing public facilities. Interest rates ranged from 0.0% to 14.0% for outstanding interest bearing loans.

The principal and interest are paid either monthly, quarterly, annually (amortizing loans), or when residual receipts are generated in accordance with the loan agreements (residual receipts loans), or deferred until maturity, transfer of title or sale of property occurs (deferred loans). The net loans receivable balance of \$2.1 billion includes net interest receivable of \$569.6 million at June 30, 2021.

The business-type activities loans solely include Power's long-term notes from Intermountain Power Agency (refer to Note 5C).

C. Restricted Assets

The primary government's restricted assets consisted of the following at June 30, 2021 (in thousands):

	Governmental Activities	Business-type Activities
Cash and Investments		
Pooled Cash and Cash Equivalents, and Other Investments	\$ 10,462	\$ 2,213,492
Investments Held by Escrow and Fiscal Agents	--	1,451,968
Subtotal	10,462	3,665,460
Other Restricted Assets		
Restricted Passenger/Customer Facility Charge Receivable	--	23,748
Total (Refer to Note 1E)	<u>\$ 10,462</u>	<u>\$ 3,689,208</u>

D. Regulatory Assets and Liabilities

Regulatory assets and liabilities are created by the actions of the Board of Water and Power Commissioners by deferring certain expenses and revenues that are recoverable or payable by future rate charges in accordance with the current rate ordinances, so as to more evenly match the recognition of revenues and expenses with the electric rates charged to retail customers.

1. Power Enterprise Fund

Below is a summary of Power's regulatory assets and liabilities at June 30, 2021 (in thousands):

Description	Balance June 30, 2020	Additions	Deductions	Balance June 30, 2021
Assets				
Underrecovered Costs - Long-Term	\$ 65,691	\$ --	\$ (29,979)	\$ 35,712
Regulatory Assets - Legal Settlements	64,000	--	(16,000)	48,000
Regulatory Assets - Solar Incentive Program	190,977	933	(13,952)	177,958
Regulatory Assets- Energy Efficiency Program	634,268	97,065	(97,874)	633,459
Regulatory Assets - Customer Care and Billing System	28,553	--	(3,038)	25,515
Regulatory Assets - Other	917,798	97,998	(130,864)	884,932
Regulatory Assets - Pension	247,536	--	(14,130)	233,406
Regulatory Assets - OPEB	337,894	--	(63,227)	274,667
Current Portion of Underrecovered Costs	87,100	129,767	(87,100)	129,767
Total Regulatory Assets	\$ 1,656,019	\$ 227,765	\$ (325,300)	\$ 1,558,484
Deferred Inflows				
Deferred Inflows from Regulated Business Activities	145,696	40,777	--	186,473
Total Regulatory Liabilities	\$ 145,696	\$ 40,777	\$ --	\$ 186,473

Regulatory assets for legal settlements pertain to payments to governmental organizations as a result of an agreement reached from the courts related to the inclusion of capital components in the rates charged. Beginning July 2014, customers' bills include a charge for this legal settlement, to be collected over a 10-year period.

Starting April 2011, customers' bills include a charge for Power's solar incentive programs, a multiyear program to provide customers with solar incentives for installing solar panels and necessary equipment to generate energy, which will be collected over a 15-year period. Effective July 2011, customers' bills include a charge, for energy efficiency programs to be collected over a 5 to 15 year period, aimed at reducing energy consumption and improving the environment. At June 30, 2019, Power has 26 energy efficiency programs.

Beginning January 2014, customers' bills include a charge, related to training for customer care and billing system, to be collected over a 10-year period. During fiscal year 2019, Power determined certain costs originally capitalized as a regulatory asset were not expected to move forward for regulatory asset rate recovery. Remaining costs in customer care and billing system regulatory assets relate to training costs on the system and will be recovered through future rates.

The pension regulatory asset was established in relation with the implementation of GASB Statement No. 68 and is expected to be amortized over a period not to exceed 15 years. The OPEB regulatory asset was established in relation with the implementation of GASB Statement No. 75 and is expected to be amortized over a period not to exceed 15 years.

As provided in the Electric Rate Ordinance, Power is required to maintain balancing accounts to record the differences between specific costs incurred and amounts billed through rates to recover those costs. The net amount of these balancing accounts is presented on the statement of net position as a current asset when costs are underbilled (current portion of underrecovered costs) or as a current liability when costs are overbilled (overrecovered costs). All of these balancing accounts are

Notes to the Basic Financial Statements

expected to be settled within a 12-month period through the adjustment of pass-through rates during the billing process.

Deferred inflows from business activities represent revenues collected from customers where funds are deferred for future stabilization or deferred because the earnings process is not complete. For the year ended June 30, 2021, Power did not recognize any of this revenue.

Underrecovered costs of \$35.7 million were shown as other noncurrent assets in the statement of net position at June 30, 2021.

2. Water Enterprise Fund

Below is the summary of Water's regulatory assets at June 30, 2021 (in thousands):

Description	Balance June 30, 2020	Additions	Deductions	Balance June 30, 2021
Assets				
Regulatory Assets - Water Conservation Rebates	\$ 113,176	\$ 5,901	\$ (11,619)	\$ 107,458
Regulatory Assets - Stormwater Capture Program	49,215	897	(1,612)	48,500
Regulatory Assets - Customer Care and Billing System	12,676	--	(1,365)	11,311
Regulatory Assets - Other	175,067	6,798	(14,596)	167,269
Regulatory Assets - Pension	113,011	--	(7,956)	105,055
Regulatory Assets - OPEB	155,908	--	(28,049)	127,859
Underrecovered Costs	40,058	9,378	(40,058)	9,378
Total	\$ 484,044	\$ 16,176	\$ (90,659)	\$ 409,561

Water conservation is an integral part of the water resources management efforts and is a key element of maintaining a sustainable supply of water for the City. Water provides customers with 26 water conservation programs that are designed to reduce indoor and outdoor water usage. Initially the programs included low-flow showerheads and incentives to customers who purchase the high-efficiency toilets and high-efficiency clothes washing machines in an effort to reduce water use. In 2015, the program was expanded to include outdoor water savings through a turf reduction program to encourage replacing water-guzzling grass with low-water use shrubs and permeable walkways. Beginning June 2011, water bills include a charge, related to water conservation program payments to be collected over a period of 5 to 20 years.

The goal of Water's Stormwater Capture Program is to capture stormwater for recharging the basin with water that would otherwise runoff to the ocean, and thus be lost as a usable source to customers. Regulatory assets related to the Watershed Management Programs include investing in dams, reservoirs, and spreading grounds owned by other agencies, but the water collected benefits Water customers. Beginning August 2013, customers' bills include a related charge to be collected over a period of at least 30 years.

In 2013, Water implemented the customer care and billing system (CC&B). The implementation of the system required significant investment in training of the Water's employees. Beginning January 2014, customers' bills include a charge related to training for the CC&B to be collected over a 10-year period. As rates are established at a level sufficient to recover all such costs, the Water System recorded a regulatory asset. During fiscal year 2019, the Water's management determined that certain costs originally capitalized as a regulatory asset were not expected to move forward for regulatory asset rate recovery. Remaining costs in CC&B regulatory asset relate to training costs on the system and will be recovered through future rates.

The pension and OPEB regulatory asset was established in connection with the implementation of GASB Statement No. 68 and No. 75, respectively, is expected to be amortized over a period not to exceed 15 years.

As provided in the Water System Rate Ordinance, Water is required to maintain balancing accounts to record differences between specific costs incurred and amounts billed through rates to recover those costs. At June 30, 2021, underrecovered costs of \$9.4 million was included in the prepaid items and other assets in the statement of net position.

E. Joint Ventures

1. Intermodal Container Transfer Facility Joint Powers Authority

Harbor and the Port of Long Beach (POLB) entered into a joint powers agreement to form the Intermodal Container Transfer Facility Joint Powers Authority (ICTF) for the purpose of financing and constructing a facility to transfer cargo containers between trucks and railroad cars. Harbor contributed \$2.5 million to the ICTF as part of the agreement. The facility, which began operations in December 1986, was developed and operated by Southern Pacific Transportation Company (SPTC) under a long-term lease agreement. SPTC was subsequently merged and continues operations as Union Pacific Corporation (UPC). Harbor appoints two members of the ICTF's five-member governing board and accounts for its investment using the equity method. Both Harbor and POLB share income and equity distributions equally.

ICTF has issued bonds in prior years. At June 30, 2021, there were no outstanding bonds.

The ICTF's operations are financed from lease revenues by ICTF activities. The ICTF is empowered to perform those actions necessary for the development of the facility, including acquiring, constructing, leasing, and selling any of its property. Harbor's share of the ICTF's net position at June 30, 2021 was \$7.0 million.

2. Alameda Corridor Transportation Authority

In August 1989, the Alameda Corridor Transportation Authority (ACTA) was established through a Joint Exercise of Powers Agreement between the Cities of Los Angeles and Long Beach, California. The purpose of ACTA is to acquire, construct, finance, and operate a 20-mile-long consolidated transportation corridor; including an improved railroad expressway between the Harbor, the Port of Long Beach, and downtown Los Angeles.

Harbor has no share of the ACTA's net position and income at June 30, 2021, and accordingly, they have not been recorded in Harbor's financial statements. If in the future, ACTA is entitled to distribute income or make equity distributions, Harbor and POLB shall share such income and equity distributions equally.

F. Capital Assets**1. Governmental Activities**

Capital asset activity for governmental activities for the fiscal year ended June 30, 2021 is as follows (in thousands):

	Balance June 30, 2020	Additions / Transfers	Deductions / Transfers	Balance June 30, 2021
Capital Assets not Depreciated / Amortized				
Land	\$ 874,237	\$ 26,367	\$ --	\$ 900,604
Infrastructure	432,477	26,693	--	459,170
Construction in Progress	1,057,531	321,728	(189,356)	1,189,903
Intangible Assets	52,061	7,890	(8,962)	50,989
Total Capital Assets not Depreciated / Amortized	2,416,306	382,678	(198,318)	2,600,666
Capital Assets Depreciated / Amortized				
Buildings and Improvements	5,356,095	127,506	--	5,483,601
Machinery, Furniture and Equipment	1,809,336	122,798	(36,765)	1,895,369
Infrastructure	3,841,249	98,515	(1,577)	3,938,187
Intangible Assets	160,856	29,902	--	190,758
Total Capital Assets Depreciated / Amortized	11,167,536	378,721	(38,342)	11,507,915
Less: Accumulated Depreciation / Amortization				
Buildings and Improvements	(2,176,110)	(132,672)	--	(2,308,782)
Machinery, Furniture and Equipment	(1,284,931)	(143,134)	36,765	(1,391,300)
Infrastructure	(1,674,348)	(83,462)	1,577	(1,756,233)
Intangible Assets	(113,081)	(14,938)	--	(128,019)
Total Accumulated Depreciation / Amortization	(5,248,470)	(374,206)	38,342	(5,584,334)
Total Capital Assets Depreciated / Amortized, Net	5,919,066	4,515	--	5,923,581
Governmental Activities Capital Assets, Net	<u>\$ 8,335,372</u>	<u>\$ 387,193</u>	<u>\$ (198,318)</u>	<u>\$ 8,524,247</u>

Depreciation/amortization expense was charged to functions/programs of the governmental activities as follows (in thousands):

Function/Program	Amount
General Government	\$ 36,636
Protection of Persons and Property	109,277
Public Works	61,664
Health and Sanitation	47,701
Transportation	58,218
Cultural and Recreational Services	57,122
Community Development	3,588
Total Depreciation Expense - Governmental Activities	<u>\$ 374,206</u>

2. Business-type Activities

Capital asset activity for business-type activities for the fiscal year ended June 30, 2021 is as follows (in thousands):

	Balance June 30, 2020	Additions / Transfers	Deductions / Transfers	Balance June 30, 2021
Capital Assets not Depreciated / Amortized				
Land	\$ 3,001,876	\$ 437	\$ (980)	\$ 3,001,333
Construction in Progress	6,747,384	3,661,139	(2,252,210)	8,156,313
Intangible Assets	60,144	--	--	60,144
Nuclear Fuel	43,323	9,261	(13,268)	39,316
Natural Gas Field	151,724	58	(12,366)	139,416
Total Capital Assets not Depreciated / Amortized	10,004,451	3,670,895	(2,278,824)	11,396,522
Capital Assets Depreciated / Amortized				
Buildings, Facilities and Equipment	55,214,756	3,541,288	(93,406)	58,662,638
Intangible Assets	290,941	14,660	--	305,601
Total Capital Assets Depreciated / Amortized	55,505,697	3,555,948	(93,406)	58,968,239
Less: Accumulated Depreciation / Amortization				
Buildings, Facilities and Equipment	(22,611,239)	(1,524,073)	79,920	(24,055,392)
Intangible Assets	(46,568)	(6,203)	--	(52,771)
Total Accumulated Depreciation / Amortization	(22,657,807)	(1,530,276)	79,920	(24,108,163)
Total Capital Assets Depreciated / Amortized, Net	32,847,890	2,025,672	(13,486)	34,860,076
Business-type Activities Capital Assets, Net	\$ 42,852,341	\$ 5,696,567	\$ (2,292,310)	\$ 46,256,598

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

Depreciation and Amortization Expense Charged to Functions of Business-type Activities:	Amount
Airport	\$ 444,981
Harbor	153,304
Power	671,090
Water	207,264
Sewer	207,364
Convention Center	12,879
Total	\$ 1,696,882

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

Power has undivided direct interests in several electric generating stations and transmission systems that are jointly owned with other utilities. Power will incur certain minimal operating costs related to the jointly owned facilities regardless of the amount or its ability to take delivery of its share of energy generated. Power's proportionate share of the operating costs of the joint plants is included in the corresponding categories of operating expenses. The following schedule shows the ownership interest in each jointly owned utility plant as included in capital assets in the statement of net position at June 30, 2021:

	Ownership Interest	Share of Capacity (megawatts)	Utility Plant in Service (in thousands)	
			Cost	Accumulated Depreciation
Palo Verde Nuclear Generating Station	5.7 %	224	\$ 625,838	\$ 436,408
Mojave Generating Station	30.0	--	3,409	229
Pacific Intertie DC Transmission Line	40.0	1,240	342,895	97,760
Other Transmission Systems	--	Various	127,536	73,771
Total			\$ 1,099,678	\$ 608,168

3. Fiduciary Funds

LACERS' office furniture, equipment and software includes costs for developing the LACERS' new Pension Administration System (PAS). The total capitalized cost of \$9.4 million is being amortized over 15 years using the straight-line method. Office furniture and equipment acquisitions of at least \$5,000 are capitalized and depreciated over five years. On October 9, 2019, LACERS approved the purchase of a commercial office building and underground parking structure located at 977 N. Broadway in Los Angeles, California to serve as LACERS future headquarters building. The purchase was settled at \$33.7 million on October 23, 2019. The purchase price was allocated to Land valued at \$4.0 million and Building valued at \$29.7 million, based on the assessment performed on the fair value of acquired assets. In addition, LACERS incurred \$0.2 million in acquisition costs and subsequent building improvements costing \$0.8 million, of which \$0.7 million were incurred during the fiscal year, which were capitalized as part of the building cost. As of the end of the fiscal year, major capital improvements are still in progress to prepare the building for occupancy. The project has been impacted by the ongoing supply chain delays for construction materials and supplies. Once the building is put to use, LACERS will capitalize all costs associated and begin to record depreciation expense of the headquarters.

G. Interfund Receivables, Payables, and Transfers

The following tables are summaries of the City's interfund balances at June 30, 2021 (in thousands):

1. Due From/To Other Funds

Receivable Fund	Payable Fund	Amount
General	MICLA Special Revenue	\$ 5,476
	Nonmajor Governmental Funds	97,278
	Sewer	1,921
		<u>104,675</u>
Nonmajor Governmental Funds	General	84,040
	Nonmajor Governmental Funds	20,249
	Sewer	430
		<u>104,719</u>
Power	Water	<u>20,131</u>
Sewer	General	<u>90,756</u>
Total		<u><u>\$ 320,281</u></u>

The receivable balances of the General Fund are mainly from the various governmental funds, which represent short-term loans to cover tardy receipts of revenues, while the payable balance is composed primarily of encumbered and unexpended budgetary transfers for certain costs allocated to the various Nonmajor Governmental funds. Power's receivable from Water is related to outstanding costs of certain services provided by the fund. The receivable balance of Sewer pertains to reconciliation of related cost reimbursements as of June 30, 2021.

Notes to the Basic Financial Statements

2. Advances To/From Other Funds

Receivable Fund	Payable Fund	Amount
General	Nonmajor Governmental Funds	\$ 21,374
MICLA Debt Service	Nonmajor Governmental Funds	106,417
Nonmajor Governmental Funds	General	75,057
	Nonmajor Governmental Funds	32,403
		107,460
Sewer	General	6,091
	Nonmajor Governmental Funds	5,526
		11,617
Total		<u>\$ 246,868</u>

The above balances represent interfund borrowings payable beyond one year. Advances from the General Fund represent borrowings to cover temporary revenue shortfalls required to be maintained intact. The \$106.4 million MICLA Debt Service advances to other funds represent loans for redeeming Special Parking Revenue Fund bonds, Sixth Street Viaduct Improvement Fund; Staples Center Trust Fund, and Bridge Improvement Program Fund. The \$6.1 million Sewer advances to the General Fund pertain to expenditures incurred for the repair of various wastewater facilities damaged during the Northridge earthquake.

3. Interfund Transfers

Transfer In	Transfer Out	Amount
General	MICLA Debt Service	\$ 9,918
	MICLA Special Revenue Fund	166
	Nonmajor Governmental Funds	356,369
	Power	218,355
		584,808
MICLA Debt Service	General	164,494
	MICLA Special Revenue Fund	2,000
		166,494
Nonmajor Governmental Funds	General	563,918
	Nonmajor Governmental Funds	143,705
		707,623
Total		<u>\$ 1,458,925</u>

Transfers are used to 1) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due; 2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations; and 3) move unrestricted revenues collected in certain enterprise funds to partially finance various programs in the General Fund in accordance with budgetary authorizations.

In fiscal year 2021, significant transfers include the following: 1) \$218.4 million from Power to the General Fund; 2) \$166.5 million from General Fund and MICLA Special Revenue Fund for the purpose of debt requirement obligations; and 3) \$563.9 million budget allocation from the General Fund to finance various departmental programs including \$232.0 million to the Recreation and Parks, \$204.9 million for Library Department, and \$14.6 million for payments of sidewalk and curb repairs.

H. Accounts Payable and Accrued Expenses

The primary government's accounts payable and accrued expenses at June 30, 2021 are broken down as follows (in thousands):

	Governmental Activities	Business-type Activities
Accounts, Contracts and Retainage Payable	\$ 493,149	\$ 1,365,794
Accrued Salaries and Overtime Payable	132,924	104,891
Intergovernmental Payable	3,949	--
Total	<u>\$ 630,022</u>	<u>\$ 1,470,685</u>

I. Long-Term Liabilities**1. Governmental Activities**Changes in Long-Term Liabilities

The changes in the governmental activities long-term liabilities for the fiscal year ended June 30, 2021 are as follows (in thousands):

	Balance June 30, 2020	Additions	Deductions	Balance June 30, 2021	Due Within One Year
General Obligation Bonds	\$ 729,520	\$ --	\$ (102,060)	\$ 627,460	\$ 97,160
Certificates of Participation (COP) and Lease Revenue Bonds	1,278,295	505,791	(454,390)	1,329,696	135,535
Direct Placements	97,689	9,088	(42,308)	64,469	10,592
Commercial Paper Notes	336,000	173,000	(178,400)	330,600	--
Revenue Bonds	185,660	--	(21,165)	164,495	17,480
Subtotal Bonds and Notes	2,627,164	687,879	(798,323)	2,516,720	260,767
Add: Unamortized Premium and Discount	183,020	50,110	(61,485)	171,645	--
Total Bonds and Notes	2,810,184	737,989	(859,808)	2,688,365	260,767
Claims and Judgments	2,388,037	597,840	(361,879)	2,623,998	328,950
Loans Payable to HUD	79,348	--	(33,025)	46,323	4,609
Capital Lease Obligations	54,871	--	(12,072)	42,799	12,250
Compensated Absences	719,804	413,934	(340,746)	792,992	254,470
Landfill Liability	43,190	24	(1,399)	41,815	--
Estimated Pollution Remediation Liability	15,480	17,928	(21,360)	12,048	1,495
Total Other Liabilities	3,300,730	1,029,726	(770,481)	3,559,975	601,774
Net Pension Liability	6,666,583	3,332,956	(1,143,062)	8,856,477	--
Net OPEB Liability	2,013,976	627,796	(547,298)	2,094,474	--
Governmental Activities Long-term Liabilities	<u>\$ 14,791,473</u>	<u>\$ 5,728,467</u>	<u>\$ (3,320,649)</u>	<u>\$ 17,199,291</u>	<u>\$ 862,541</u>

General Obligation Bonds (GO Bonds)

The following summarizes the various voter authorizations for GO Bonds that were outstanding as of June 30, 2021 (in thousands):

Election Date	Project	Amount Authorized	Amount Issued as of June 30, 2021	Amount Authorized But Unissued
November 1998	Library Facilities	\$ 178,300	\$ 178,300	\$ --
November 1998	Zoo Facilities	47,600	47,600	--
November 2000	Fire, Paramedic, Helicopter and Animal Shelter Projects	532,648	532,648	--
March 2002	Emergency Operations, Fire Dispatch and Police Facilities	600,000	600,000	--
November 2004	Stormwater Projects	500,000	439,500	60,500
November 2016	Homelessness Reduction and Prevention and Housing Projects	1,200,000	362,610	837,390
Total		<u>\$ 3,058,548</u>	<u>\$ 2,160,658</u>	<u>\$ 897,890</u>

Notes to the Basic Financial Statements

The bonds are general obligations of the City payable as to principal and interest from proceeds of ad valorem taxes that may be levied, without limitation as to rate or amount, upon property subject to taxation by the City. Principal and interest payments are enforceable through a writ of mandamus, a legal process by which a court can compel specific performance of the City. In the event of a default, bondholders may take the City to court to compel a tax levy given the City's ad valorem taxing power.

In the case of defeasance, all obligations of the City with respect to the outstanding bonds or such portion thereof shall cease and terminate, except (i) the obligation of the City to pay the bond owners all sums due thereon, (ii) the obligation of the City to make deposits to and payments from the Excess Earnings Fund for the specific bond series, and (iii) the obligation of the City to pay the Paying Agent, if other than the Treasurer or any other officer of the City, the amounts owing to the Paying Agent. The source of funds for the obligations described above is proceeds based on the City's ad valorem taxing power.

The GO Bonds outstanding as of June 30, 2021 and the original amounts issued are as follows (in thousands):

	Final Maturity	Interest Rates	Original Amount	Outstanding Balance
Series 2011-B, Refunding	9/1/22	2.000% - 5.000%	\$ 259,660	\$ 47,765
Series 2012-A, Refunding	9/1/25	3.000% - 5.000%	225,850	76,165
Series 2016-A, Refunding	9/1/31	1.050% - 3.150%	143,815	104,365
Series 2017-A	9/1/37	1.470% - 3.500%	86,370	73,410
Series 2017-B, Refunding	9/1/27	5.000%	81,895	32,045
Series 2018-A	9/1/38	2.900% - 4.000%	276,240	248,610
Series 2018-B, Refunding	9/1/29	5.000%	34,665	34,665
Series 2018-C, Refunding	9/1/29	3.300% - 4.000%	10,435	10,435
Total			<u>\$ 1,118,930</u>	<u>\$ 627,460</u>

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

Fiscal Year	Principal	Interest	Total
2022	\$ 97,160	\$ 22,165	\$ 119,325
2023	79,635	18,521	98,156
2024	61,525	15,777	77,302
2025	44,360	13,756	58,116
2026	37,355	12,199	49,554
2027 - 2031	161,270	41,302	202,572
2032 - 2036	96,095	18,115	114,210
2037 - 2039	50,060	2,712	52,772
Subtotal	627,460	144,547	772,007
Unamortized Premium and Discount	14,788	--	14,788
Total	<u>\$ 642,248</u>	<u>\$ 144,547</u>	<u>\$ 786,795</u>

Notes to the Basic Financial Statements

Certificates of Participation (COP) and Lease Revenue Bonds

In 1984, the Mayor and the City Council directed that a lease-purchase program for the acquisition and improvement of real property and capital equipment be established. A 501(c)(4) nonprofit corporation, MICLA, was created to serve as the lessor. The City and MICLA have entered into a number of lease-purchase agreements funded through the sale of certificates of participation, direct placements, and lease revenue bonds.

The aggregate outstanding balance at June 30, 2021 and the aggregate original amount issued for MICLA's certificates of participation and lease revenue bonds are as follows (in thousands):

MICLA Projects	Final Maturity	Interest Rates	Original Amount	Outstanding Balance
Project AS (Ref M)	10/1/21	3.000% - 5.000%	\$ 7,655	\$ 220
Project 2010-C	11/1/40	1.647%-7.842%	18,170	15,570
Project 2015-A	11/1/22	1.260%-3.592%	292,415	65,520
Project 2016-A	11/1/26	2.000%-5.000%	125,235	80,880
Project 2016-B	11/1/39	2.000%-5.000%	685,270	579,105
Project 2018-A	11/1/27	5.000%	54,430	41,320
Project 2018-B	11/1/37	5.000%	31,270	28,650
Project 2018-C	11/1/27	2.020%-3.417%	25,630	18,865
Project 2020-A	11/1/30	5.000%	84,725	84,725
Project 2020-B	11/1/40	5.000%	80,850	74,625
Project 2020-C	11/1/41	0.415%-2.863%	102,265	102,265
Project 2021-A	11/1/38	0.269%-2.924%	177,470	177,470
Project 2021-B	11/1/38	5.000%	60,481	60,481
Subtotal Certificates of Participation and Lease Revenue Bonds			1,745,866	1,329,696
Project 2011-A	10/1/28	4.257%	11,920	4,201
Project 2016 Streetlights	4/1/24	1.890% - 2.100%	26,369	10,369
Project 2017 Streetlights	6/1/27	2.460%	39,298	24,793
Project 2019 Streetlights	6/1/29	2.010%	17,845	16,018
Project 2020 Streetlights	6/1/31	1.470%	9,088	9,088
Subtotal Direct Placements			104,520	64,469
Total			\$ 1,850,386	\$ 1,394,165

The City has pledged, as security for bonds issued by MICLA, revenues consisting of basic lease payments pursuant to the equipment lease and real property agreements and earnings from investment of money held. The City includes all necessary MICLA lease payments in its annual budget appropriations. Principal and interest paid on MICLA bonds for fiscal year 2021 totaled \$360.2 million, while revenue from leases received and investment earnings totaled \$166.5 million.

The COPs and bonds of \$1.33 billion in 2021 are secured with collateral of various facilities and capital equipment subleased and leased by MICLA to the City, respectively. In the event of default and termination, MICLA may repossess and re-lease the property and apply the proceeds to the lease payments of the COPs and bonds then outstanding.

MICLA's outstanding direct placements of \$64.5 million are secured with collateral of various facilities and capital equipment of the City. For the MICLA Series 2011-A, in the event of default, there is an effective default rate that the City is required to pay. For the MICLA 2016 Streetlight Financing, MICLA 2017 Streetlight Financing, MICLA 2019 Streetlight Financing, and MICLA 2020 Streetlight Financing, the City shall transfer all remaining funds in the Construction Fund to MICLA, in which the amounts shall be applied to the payment of the rental payments.

Notes to the Basic Financial Statements

Annual debt service requirements to maturity for MICLA certificates of participation, lease revenue, and direct placements are as follows (in thousands):

Fiscal Year	COP and Lease Revenue Bonds		Direct Placements		Total
	Principal	Interest	Principal	Interest	
2022	\$ 135,535	\$ 51,489	\$ 10,592	\$ 1,469	\$ 199,085
2023	107,350	46,513	10,878	1,159	165,900
2024	94,170	43,079	11,098	915	149,262
2025	92,480	39,796	7,735	667	140,678
2026	94,593	36,399	7,896	481	139,369
2027 - 2031	375,734	129,439	16,270	530	521,973
2032 - 2036	291,358	60,516	--	--	351,874
2037 - 2041	136,871	9,476	--	--	146,347
2042	1,605	23	--	--	1,628
Subtotal	1,329,696	416,730	64,469	5,221	1,816,116
Unamortized Premium and Discount	142,171	--	--	--	142,171
Total	\$ 1,471,867	\$ 416,730	\$ 64,469	\$ 5,221	\$ 1,958,287

On August 20, 2020, MICLA issued Lease Revenue Bonds Series 2020-A of \$84.7 million, Lease Revenue Refunding Bonds Series 2020-B of \$80.9 million both with interest rate of 5.000% and Lease Revenue Refunding Bonds Series 2020-C of \$102.3 million with interest rates ranging between 0.415% and 2.863%, maturing on November 1, 2030, November 1, 2040 and November 1, 2041, respectively. These bonds were issued for retiring certain maturities of commercial paper notes, used to finance and refinance the acquisition of capital equipment and acquisition and improvement of certain real properties of the City, and refund all of the outstanding MICLA Lease Revenue bonds Series 2012-A, 2012-B and 2012-C and Direct Placement Equipment Lease Purchase bonds series 2014-C.

On November 20, 2020, MICLA issued Direct Placement Financing 2020 Streetlights of \$9.1 million with interest rate of 1.470% and maturing on June 1, 2031. The direct placement was issued for the financing of the City's acquisition and installation of approximately 2,500 streetlights with light-emitting diode (LED) and/or high voltage conversion and other related improvements.

On March 4, 2021, MICLA issued Lease Revenue Refunding Bonds Series 2021-A of \$177.5 million with interest rates ranging between 0.269% and 2.924% and Lease Revenue Refunding Bonds Series 2021-B of \$60.5 million with interest rate of 5.000%. Both bonds series are maturing on November 1, 2038. Lease Revenue Refunding Bonds Series 2021-A were issued to refund all of the outstanding MICLA Lease Revenue Bonds Series 2014-A and 2014-B and partially refund a portion of Lease Revenue Bonds Series 2019-A and Lease Revenue Refunding Bonds Series 2019-B. Lease Revenue Refunding Bonds Series 2021-B were issued to exchange the remaining outstanding balance of MICLA Lease Revenue Bonds Series 2019-A and Lease Revenue Refunding Bonds Series 2019-B.

MICLA's bond payments are secured primarily by revenues from base rental payments, revenues earned by the facility when available, and revenues collected pursuant to the Gap Funding Agreement relative to the Staples Arena Development.

Commercial Paper Notes

The City has created two commercial paper (CP) programs secured by lease agreements payable from the General Fund.

In 2004, the City and MICLA established a commercial paper program authorizing MICLA to issue up to \$200.0 million in lease revenue CP notes to finance and refinance capital equipment, the acquisition and improvement of real property, and other financing needs of the City (the General MICLA CP). The General MICLA CP program increased from time to time and is currently authorized for up to \$425.0 million. This program allows MICLA to access financial markets quickly; to obtain

Notes to the Basic Financial Statements

flexible, short-term maturities; to borrow only those amounts needed as invoices are received; and to borrow at more favorable rates. The notes issued mature at a specific time between one and 270 days of issuance. Upon maturity, they are either re-sold in the open market or refinanced with longer-term bonds. As a security to the notes, the City and MICLA entered into an asset-transfer lease agreement on certain capital assets with a carrying net book value as of June 30, 2021 of \$95.2 million and estimated fair value of \$469.9 million.

The City has created a second CP program to issue up to \$100.0 million in lease revenue CP notes to finance and refinance capital improvements to the Los Angeles Convention Center facility (the LACC CP), which also represents a lease obligation of the General Fund.

In connection with each of these CP programs, the City arranged for the issuance of one or more irrevocable direct-pay letters of credit (LOCs), and entered into a reimbursement agreement with each of the credit banks. If CP is outstanding and the related letter of credit is stated to expire, and the City is unable to secure an extension or replacement letter of credit, then the related letter of credit would be drawn upon prior to its expiration to pay interest and principal due on the CP. Under the reimbursement agreement, the City is generally required to reimburse the credit banks over a period of time, but at no more than the stipulated fair rental value of the leased properties. The reimbursement agreements contain a number of covenants and agreements on the part of the City, and specify events of default, and remedies.

In the event of default, the obligations shall bear interest at the default rate, the banks may stop the issuance of additional commercial paper notes, and reduce the stated amount of the letter of credit. In the event of termination, MICLA agrees to pay the bank a termination fee in an amount equal to the applicable LOC fee rate, the original stated amount, and a prorated amount payable on the date the LOC is terminated.

The table below summarizes the direct pay letters of credit that currently support the payment of principal of and interest on the General MICLA CP and the LACC CP programs, respectively (in thousands):

	Authorized Amount	Outstanding Amount	LOC Fee Rate	Expiration Date
Convention Center	\$ 100,000	\$ 20,700	0.340 %	06/30/2022
Series A-1/B-1	150,000	113,100	0.280 %	06/30/2022
Series A-2/B-2	100,000	71,800	0.320 %	06/30/2022
Series A-3/B-3	175,000	125,000	0.320 %	06/30/2022
	<u>\$ 525,000</u>	<u>\$ 330,600</u>		

For the fiscal year ended June 30, 2021, MICLA paid \$1.8 million of the LOC fees for the general commercial paper and the Los Angeles Convention Center commercial paper programs. During the year, MICLA issued \$173.0 million of commercial paper notes for the acquisition of capital assets. At June 30, 2021, outstanding commercial paper notes amounted to \$330.6 million with interest rates ranging from 0.08% to 0.16%.

Build America and Qualified Energy Conservation Bonds

MICLA has designated Series 2010-B and Series 2010-C as "Recovery Zone Economic Development Bonds," and Series 2011-A as a "Qualified Energy Conservation Bond" under the provisions of the American Recovery and Reinvestment Act of 2009. MICLA expects to receive a direct subsidy of 45% and 70% of the interest due to bondholders from the United States Treasury for "Recovery Zone Economic Development Bonds" and "Qualified Energy Conservation Bond", respectively. As of June 30, 2021, MICLA recorded \$0.6 million of the interest subsidy as revenues on the statement of revenues, expenditures and changes in fund balances. Due to the actions by Congress relative to sequestration, the subsidy amount of the interest due to bondholders was reduced by 5.7% for federal fiscal year 2021.

Notes to the Basic Financial Statements

Revenue Bonds

The revenue bonds outstanding at June 30, 2021 and the original amounts issued are as follows (in thousands):

	Final Maturity	Interest Rates	Original Amount	Outstanding Balance
Solid Waste Resources Revenue Bonds				
2013-A Series	2/01/27	2.000% - 5.000%	\$ 73,665	\$ 44,665
2013-B Series, Refunding	2/01/29	2.000% - 5.000%	78,780	7,395
2015 Series, Refunding	2/01/24	2.000% - 5.500%	76,670	15,890
2018-A Series	2/01/33	3.000% - 5.000%	110,530	96,545
Total			<u>\$ 339,645</u>	<u>\$ 164,495</u>

The Solid Waste Resources revenue bonds were issued to finance the acquisition of certain equipment and construction of certain facilities for the refuse collection and disposal system of the City. The bonds are payable from and secured by a pledge of revenues, which include the solid waste collection, transfer, recycling, recovery of waste resources and disposal fees, received by the Solid Waste Resources Revenue Fund. Principal and interest paid for the current year and total solid waste resources revenue were \$28.7 million and \$281.3 million, respectively.

Annual debt service requirements to maturity for the Solid Waste Resources revenue bonds are as follows (in thousands):

Fiscal Year	Principal	Interest	Total
2022	\$ 17,480	\$ 6,473	\$ 23,953
2023	18,560	5,599	24,159
2024	19,260	4,899	24,159
2025	16,945	4,313	21,258
2026	17,315	3,739	21,054
2027 - 2031	54,760	10,533	65,293
2032 - 2033	20,175	1,013	21,188
Subtotal	164,495	36,569	201,064
Unamortized Premium	14,686	--	14,686
Total	<u>\$ 179,181</u>	<u>\$ 36,569</u>	<u>\$ 215,750</u>

Loans Payable to HUD

The Loans Payable to HUD consist of \$22.1 million fixed-rate loans and \$24.2 million interim financing loans. The loans will be repaid from program income generated by Home Partnership Act Grant (HOME), Community Development Block Grant (CDBG) entitlements and Section 108 Loan Program Funds. The debt service requirements to maturity are as follows (in thousands):

Fiscal Year	Principal	Interest	Total
2022	\$ 4,609	\$ 769	\$ 5,378
2023	4,972	651	5,623
2024	4,956	526	5,482
2025	5,956	392	6,348
2026	2,511	306	2,817
2027 - 2031	19,159	977	20,136
2032 - 2033	4,160	27	4,187
Total	<u>\$ 46,323</u>	<u>\$ 3,648</u>	<u>\$ 49,971</u>

Notes to the Basic Financial Statements

The interest rates on the fixed-rate loans of \$22.1 million range from 2.620% to 7.210% and have maturity dates through 2033. The interim financing loans of \$24.2 million bear interest payable quarterly at 20 basis points (0.200%) above the applicable London Interbank Offered Rate (LIBOR). The loans mature on various dates through 2033. The interest rate in effect (LIBOR + 0.200%) as of June 30, 2021 of 0.333% was used in the debt service requirement schedule.

Capital Lease Obligations

The City entered into Equipment Lease-Purchase agreements with JPMorgan Chase Bank (JPMorgan), and Motorola Solutions, Inc. (Motorola) with the discount rates 1.732% and 1.370% for the total lease payment amounts of \$22.0 million and \$64.5 million to finance the acquisition of vehicles and radios, respectively. The lease payments to maturity are as follows (in thousands):

Fiscal Year	Principal	Interest	Total
2022	\$ 12,250	\$ 552	\$ 12,802
2023	12,432	370	12,802
2024	8,997	217	9,214
2025	9,120	94	9,214
Total	<u>\$ 42,799</u>	<u>\$ 1,233</u>	<u>\$ 44,032</u>

The City grants to JPMorgan and Motorola, respectively, a first priority security interest in any and all of the equipment as collateral security for the secured obligations. If the City fails to pay the rental payment to JPMorgan within ten days from the due date, the City shall pay JP Morgan on demand as a late charge five percent (5%) of such overdue amount. If the City fails to pay the lease payment to Motorola within 60 days from the due date, the lease payment will bear interest at a rate of 6% per annum from such lease payment due date until paid.

Further, JPMorgan and Motorola may require the City to promptly return all equipment or may enter the premises where any equipment is located and repossess any equipment without demand or notice, without any court order or other process of law and without liability for any damage occasioned by such repossession. JPMorgan and Motorola may terminate the equipment lease. In the event of such default and any equipment repossession or termination of the lease, the City shall continue to remain liable for the payment of the lease payments and damages for breach of the equipment lease.

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

Notes to the Basic Financial Statements

2. Business-type Activities

Changes in Long-term Liabilities

The changes in the business-type activities long-term liabilities for the fiscal year ended June 30, 2021 are as follows (in thousands):

	Balance June 30, 2020	Additions	Deductions	Balance June 30, 2021	Due Within One Year
Airports Revenue Bonds and Notes	\$ 7,226,367	\$ 2,054,545	\$ (958,086)	\$ 8,322,826	\$ 242,586
Harbor Revenue Bonds	711,080	--	(45,410)	665,670	47,190
Power System Revenue Bonds and Revenue Certificates	9,699,533	1,121,500	(672,420)	10,148,613	266,853
Water System Revenue Bonds and Loans	5,888,014	1,011,304	(764,214)	6,135,104	147,799
Wastewater System Revenue Bonds, Notes, and Loans	2,719,062	115,000	(107,148)	2,726,914	261,500
Subtotal Revenue Bonds, Notes, and Loans	26,244,056	4,302,349	(2,547,278)	27,999,127	965,928
Add (Less):					
Net Unamortized Premiums and Discounts	2,746,324	1,001,042	(295,411)	3,451,955	--
Net Revenue Bonds, Notes, and Loans	28,990,380	5,303,391	(2,842,689)	31,451,082	965,928
Compensated Absences	223,383	49,286	(6,122)	266,547	168,848
Claims and Judgments	207,733	32,000	(33,259)	206,474	27,156
Estimated Pollution Remediation Liability	178,452	15,918	(25,583)	168,787	16,635
Other Liabilities	34,819	1,894	(9,951)	26,762	--
Subtotal	29,634,767	5,402,489	(2,917,604)	32,119,652	1,178,567
Net Pension Liability	1,874,417	548,318	--	2,422,735	--
Net OPEB Liability	660,058	16,027	(285,957)	390,128	--
Asset Retirement Obligation	237,361	--	(765)	236,596	--
Derivative Instrument Liabilities	3,928	--	(3,928)	--	--
Total	\$ 32,410,531	\$ 5,966,834	\$ (3,208,254)	\$ 35,169,111	\$ 1,178,567

Airports Revenue Bonds and Notes

Revenue bonds, revenue refunding bonds, and commercial paper notes outstanding at June 30, 2021, and the original amounts issued are as follows (in thousands):

	Final Maturity	Interest Rates	Original Amount	Outstanding Balance
Fixed Rate Revenue Bonds	2051	0.698% - 7.053%	\$ 8,627,350	\$ 8,224,485
Commercial Paper Notes	--	variable	98,341	98,341
Subtotal			\$ 8,725,691	8,322,826
Net Unamortized Bond Premiums and Discounts				1,374,467
Net Revenue Bonds and Notes				\$ 9,697,293

On August 27, 2020, Airports issued \$558.5 million of LAX senior refunding revenue bonds Series 2020B with a premium of \$147.4 million, \$380.0 million senior revenue bonds Series 2020C with a premium of \$90.6 million, and \$120.0 million senior revenue bonds Series 2020D with a premium of \$29.1 million. The bonds were issued to fund certain capital projects at LAX, and to refund and defease all of the outstanding Series 2010A senior revenue bonds, Series 2010B subordinate revenue bonds and Series 2010D senior revenue bonds in the amount of \$316.9 million, \$134.7 million and \$315.8 million, respectively. This transaction resulted in cash flow savings of \$388.6 million, economic gain of \$265.1 million; and a net gain for accounting purposes of \$18.2 million, which is included in deferred inflows of resources and is being amortized over the remaining life of the bonds through May 2040.

Notes to the Basic Financial Statements

On February 17, 2021, Airports issued \$405.4 million of LAX subordinate revenue and refunding revenue bonds Series 2021A with a premium of \$123.8 million, \$395.0 million of subordinate revenue and refunding revenue bonds Series 2021B with a premium of \$133.7 million, and \$92.9 million of subordinate refunding revenue bonds Series 2021C with no premium. The bonds were issued to fund certain capital projects at LAX, and to refund a portion of outstanding bonds and subordinate commercial paper notes maturing in fiscal year 2021.

The bonds are subject to optional and mandatory sinking fund redemption prior to maturity. Airports has agreed to certain covenants with respect to bonded indebtedness. Significant covenants include the requirement that Airports' pledged revenues, as defined in the master senior and subordinate indentures, shall be the security and source of payment for the bonds.

Airports has received approval from the FAA to collect and use passenger facility charges (PFCs) to pay for debt service on bonds issued to finance the Tom Bradley International Terminal (TBIT) Renovations, Bradley West projects and Terminal 6 improvements. The Board of Airport Commissioners authorized amount of \$73.5 million for debt service in fiscal year 2021. In fiscal year 2021, Airports CARES Act grants in the amount of \$21.9 million was used to apply against debt service payments and \$249.3 million was used to apply against LAX maintenance and operations expenses.

The total principal and interest remaining on the bonds and notes is \$14.2 billion. Principal and interest paid in fiscal year 2021 and the net pledged revenues, after application of the \$73.5 million PFCs funds and \$271.2 million CARES Act grants, were \$487.7 million and \$694.4 million, respectively.

Airports' net pledged revenues include substantially the total operating revenue with the Build America Bonds (BABs) subsidy, nonoperating Transportation Security Administration (TSA) revenue, interest income net of PFC, Customer Facility Charges (CFC) and construction funds, but do not include PFC revenues, CFC revenues, and certain other nonoperating revenues. Airports' pledged revenue coverage is found in the Statistical Section-Debt Capacity.

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

Fiscal Year	Principal	Interest	Total
2022	\$ 242,586	\$ 413,267	\$ 655,853
2023	148,750	396,262	545,012
2024	206,450	389,128	595,578
2025	241,355	378,715	620,070
2026	253,800	366,882	620,682
2027-2031	1,477,045	1,634,094	3,111,139
2032-2036	1,845,770	1,231,892	3,077,662
2037-2041	2,031,625	741,465	2,773,090
2042-2046	1,307,625	315,635	1,623,260
2047-2051	567,820	54,341	622,161
Subtotal	8,322,826	5,921,681	14,244,507
Net Unamortized Bond Premiums and Discounts	1,374,467	--	1,374,467
Total	\$ 9,697,293	\$ 5,921,681	\$ 15,618,974

As of June 30, 2021, Airports had outstanding commercial paper (CP) notes of \$98.3 million. The average interest rate in effect as of June 30, 2021 is 0.11%. The CP notes mature no more than 270 days from the date of issuance. The CP notes were issued as a means of interim financing for certain capital expenditures and redemption of certain bond issues.

Airports entered into a letter of credit (LOC) and reimbursement agreement with the following institutions to provide liquidity and credit support for the CP program: Barclays Bank PLC for \$228.9 million to expire on September 8, 2023; Sumitomo Mitsui Banking Corporation; acting through its New York Branch for \$218.0 million to expire on September 9, 2022; and Bank of America for \$98.1 million to expire on September 9, 2021. Airports secured a new LOC with Bank of America for \$98.1 million on September 8, 2021, to expire on September 6, 2024. As of June 30, 2021, Airports had undrawn

Notes to the Basic Financial Statements

LOC balances of \$228.9 million from Barclays, \$203.0 million from Sumitomo, and \$14.8 million from Bank of America.

Airports paid the LOC banks an annual commitment fee ranging from 0.80% and 0.85% on the stated amount of the LOC. LOC fees of \$3.7 million were paid for fiscal year 2021.

Airports had the following CP activities during fiscal year 2021 (in thousands):

	Balance June 30, 2020	Additions	Deductions	Balance June 30, 2021
Series A	\$ 25,749	\$ 26,426	\$ --	\$ 52,175
Series B	4,562	40,226	(26,663)	18,125
Series C	32,886	36,038	(40,883)	28,041
	<u>\$ 63,197</u>	<u>\$ 102,690</u>	<u>\$ (67,546)</u>	<u>\$ 98,341</u>

Build America Bonds

LAX Subordinate Revenue Bonds 2009 Series C and 2010 Series C with par amounts of \$307.4 million and \$59.4 million, respectively, were issued as federally taxable Build America Bonds (BABs) under the American Recovery and Reinvestment Act of 2009. Airports receives a direct federal subsidy payment in the amount equal to 35% of the interest expense on the BABs. The automatic cuts in spending (referred to as "sequestration") for the federal fiscal year ended September 30, 2021 reduced the subsidy. The interest subsidy on the BABs was \$7.2 million in fiscal year 2021. The BABs rate was reduced by 5.7% for fiscal year 2021. The subsidy is recorded as a non-capital grant, a component of other nonoperating revenue.

Other Significant Obligations

Aside from Airports' debt obligations incurred under the Master Senior and Subordinate Indentures, Airports' other significant obligations include:

Commercial Paper Reimbursement Agreements

Airports' prior commercial paper reimbursement agreements contained a provision that upon the occurrence of an event of default by LAX, the applicable letter of credit (LOC) bank could, at its option, declare all obligations of LAX under the LOC to be immediately due and payable. This provision terminated on September 10, 2020, and is not included in the new reimbursement agreements entered into on September 9, 2020 with Barclays Bank PIC, Sumitomo Mitsui Banking Corporation, and Bank of America, N.A.

Automated People Mover (APM) Agreement

The APM Agreement contains (1) a provision that if LAX terminates the agreement for any of the allowable reasons under the agreement, LAX will owe the APM Developer various amounts, as applicable, including amounts associated with equity and debt contributions made or arranged by the APM Developer and various other breakage costs, with such amounts being payable by LAX within 120 days of the termination date of the agreement, and (2) a provision that if the APM Developer terminates the agreement for any of the allowable reasons under the agreement, LAX will owe the APM Developer various amounts, as applicable, including amounts associated with equity and debt contributions made or arranged by the APM Developer and various other breakage costs, with such amounts being payable by LAX within 120 days of the termination date of the agreement. Capital expenditures for the APM milestones payment of \$149.6 million was accrued in contracts and accounts payable as of June 30, 2021, and payment was made in July 2021.

Consolidated Rental Car Facility (ConRAC) Agreement

The ConRAC Agreement contains (1) a provision that if LAX terminates the agreement for any of the allowable reasons under the agreement, LAX will owe the ConRAC Developer various amounts, as applicable, including amounts associated with equity and debt contributions made or arranged by the ConRAC Developer and various other breakage costs, with such amounts being payable by LAX

Notes to the Basic Financial Statements

within 120 days of the termination date of the agreement, and (2) a provision that if the ConRAC Developer terminates the agreement for any of the allowable reasons under the agreement, LAX will owe the ConRAC Developer various amounts, as applicable, including amounts associated with equity and debt contributions made or arranged by the ConRAC Developer and various other breakage costs, with such amounts being payable by LAX within 120 days of the termination date of the agreement.

Harbor Revenue Bonds and Loans

Bonds issued by the Harbor are payable solely from the Harbor's revenues pledged under indentures and are not general obligations of the City. Harbor has agreed to certain covenants with respect to bonded indebtedness. Significant covenants include the requirement that the Harbor's revenues, as defined under indentures, will be sufficient to pay future bond interest and principal maturities. In compliance with the bond indenture Article VII, Sections 7.01 and 7.02 in the event of default by the Harbor in the due and punctual payment of parity obligations, the trustee may and shall at the direction of the bond certificate owners of not less than a majority in aggregate principal amount of the bonds at the time outstanding, upon notice in writing to the Harbor, shall declare the principal of all of the bonds then outstanding, and the interest accrued thereon, to be due and payable immediately. Proceeds from sales of bonds are used to finance capital projects around the Harbor or refund prior issuances to generate debt service savings.

Revenue bonds and revenue refunding bonds outstanding at June 30, 2021, and the original amounts issued are as follows (in thousands):

	Final Maturity	Interest Rates	Original Amount	Outstanding Balance
Revenue Bonds	2045	2.000%-5.250%	\$ 1,060,875	\$ 665,670
Net Unamortized Bond Premiums and Discounts				65,687
Net Revenue Bonds				<u>\$ 731,357</u>

Revenue bonds and refunding bonds are collateralized by the future revenues of the Harbor Enterprise Fund. Principal and interest paid for the current year and net pledged revenue were \$79.1 million and \$301.5 million, respectively. Harbor's net pledged revenue is the difference between operating revenue, pledged pooled investment or interest income and noncapital grant revenues, and operating expenses excluding depreciation and amortization, interest and other nonoperating expenses. Information on Harbor's pledged revenue coverage is found in the Statistical Section-Debt Capacity.

Harbor has established a Commercial Paper program (Program) supported by bank credit lines to issue commercial paper notes (Notes) to provide interim financing primarily for the construction, maintenance, and replacement of Harbor's structures, facilities, and equipment needs.

Pursuant to an Indenture of Trust dated as of June 1, 2019 by and between Harbor and U.S. Bank, National Association and the credit agreement dated as of June 1, 2019 by and between Harbor and PNC Bank, National Association, Harbor is authorized to issue and to have outstanding up to \$150.0 million aggregate principal amount of the Harbor Department of the City of Los Angeles Revenue Revolving Obligations (Revolving Obligations) which constitute parity obligations. The credit agreement will expire in June 10, 2022.

There was no outstanding revolving obligations as of June 30, 2021.

Notes to the Basic Financial Statements

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

Fiscal Year	Principal	Interest	Total
2022	\$ 47,190	\$ 31,368	\$ 78,558
2023	49,755	28,969	78,724
2024	53,380	26,411	79,791
2025	53,945	23,738	77,683
2026	59,000	20,925	79,925
2027 - 2031	108,185	80,869	189,054
2032 - 2036	119,630	56,309	175,939
2037 - 2041	111,810	27,488	139,298
2042 - 2045	62,775	6,473	69,248
Subtotal	665,670	302,550	968,220
Net Unamortized Bond Premiums and Discounts	65,687	--	65,687
Total	\$ 731,357	\$ 302,550	\$ 1,033,907

Power Bonds and Revenue Certificates

Revenue bonds and revenue refunding bonds due serially in varying annual amounts are as follows (in thousands):

	Final Maturity	Interest Rates	Original Amount	Outstanding Balance
Fixed Rate Revenue Bonds	2052	1.146% - 4.441%	\$ 10,637,419	\$ 9,156,913
Variable Rate Revenue Bonds	2052	Various	1,259,100	791,700
Direct Placements	2039	Various	200,000	200,000
Subtotal			<u>\$ 12,096,519</u>	10,148,613
Net Unamortized Bond Premiums and Discounts				<u>1,212,169</u>
Net Revenue Bonds and Notes				<u>\$ 11,360,782</u>

Revenue bonds generally are callable 10 years after issuance. Power has agreed to certain covenants with respect to bonded indebtedness. Significant covenants include the requirement that the Power's net income, as defined, will be sufficient to pay certain amounts of future annual bond interest and of future annual aggregate bond interest and principal maturities. Revenue bonds and refunding bonds are collateralized by the future revenues of Power.

In July 2020, the Power issued \$433.1 million of Power System Revenue Bonds, 2020 Series B. The net proceeds of \$566.5 million, including a \$133.4 million issue premium net of underwriter's discount, were used to pay for capital improvements and refund a portion of the outstanding Power System Revenue Bonds, 2010 Series A, amounting to \$300.0 million. The transaction resulted in a net present value savings of \$65.8 million.

In January 2021, the Power issued \$250.0 million of Power System Variable Rate Demand Revenue Bonds, 2021 Series A. The net proceeds of \$249.8 million, net of underwriter's discount, were used to pay for capital improvements.

In June 2021, the Power issued \$438.4 million of Power System Revenue Bonds, 2021 Series B. The net proceeds of \$555.8 million, including a \$117.4 million issue premium net of underwriter's discount, were used to pay for capital improvements, and refund a portion of the outstanding Power System Revenue Bonds, 2010 Series D, amounting to \$100.0 million, and a portion of the outstanding Power System Revenue Bonds, 2011 Series A, amounting to \$93.0 million. A portion of the Power System Revenue Bonds, 2011 Series A was cash defeased, amounting to \$370 thousand. The transaction resulted in a net present value savings of \$35.5 million and a net gain for accounting purposes of \$1.5 million, which was capitalized as deferred inflows on debt refunding and is being amortized over the life of the refunded bonds.

Notes to the Basic Financial Statements

As of June 30, 2021, Power had variable rate bonds outstanding in the amount of \$991.7 million. Of these variable rate bonds, \$200.0 million is in direct placement bonds. In January 2021, the Power issued \$250.0 million of Power System Variable Rate Demand Revenue Bonds, 2021 Series A, to pay costs of capital improvements of the Power. The variable rate bonds currently bear interest at weekly and daily rates ranging from 0.01% to 0.03% as of June 30, 2021. Power can elect to change the interest rate period of the bonds with certain limitations. The bondholders have the right to tender the bonds to the tender agent on any business day with seven days' prior notice. Power has entered into standby and line of credit agreements with a syndicate of commercial banks to provide liquidity for the variable rate bonds in the amount of \$323.0 million, \$219.0 million and \$250.0 million as of June 30, 2021. The extended standby agreements expire in January 2023 for the \$323.0 million, May 2024 for the \$219.0 million, and in July 2023 for the \$250.0 million.

Under the agreements, \$514.0 million variable rate bonds will bear interest that is payable monthly at the greatest of (a) the prime rate plus 1.00%; (b) the federal funds rate plus 2.00%; and (c) 7.50%, \$59.0 million variable rate bonds will bear interest that is payable at the greatest of (a) the prime rate; and (b) the federal funds rate plus 0.5%, \$219.0 million variable rate bonds will bear interest that is payable monthly at the greatest of (a) the prime rate plus 1.00%; (b) the federal funds rate plus 2.00%; and (c) 7.00%. The unpaid principal of each liquidity advance made by the liquidity provider is payable in 10 equal semiannual installments 90 days immediately following the related liquidity advance. At its discretion, Power has the ability to convert the outstanding bonds to fixed rate obligations, which cannot be tendered by the bondholders.

The variable rate bonds have been classified as long-term in the statement of net position as the liquidity facilities give Power the ability to refinance on a long-term basis and Power intends to either renew the facility or exercise its right to tender the debt as a long-term financing. The portion that would be due in the next fiscal year in the event that the outstanding variable rate bonds were tendered and purchased by the commercial banks under the standby agreements has been included in the current portion of long-term debt was \$79.2 million at June 30, 2021.

Principal and interest paid for the current year and net pledged revenue were \$641.6 million and \$1.7 billion, respectively. Power's net pledged revenue is the difference between operating revenue, net nonoperating revenue, AFUDC and capital contributions and operating expenses excluding depreciation and amortization expense. Information on Power's pledged revenue coverage is found in the Statistical Section-Debt Capacity.

Under GASB Statement No. 88, "*Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*", Power has the following direct placement debt and unused line of credit:

In May 2020, Power entered into a Continuing Covenant Agreement (CCA) with Bank of America, N.A (Bank of America) for the placement of the \$200.0 million Power System Revenue Bonds, 2014 Series A (Power 2014A Bonds) under a direct purchase structure. In May 2014, the Power System initially sold \$200.0 million of Power 2014A Bonds in an index-floating rate mode under a direct purchase structure with Wells Fargo Municipal Capital Strategies, LLC (Wells Fargo) through a continuing covenant agreement that expired on May 5, 2017. The continuing covenant agreement with Wells Fargo was amended in May 2017 to extend for another three years and expired on May 4, 2020. The CCA with Bank of America will expire on May 2, 2025. Under the CCA with Bank of America, the Power 2014A Bonds will pay interest at a fixed spread of 27 basis points (0.27%) above the Securities Industry and Financial Markets Association (SIFMA) Index for the five-year term. At the end of the five-year term, Power would have the option to either renegotiate and renew a new index floating rate term with Bank of America or another bank or convert the bonds to another mode, such as a fixed-rate mode or a traditional variable-rate mode, which utilizes a standby agreement. Certain default provisions under the CCA include, but are not limited to, failure to pay amounts due under the CCA and certain other obligations of Power, failure to perform certain covenants under the CCA, actions taken in connection with a debt restructuring or similar of the Department, significant rating downgrades of obligations payable from the Power Revenue Fund, and significant nonappealable judgments against the Department. Such defaults may result in a mandatory redemption of the Power 2014A Bonds or other remedial actions taken by Bank of America. Power does not have any assets pledged as collateral for direct placement debt, termination events with finance-related consequences, or subjective acceleration clauses.

Notes to the Basic Financial Statements

On December 14, 2018, Power entered into an Amended and Restated Revolving Credit Agreement (Amended RCA) and the related Amended and Restated Fee and Interest Rate Agreement with Wells Fargo Bank, National Association with a \$300.0 million commitment and the option to request additional commitment, as needed, up to a total commitment of \$500.0 million. Power can request loans for Water System improvements, Power System improvements, and/or such other lawful purposes of the Department. The interest charge for tax-exempt loans is based on SIFMA plus a spread of 0.50% or 75% of one-month LIBOR plus a spread of 0.45%. The interest charge for taxable loans is based on one-month LIBOR plus a spread of 0.45%. The Amended RCA expires in December 2023. As of June 30, 2021, Power has no outstanding commercial paper notes.

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

Fiscal Year	Principal	Interest	Total
2022	\$ 187,683	\$ 357,996	\$ 545,679
2023	232,438	355,362	587,800
2024	274,926	346,986	621,912
2025	271,851	338,387	610,238
2026	300,051	329,939	629,990
2027 - 2031	1,835,362	1,447,801	3,283,163
2032 - 2036	1,973,375	1,146,455	3,119,830
2037 - 2041	1,878,065	812,460	2,690,525
2042 - 2046	2,085,735	357,060	2,442,795
2047 - 2051	852,780	53,155	905,935
2052	197,870	--	197,870
Debt service payments already paid to sinking fund - 2010C bonds	58,477	--	58,477
Subtotal	10,148,613	5,545,601	15,694,214
Net Unamortized Bond Premiums and Discounts	1,212,169	--	1,212,169
Total	<u>\$ 11,360,782</u>	<u>\$ 5,545,601</u>	<u>\$ 16,906,383</u>

Interest and amortization are net of \$1.2 billion of unamortized discount/premium and gain/loss due to issuances of new and refunding bonds.

This schedule is presented assuming that the tender options on the variable rate bonds will not be exercised and should the bondholders exercise the tender options, Power would be required to redeem the \$991.7 million in variable rate bonds and direct placement over the next six years, as follows: \$79.2 million in fiscal year 2022, \$158.3 million in each of the fiscal years 2023 through 2025, \$198.3 million in fiscal year 2026, and \$119.3 million in fiscal year 2027, and \$40.0 million in each of the fiscal years 2028 through 2030. Accordingly, the statement of net position recognizes the possibility of the exercise of the tender options and reflect the \$79.2 million that could be due in fiscal year 2022 as a current portion of long-term debt payable. Interest and amortization include interest requirements for variable rate bonds. Variable debt interest rate in effect at June 30, 2021 averages 0.07%.

Water Bonds and Loans

Revenue bonds, revenue refunding bonds due serially in varying annual amounts, and other long-term debt are as follows (in thousands):

	Final Maturity	Interest Rates	Original Amount	Outstanding Balance
Fixed Rate Revenue Bonds	2052	0.624%-4.542%	\$ 5,102,460	\$ 4,812,720
Variable Rate Revenue Bonds	2052	Various	754,765	582,300
Loans Payable to California SWRCB and DWR	2052	0.000%-2.600%	849,544	740,084
Subtotal			<u>\$ 6,706,769</u>	<u>6,135,104</u>
Net Unamortized Bond Premiums and Discounts				605,061
Net Revenue Bonds and Notes				<u>\$ 6,740,165</u>

Notes to the Basic Financial Statements

Revenue bonds generally are callable 10 years after issuance. Water has agreed to certain covenants with respect to bonded indebtedness. Significant covenants include the requirement that Water's net income, as defined, will be sufficient to pay certain amounts of future annual bond interest and of future annual aggregate bond interest and principal maturities. Revenue bonds and refunding bonds are collateralized by the future revenue of Water.

Water did not enter into any new loan agreements with the SWRCB or DWR during fiscal year 2021. Existing SWRCB loans received \$85.3 million to fund water quality capital improvements and made principal payments of \$24.4 million. A portion of SWRCB loans were refinanced in the amount of \$59.9 million.

In July 2020, the Water System issued \$204.3 million of Water System Revenue Bonds, 2020 Series A. The net proceeds of \$263.5 million, including \$59.2 million issue premium net of underwriter's discount, were used to pay for budgeted capital improvements to the Water System, refund a portion of the outstanding Water System Revenue Bonds, 2010 Series A, amounting to \$100.0 million, and refinance a portion of the outstanding loans from the State Water Resources Control Board, amounting to \$59.9 million. The transaction resulted in a net present value savings of \$31.1 million.

In September 2020, the Water System issued \$120.5 million of Water System Revenue Bonds, 2020 Series B. The net proceeds of \$151.5 million, including a \$31.0 million issue premium net of underwriter's discount, were used to refund a portion of the outstanding Water System Revenue Bonds, 2001 Series B, amounting to \$142.7 million, and all of the \$8.8 million outstanding Water System Revenue Bonds, 2003 Series B. The transaction resulted in a net present value savings of \$1.2 million and a net loss for accounting purposes of \$902.2 thousand, which was capitalized as deferred outflows on debt refunding and is being amortized over the life of the refunded bonds.

In January 2021, the Water System issued \$242.6 million of Water System Revenue Bonds, 2020 Series C. The net proceeds of \$324.0 million, including a \$81.4 million issue premium net of underwriter's discount, were used to refund all of the \$279.7 million outstanding Water System Revenue Bonds, 2011 Series A, and a portion of the outstanding Water System Revenue Bonds, 2016 Series A, amounting to \$44.2 million. The transaction resulted in a net present value savings of \$111.9 million and a net gain for accounting purposes of \$10.8 million, which was capitalized as deferred inflows on debt refunding and is being amortized over the life of the refunded bonds.

In January 2021, the Water System issued \$200.0 million of Water System Variable Rate Demand Revenue Bonds, 2021 Series A. The net proceeds of \$199.8 million were used to pay for budgeted capital improvements.

In June 2021, the Water System issued \$158.7 million of Water System Revenue Bonds, 2021 Series B. The net proceeds of \$209.1 million, including a \$50.4 million issue premium net of underwriter's discount, were used to pay for budgeted capital improvements and refund a portion of the outstanding Water System Revenue Bonds, 2016 Series A, amounting to \$38.6 million. The transaction resulted in a net present value savings of \$1.2 million and a net gain for accounting purposes of \$5.3 million, which was capitalized as deferred inflows on debt refunding and is being amortized over the life of the refunded bonds.

As of June 30, 2021, Water had \$582.3 million in variable rate bonds. The variable rate bonds currently bear interest at daily and weekly rates ranging from 0.01% to 0.03% as of June 30, 2021. Water can elect to change the interest rate period of the bonds, with certain limitations. The bondholders have the right to tender the bonds to the tender agent on any business day with seven days' prior notice. Water has entered into standby agreements with a syndicate of commercial banks to provide liquidity for the variable rate bonds in the amount of \$126.2 million (2001B, Subseries B-1 to B-3), \$56.1 million (2001B, Subseries B-4), \$130.0 million (2019A, Subseries A-1), \$70.0 million (2019A, Subseries A-2), and \$200.0 million (2021A, Subseries A-1 to A-2) as of June 30, 2021. The extended standby agreements expire in January 2022 for \$256.1 million, January 2023 for \$200.0 million, and January 2024 for \$126.2 million.

Notes to the Basic Financial Statements

Under the agreements, \$126.2 million variable rate bonds will bear interest that is payable monthly at the greatest of (i) Prime Rate plus 1.00%; (ii) the Federal Funds Rate plus 2.00%; and (iii) 7.50%, \$56.1 million variable rate bonds will bear interest that is payable monthly at the LIBOR Index Rate plus 7.50%, \$200.0 million of variable rate bonds will bear interest that is payable monthly at the greatest of (i) Prime Rate plus 1.00%; (ii) the Federal Funds Rate plus 2.00%; (iii) LIBOR plus 3.00%; and (iv) 7.00%, \$200 million variable rate bonds will bear interest that is payable monthly at the greatest of (i) Prime Rate plus 1.50%, (ii) the Federal Funds Rate plus 2.00%, and (iii) 7.00%. The unpaid principal of each liquidity advance made by the liquidity provider is payable in 10 equal semiannual installments 90 days immediately following the related liquidity advance. At its discretion, the Water System has the ability to convert the outstanding bonds to fixed rate obligations, which cannot be tendered by the bondholders.

The variable rate bonds have been classified as long-term on the statement of net position as the liquidity facilities give the Water System the ability to refinance on a long-term basis, and the Water System intends to either renew the facilities or exercise its right to tender the debt as a long-term financing. That portion, which would be due in the next fiscal year in the event that the outstanding variable rate bonds were tendered and purchased by the commercial banks under the standby agreements, has been included in the current portion of long-term debt at \$58.2 million as of June 30, 2021.

Principal and interest paid for the current year and net pledged revenue were \$337.1 million and \$706.6 million, respectively. Water's net pledged revenue is the difference between operating revenue, net nonoperating revenue, AFUDC and capital contributions and operating expenses excluding depreciation and amortization expense. Information on Water's pledged revenue coverage is found in the Statistical Section-Debt Capacity.

Under GASB Statement No. 88, "*Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*", the Water System has the following direct placement debt and unused line of credit:

The Drinking Water State Revolving Fund (DWSRF), administered by the State of California's State Water Resources Control Board, assists public water systems in financing the cost of drinking water infrastructure projects needed to achieve or maintain compliance with Safe Drinking Water Act (SDWA) requirements. The DWSRF utilizes a prioritized project ranking system to ensure that program resources are applied to projects addressing public health risk problems; projects needed to comply with the SDWA; and projects assisting public water systems most in need on a per household-affordability basis. Water has applied for and received funding from the DWSRF for critical Water System capital projects required for compliance with federal drinking water regulations, specifically the Long-Term 2 Enhanced Surface Water Treatment Rule and the Stage 2 Disinfection By Products Rule. This funding has been made available to Water in the form of low or 0% interest loans with a repayment period of up to 30 years.

The CalConserve Water Use Efficiency Loan Program, administered by the State of California Department of Water Resources (DWR), established a loan program to local agencies for specific types of water conservation and water use efficiency projects and programs to achieve urban water use targets. Water has applied for and received funding from the DWR that will be used to implement an Institutional Water Use Efficiency Loan Program. This funding has been made available to Water as a 0% interest loan with a repayment period of 20 years.

The direct borrowings from the DWSRF and DWR contain specified terms relating to certain default provisions as defined by each respective funding agreement. Certain default provisions under the funding agreements include, but are not limited to, material breach of the funding agreement, cessation of operations or bankruptcy, failure to pay amounts due, making false representations with respect to the funding agreements, and failure to meet compliance requirements. Some agreements may be terminated at the option of the lender upon material violation and failure to become compliant. Such termination may result in the immediate repayment of disbursed funds. The Water System does not have any assets pledged as collateral for direct borrowings or subjective acceleration clauses.

Notes to the Basic Financial Statements

Water and Power entered into an Amended RCA and the related Amended and Restated Fee and Interest Rate Agreement with Wells Fargo Bank, National Association with a \$300.0 million commitment and the option to request additional commitment, as needed, up to a total commitment of \$500.0 million. The detailed information is described above on page 125. As of June 30, 2021, Water has no obligations outstanding under the Amended RCA.

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

Fiscal Year	Principal	Interest	Total
2022	\$ 89,569	\$ 205,954	\$ 295,523
2023	124,071	201,620	325,691
2024	141,352	196,712	338,064
2025	148,231	191,389	339,620
2026	154,975	185,708	340,683
2027 - 2031	851,703	852,643	1,704,346
2032 - 2036	1,060,459	708,157	1,768,616
2037 - 2041	1,277,328	503,821	1,781,149
2042 - 2046	1,314,377	254,913	1,569,290
2047 - 2051	856,489	64,504	920,993
2052	116,550	--	116,550
Subtotal	6,135,104	3,365,421	9,500,525
Net Unamortized Bond Premiums and Discounts	605,061	--	605,061
Total	<u>\$ 6,740,165</u>	<u>\$ 3,365,421</u>	<u>\$ 10,105,586</u>

The interest and amortization is net of \$624.3 million of unamortized discount/premium and gain/loss due to issuances of new and refunding bonds.

The maturity schedule presented above reflects the scheduled debt service requirements for all of the Water System's long-term debt. The schedule is presented assuming that the tender options on the variable rate bonds will not be exercised. Should the bondholders exercise the tender options, Water could be required to redeem the \$582.3 million in variable rate bonds outstanding over the next six fiscal years as follows: \$58.2 million in fiscal year 2022, \$116.5 million in each of the fiscal years 2023 through 2026, and \$58.2 million in fiscal year 2027. Accordingly, the statement of net position recognize the possibility of the exercise of the tender options and reflect the \$58.2 million that could be due in fiscal year 2021, as a current portion of long-term debt payable.

Interest and amortization presented in the above schedule include interest requirements for the variable rate debt over the regularly scheduled maturity period. Variable debt interest rate in effect at June 30, 2021 averages 0.01%. Should the tender options be exercised, the interest would be payable at the rate in effect at the time the standby agreements are activated.

Wastewater System Revenue Bonds, Notes, and Loans

Revenue bonds, commercial paper notes, and loans outstanding at June 30, 2021, and the original amounts issued are as follows (in thousands):

	Final Maturity	Interest Rates	Original Amount	Outstanding Balance
Revenue Bonds	2048	1.000%-5.813%	\$ 3,105,495	\$ 2,529,940
Loans Payable to California SWRCB	2024	1.800%	219,081	51,974
Commercial paper notes	--	Variable	--	145,000
Subtotal			<u>\$ 3,324,576</u>	2,726,914
Net Unamortized Bond Premiums and Discounts				194,571
Net Revenue Bonds, Notes and Loans				<u>\$ 2,921,485</u>

Notes to the Basic Financial Statements

Wastewater revenue bonds are issued under Senior Lien and Subordinate Lien General Resolutions dated November 10, 1987 and March 26, 1991, respectively, with a total authorization of \$3.5 billion. The voters of the City subsequently approved a new Charter which became effective July 1, 2000. Under the new Charter, revenue bonds and notes of the City may be issued in accordance with the Procedural Ordinance and without any further authorization by the voters of the City. Proceeds of wastewater revenue bonds and notes are restricted for the funding of the costs of construction, replacement and improvement of the wastewater system of the City.

Under the terms of the General Resolutions, the City has pledged the Sewer's revenues (as defined) to secure the payment of all bonds issued under the General Resolutions. Certain bond agreements provide for the early redemption of the revenue bonds at the City's option at various dates with redemption prices at 100% of the principal amount of the bonds called for redemption. Upon and during the continuance of an event of default, the principal of and interest accrued on all bonds may be declared to be due and payable immediately.

On August 18, 2020, Sewer issued taxable commercial paper notes in the amount of \$25.0 million. On January 15, 2021, Sewer issued taxable commercial paper notes in the amount of \$10.0 million and tax-exempt commercial paper notes in the amount of \$40.0 million. On June 8, 2021, Sewer issued taxable commercial paper notes in the amount of \$10.0 million and tax-exempt commercial paper notes in the amount of \$30.0 million. There were no bonds issued during fiscal year 2021.

Build America and Recovery Zone Economic Development Bonds

The City has designated the Senior Lien Bonds Series 2010-A and 2010-B as Build America Bonds and Recovery Zone Economic Development Bonds, respectively, under the provisions of the American Recovery and Reinvestment Act of 2009. The City expects to receive a direct subsidy of 35% and 45% of the interest due to bondholders from the United States Treasury for the Series 2010-A and 2010-B, respectively, net of any scheduled Federal sequestration amounts. As of June 30, 2021, Sewer recorded interest subsidies of \$5.6 million, as other nonoperating revenues. Due to the actions by Congress relative to sequestration, the subsidy amount of the interest due to bondholders were reduced by 5.7% for federal fiscal year 2021.

State Revolving Fund Loan

In 2003, the City Council adopted a resolution, approved by the Mayor, authorizing a State Revolving Fund Loan (Loan) from the State Water Resources Control Board (SWRCB) in the amount of \$262.9 million to assist in financing the construction of the North Outfall Sewer-East Central Interceptor Project (Project). The Project fulfills certain requirements of the Cease and Desist Order issued by the Regional Water Quality Control Board. The costs of the Project were shared by the contract agencies.

As of June 30, 2021, the Loan balance amounted to \$52.0 million. The Loan matures in fiscal year 2025 and annual repayment commenced in August 2005 based on a standard fully amortized loan calculation at an effective interest rate of 1.8%. The Loan is paid from Sewer's revenues subordinate to the Wastewater System senior and subordinate revenue bonds and commercial paper notes. The contract agencies were billed beginning August 2005 for their proportionate share of the debt service costs. Payments received from the contract agencies are recorded as capital contributions, which represent their proportionate share of the costs of the Project.

The City has pledged the Sewer's net revenues as collateral for the Loan. In the case of termination of the Loan due to the City's failure to comply with any of the material provisions of the agreement, at the option of the SWRCB, the City would have to repay the loan amount, including accrued interest at the highest legal rate from the date that the notice of termination is mailed to the City.

Principal and interest paid for the current year and net pledged revenue were \$218.6 million and \$470.2 million, respectively. Sewer's net pledged revenue is the difference between operating revenues and investment income and operating expenses (excluding depreciation and amortization). Information on Sewer's pledged revenue coverage is found in the Statistical Section-Debt Capacity.

Notes to the Basic Financial Statements

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

Fiscal Year	Principal	Interest	Total
2022	\$ 261,500	\$ 122,055	\$ 383,555
2023	117,761	116,784	234,545
2024	120,551	111,473	232,024
2025	125,511	106,043	231,554
2026	119,015	100,282	219,297
2027 - 2031	618,135	416,301	1,034,436
2032 - 2036	524,880	286,775	811,655
2037 - 2041	446,345	164,899	611,244
2042 - 2046	349,200	57,648	406,848
2047 - 2048	44,015	3,009	47,024
Subtotal	2,726,913	1,485,269	4,212,182
Net Unamortized Bond Premiums and Discounts	194,571	--	194,571
Total	<u>\$ 2,921,484</u>	<u>\$ 1,485,269</u>	<u>\$ 4,406,753</u>

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

The City issues commercial paper (Notes) at prevailing interest rates for the maturities not to exceed 270 days under the commercial paper program on behalf of Sewer. The Notes are secured by Letters of Credit (LOCs) from Barclays Bank PLC and Toronto-Dominion Bank that each expire on October 30, 2024. The aggregate maximum principal amount of the LOCs is \$400.0 million, which consist of \$280.0 million in principal for Toronto-Dominion Bank and \$120.0 million in principal for Barclays Bank PLC. Sewer is responsible for the payment of a non-refundable letter of credit fee for each of the LOCs. The reimbursement agreements with Barclays Bank PLC and Toronto-Dominion Bank contain a number of covenants and agreements on the part of the City, and specify events of default, and remedies. In the event of default, the obligations shall bear interest at the default rate, and the banks may stop the issuance of additional commercial paper notes, and reduce the stated amount of the letter of credit. There were \$145.0 million outstanding Notes as of June 30, 2021 with \$0.1 million in interest expense.

In the event of termination or permanent reduction of the Barclays Bank PLC LOC prior to the one year anniversary, Sewer agrees to pay the bank a termination fee or a permanent reduction fee as set forth below which is payable on the termination date or permanent reduction date, as applicable. The termination fee shall be an amount equal to the LOC fees payable on the Barclays Bank PLC LOC for the period from the termination date through the one year anniversary (calculated at the LOC fee rate and stated amount in effect on the termination date). The permanent reduction fee shall be an amount equal to the LOC fees payable on the amount of the permanent reduction in stated amount of the Barclays Bank PLC LOC for the period of time from the permanent reduction date through the one year anniversary (calculated at the LOC fee rate in effect on the permanent reduction date).

Notes to the Basic Financial Statements

3. Fiduciary Funds

Following is a summary of notes payable activity of Pensions for the fiscal year ended June 30, 2021 (in thousands):

	Balance June 30, 2020	Additions	Deductions	Balance June 30, 2021	Due Within One Year
Notes Payable	\$ 194,537	\$ 23,960	\$ (1,063)	\$ 217,434	\$ 21,268

The notes payable of the Pensions are secured by real estate. Interest rates range from 2.56% to 4.30% per annum. The debt service payments to maturity for these notes are as follows (in thousands):

Fiscal Year	Principal	Interest	Total
2022	\$ 21,268	\$ 6,617	\$ 27,885
2023	553	6,304	6,857
2024	37,593	5,534	43,127
2025	29,050	4,300	33,350
2026	--	4,084	4,084
2027 - 2031	109,810	13,742	123,552
2032 - 2033	19,160	654	19,814
Total	\$ 217,434	\$ 41,235	\$ 258,669
Add: Appreciation/(Depreciation) of Mortgage Payable	514		
	\$ 217,948		

J. Current and Advance Refunding of Debt

Debt refunding activities occurred during the fiscal year that resulted in the redemption or defeasance of certain outstanding obligations. The proceeds from refunding issues and amounts available from the debt service funds of the refunded bonds were deposited into irrevocable trusts with escrow agents. Following are the refunding activities that represent in-substance defeasance such that the refunded debts were removed from the accompanying financial statements (in thousands):

Refunding Debt	Refunded Debt	Cash Flow Savings	Economic Gain
Governmental Activities			
MICLA Lease Revenue Bonds Series 2020-B, Series 2020-C \$80,850 / \$102,265 5.000%, 0.415% - 2.863%	MICLA Lease Revenue Bonds Series 2012-A, 2012-B, 2012-C \$23,155 / \$28,310 / \$61,375 4.000% - 5.000% Series 2014-C \$31,948 2.065%	\$ 34,838	\$ 11,452
MICLA Lease Revenue Bonds Series 2021-A, Series 2021-B \$177,470 / \$60,481 0.269% - 2.924%, 5.000%	MICLA Lease Revenue Bonds Series 2014-A, Series 2014-B \$32,765 / \$17,885 2.000% - 5.000% Series 2019-A, Series 2019-B \$76,390 / \$97,840 5.000%	22,012	17,493
Business-type Activities			
Airport Senior Refunding Revenue Bonds 2020 Series B (Private Activity, Non-AMT) \$558,500 4.000% - 5.000%	Airports Senior Revenue Bonds 2010 Series A (partial) \$316,935 4.500% - 5.000% Airports Subordinate Revenue Bonds 2010 Series B \$134,680 5.000% Airports Senior Revenue Bonds 2010 Series D (partial) \$315,775 3.500% - 5.250%	388,564	265,107
Power System Revenue Bonds 2020 Series B \$433,080 5.000%	Power System Revenue Bonds 2010 Series A \$300,000 6.166%	87,016	65,764
Power System Revenue Bonds 2021 Series B \$438,420 3.000% - 5.000%	Power System Revenue Bonds 2010 Series D \$100,000 7.000% Power System Revenue Bonds 2011 Series A \$93,015 4.000% - 5.000%	40,322	35,465
Water System Revenue Bonds 2020 Series A \$204,255 5.000%	Water System Revenue Bonds 2010 Series A \$100,000 7.003% California State Water Resource Control Board SRF1997CX101, SRF02CX139, SRF06CX144, SRF06CX147 \$3,726 \$14,250 \$20,364 \$21,528 2.320% 2.600% 2.452% 2.292%	34,945	31,149

Notes to the Basic Financial Statements

Refunding Debt	Refunded Debt	Cash Flow Savings	Economic Gain
Water System Revenue Bonds 2020 Series B \$120,465 3.000% - 4.000%	Water System Revenue Bonds 2001 Series B \$142,700 Variable Water System Revenue Bonds 2003 Series B \$8,780 3.000%	N/A	1,175
Water System Revenue Bonds 2020 Series C \$242,570 5.000%	Water System Revenue Bonds 2011 Series A \$279,735 3.000% - 5.250% Water System Revenue Bonds 2016 Series A \$44,215 2.250%	128,830	111,904
Water System Revenue Bonds 2021 Series B \$158,730 5.000%	Water System Revenue Bonds 2016 Series A \$38,565 2.250% - 2.500%	N/A	1,204

K. Prior Years Defeasance of Debt

In prior years, the City defeased certain bonds by placing the proceeds of the new bonds in irrevocable trusts to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements.

At June 30, 2021, the following bonds are considered defeased (in thousands):

Governmental Activities	
General Obligation Bonds	\$ 106,635
MICLA Certificates of Participation and Lease Revenue Bonds	248,710
Total	<u>\$ 355,345</u>
Business-type Activities	
Power Revenue Bonds	\$ 204,270
Water Revenue Bonds	104,605
Total	<u>\$ 308,875</u>

L. Tax and Revenue Anticipation Notes

On July 13, 2020, in anticipation of receiving taxes and other revenues, the City issued tax and revenue anticipation notes (TRAN) with a true interest cost of 0.343% and total premium of \$61.5 million, depositing the proceeds in a General Fund account. The notes were issued to pay the City's annual contributions to Pensions and LACERS at the beginning of the fiscal year and to provide effective cash flow management of the General Fund. The additional interest earned by the pension funds from these early payments was used to discount the required City contribution without reducing the pension funds' annual receipts.

Short-term debt activity for the fiscal year ended June 30, 2021 was as follows (in thousands):

	Beginning Balance	Issued	Redeemed	Ending Balance
Tax and Revenue Anticipation Notes	<u>\$ --</u>	<u>\$ 1,761,305</u>	<u>\$ (1,761,305)</u>	<u>\$ --</u>

M. Leases**1. Governmental Activities**

The City leases a significant amount of property and equipment under operating leases. Total rental expenditures, incurred primarily in the General Fund, on the operating leases for the fiscal year ended June 30, 2021 were approximately \$95.76 million.

The future lease payments under non-cancellable operating lease agreements are as follows (in thousands):

Fiscal Year	Amount
2022	\$ 26,275
2023	13,462
2024	10,912
2025	7,758
2026	6,516
2027 - 2031	28,036
2032 - 2036	10,857
2037 - 2041	12,551
2042 - 2046	14,550
2047 - 2051	16,868
2052 - 2056	19,555
2057 - 2061	17,863
Total	<u>\$ 185,203</u>

The City also leases certain property and equipment under capital leases with the following fund:

Municipal Improvement Corporation of Los Angeles (MICLA)

The MICLA was formed to finance certain capital improvement projects of the City and enter into long-term capital lease agreements with the City. Under the lease agreements, title transfers to the City at the end of the lease term. If the City defaults under the Lease and Trust Agreements, the Trustee may terminate the lease and re-let the properties, except for the Streetlights Financing Series. Since MICLA is included in the City's reporting entity, the lease payments by the City are accounted for in the fund financial statements as transfers from the General Fund and certain special revenue funds to the MICLA Debt Service Fund. The leases have been eliminated in the government-wide financial statements.

2. Business-type Activities

Airports

Airports has entered into numerous rental agreements with concessionaires for food and beverage, gift and news, duty-free, rental car facilities, and advertisements. In general, the agreements provide for cancellation on a 30-day notice by either party; however, they are intended to be long-term in nature with renewal options. Accordingly, these agreements are considered operating leases for purposes of financial reporting.

In response to the COVID-19, Airports is proactively implementing measures intended to mitigate operational and financial impacts. Among those measures are the April 2020 approvals of the Passenger Airline Temporary Relief Program and the Concessionaires and Services Temporary Relief Program. On October 21, 2021, the Board approved to amend concession agreements at LAX to revise payment terms due to the continuing impacts of COVID-19. For concessions that are open and conducting business at LAX, the Board approved to extend the revised rent payment terms, require payment of percentage rents instead of MAG rent for the period July 1, 2021 through June 30, 2022, and establish new MAG rents effective July 1, 2022. Airports plans to use ARPA grant funds to offset the revenue Airports will forgo by continuing to suspend MAG payments through June 30, 2022.

Passenger Airline Temporary Relief Program

On April 9, 2020, the Board adopted a temporary terminal and airfield fee relief program with respect to passenger airlines serving LAX (Passenger Airline Temporary Relief Program). The Passenger Airline Temporary Relief Program permits eligible passenger air carriers subject to a terminal lease or the Airport Terminal Tariff to apply for relief. Key elements of the Passenger Airline Temporary Relief Program are as follows:

- Deferral of terminal and airfield fees payable from April through May 2020.
- All airlines were required to start repayment of any deferred amounts on July 1, 2020. For airlines that were a party to an Amended and Restated Rate Agreement by July 31, 2020, repayment of the deferred amounts will be required to be made over a six-month period, starting July 1, 2020 to be paid in equal monthly installments, and for airlines that were not party to an Amended and Restated Rate Agreement by July 31, 2020, the remaining deferred amounts must be fully repaid on or before August 1, 2020.
- On June 18, 2020, the Board approved keeping landing fees and apron fees unchanged through calendar year 2020.

All airlines that received a deferral of terminal and airfield fees have repaid approximately \$93.0 million in accordance with the requirements of the Passenger Airline Temporary Relief Program in fiscal year 2021.

Notes to the Basic Financial Statements

Concessionaires and Services Temporary Relief Program

On April 16, 2020, the Board adopted a fee relief program for LAX concessionaires and service providers at LAX (Concessionaires and Services Temporary Relief Program). The Concessionaires and Services Temporary Relief Program permits concessionaires and service providers to apply for relief. Key elements of the Concessionaires and Services Temporary Relief Program are as follows:

For the duration period beginning April 1, 2020 to June 30, 2020 (duration period):

- Airports only required payment of the specific percentage fees defined in each concessionaire or service provider agreement instead of the specific minimum annual guarantee (MAG), and, if applicable, deferred receipt of in-terminal concession storage rent.
- In the case of off-airport rental car companies, Airports only required payment of the lesser of (i) 10% of gross sales, or (ii) the specified license fee.
- Accrued amounts are required to be remitted in six equal monthly installments beginning July 1, 2020, with no late fees or interest charges on amounts paid in full within this six-month payment period.

All concessionaires that received a deferral have repaid approximately \$3.0 million in accordance with the requirements of the Concessionaires and Services Temporary Relief Program in fiscal year 2021.

Second Relief Program

On October 1, 2020, the Board approved the Second Letter Agreements for the Concessionaire Relief Program that amends concession agreements at LAX as follow:

- abate or adjust the MAG through June 30, 2021 for certain concession agreements (collectively Concession Agreements),
- defer storage rent through December 31, 2020 and allow the payback of deferred storage rent to commence January 1, 2021 for certain concession agreements (collectively In-Terminal Concession Agreements),
- extend the current expiration dates of the respective individual In-Terminal Concession Agreements (as conditioned in the applicable Second Letter Agreements) and Terminal Media Operator Agreement (TMO Agreement) by twenty-four months, and
- authorize the Chief Executive Officer to have two consecutive twelve-month options to delay the required mid-term refurbishment dates for the respective individual In-Terminal Concession Agreements in his or her sole discretion.

The agreements provide for a concession fee equal to the greater of a MAG or a percentage of gross revenues. Certain agreements are subject to escalation of the MAG. For the fiscal year ended June 30, 2021, revenues from such agreements were \$99.6 million, of which \$94.3 million were over the MAG. Future rents for fiscal year 2022 are estimated in accordance with the Concessionaires and Services Temporary Relief Program offered to concessionaires, which only require payment of the specific percentage fees instead of the specific MAG as defined in the agreements. Future rents over the fiscal years 2023 to 2026 are estimated based on the specific MAG in the agreements. The estimated future rents are as follows (amount in thousands):

Fiscal Year	Amount
2022	\$ 106,230
2023	202,167
2024	167,954
2025	115,391
2026	19,829
Total	<u>\$ 611,571</u>

Notes to the Basic Financial Statements

On March 1, 2012, Airports and URW, LLC (formerly Westfield Airports, LLC.) entered into a Terminal Commercial Management Concession Agreement (3-1-12 Agreement) for URW to develop, lease, and manage retail, food and beverage and certain passenger services in specified locations at the Tom Bradley International Terminal (TBIT) and Terminal 2 at LAX for a term of 17 years consisting of two-year development period and fifteen-year operational period. Since then, the Terminal 2 portion has been amended with an expiration date the same as the TBIT portion, which is no later than January 31, 2032. URW will select concessionaires subject to Airports approval. Concession agreements awarded by URW shall have a term no longer than ten years. The agreement requires URW and its concessionaires to invest no less than \$81.9 million in initial improvements and \$16.4 million in mid-term refurbishments. Such improvements are subject to Airports approval. The initial non-premises improvements, as defined, shall be acquired by and become the property of Airports by cash payment to URW or the issuance of rent credit.

Under the 3-1-12 Agreement, the MAG will be adjusted each year by the greater of (a) \$210.0 per square foot escalated by the Consumer Price Index, but not greater than 2.5% for any year, or (b) 85% of the prior year's Percentage Rent (as defined) paid to Airports beginning January 1, 2014. For any year in which the number of enplaned passengers in TBIT and Terminal 2 is (a) less than the 2011 passenger enplanements, or (b) less than 90% of the prior year's passenger enplanements in these terminals, an additional adjustment to the MAG is calculated on a retroactive basis.

On June 22, 2012, Airports and URW entered into another Terminal Commercial Management Concession Agreement (6-22-12 Agreement) for URW to develop, lease, and manage retail, food and beverage and certain passenger services in specified locations at the Terminals 1, 3, and 6 at LAX. The term of this agreement is 17 years consisting of two-year development period and fifteen-year operational period. Under this agreement, the expiration dates of Terminal 1, 3 and 6 are June 30, 2032, June 30, 2029 and September 30, 2030, respectively. URW will select concessionaires subject to Airports approval. Concession agreements awarded by URW shall have a term no longer than ten years. The agreement requires URW and its concessionaires to invest no less than \$78.6 million in initial improvements and \$15.7 million in mid-term refurbishments. Such improvements are subject to Airports approval. The initial non-premises improvements, as defined, shall be acquired by and become the property of Airports by cash payment to URW or the issuance of rent credit.

Under the 6-22-12 Agreement, the MAG will be adjusted each year by the greater of (a) \$240.0 per square foot escalated by the Consumer Price Index, but not greater than 2.5% for any year, or (b) 85% of the prior year's Percentage Rent (as defined) paid to Airports. For any year in which the number of enplaned passengers in Terminals 1, 3, and 6 is (a) less than the 2011 passenger enplanements, or (b) less than 90% of the prior year's passenger enplanements in these terminals, an additional adjustment to the MAG is calculated on a retroactive basis beginning January 1, 2014.

On November 13, 2017, Airports and URW entered into an amendment related to TBIT and Terminal 2 for additional concession space of up to 30,000 square feet in the Bradley West Gates (formerly known as Midfield Satellite Concourse). The construction of the new concourse started in February 2017 and was completed and commenced operation in May 2021.

On October 1, 2020, the Board approved to extend the URW agreements expiration dates for an additional 24 months to January 31, 2034 for LAA-8613 and Terminal 1 under LAA-8640, June 30, 2031 for Terminal 3 under LAA-8640, and September 30, 2032 for Terminal 6 under LAA-8640.

Notes to the Basic Financial Statements

Future rents under these two agreements with URW for fiscal year 2022 are estimated in accordance with the Concessionaires and Services Temporary Relief Program offered to URW, which only require payment of the specific percentage fees instead of the specific MAG as defined in the agreements. Future rents under these two agreements with URW over the fiscal years 2023 to 2026 are estimated based on the specific MAG in the agreements. The estimated future rents are as follows (amounts in thousands):

Fiscal Year	Amount
2022	\$ 38,922
2023	39,895
2024	40,892
2025	41,914
2026	43,493
Total	<u>\$ 205,116</u>

Airports also leases land and terminal facilities to certain airlines and others. The terms of these long-term leases range from less than 10 years to 40 years and generally expire between 2021 and 2024. Certain airlines and consortium of airlines at LAX also pay maintenance and operating charges (M&O Charges) that include direct and indirect costs allocated to all passenger terminal buildings, other related and appurtenant facilities, and associated land. Rates for M&O Charges are set each calendar year based on the actual audited M&O Charges for the prior fiscal year ended June 30. The land and terminal lease agreements are accounted for as operating leases. For the fiscal year ended June 30, 2021, revenues from these leases were \$730.2 million.

Future rents under these land and terminal lease agreements over the next five years were based on the assumption that current agreements are carried to contractual termination. The estimated future rents are as follows (in thousands):

Fiscal Year	Amount
2022	\$ 606,551
2023	577,006
2024	540,035
2025	446,133
2026	350,478
Total	<u>\$ 2,520,203</u>

The carrying cost and the related accumulated depreciation of property held for operating leases as of June 30, 2021 are as follows (in thousands):

Property	Amount
Buildings and Facilities	\$ 6,250,190
Less: Accumulated Depreciation	(1,782,144)
Net	4,468,046
Land	626,715
Total	<u>\$ 5,094,761</u>

Airports leases office spaces under operating lease agreements that expire through 2032. Lease payments for the fiscal year ended June 30, 2021 amounted to \$9.4 million. Future minimum lease payments under the agreements are as follows (in thousands):

Fiscal Year	Amount
2022	\$ 8,296
2023	8,179
2024	8,285
2025	8,387
2026	6,189
2027 - 2031	11,115
2032 - 2036	1,983
Total	<u>\$ 52,434</u>

Notes to the Basic Financial Statements

Harbor

Harbor leases a substantial portion of lands and facilities to others. Leases relating to terminal operations tend to be long-term in nature (as long as 66 years), which generate 95.2% of Harbor's operating revenues. Short-term real estate entitlement such as revocable permits and space assignments can be canceled on a 30-day notice by either party. The majority of Harbor's leases provide retention of ownership by Harbor or restoration of the property to pre-leased conditions at the expiration of the agreement; accordingly, no leases are considered capital leases.

MAG agreements relate to shipping services and certain concessions provide for the additional payment beyond the fixed portion, based upon tenant usage, revenues, or volumes.

Agreements relating to terminal operations tend to be long-term in nature (as long as 66 years) and are made to provide Harbor with a firm tenant commitment, and subject to periodic review and reset of base amounts. For the fiscal year ended June 30, 2021, the minimum rental income from such lease agreements was approximately \$66.0 million. For the fiscal year ended June 30, 2021, the MAG payments were approximately \$332.0 million and were reported under shipping services revenue. Assuming that current agreements are carried to contractual termination, minimum tenant commitments due to the Harbor over the next five years are as follows (in thousands):

Fiscal Year	Rental Income	MAG Income
2022	\$ 92,827	\$ 338,896
2023	94,684	343,477
2024	96,577	346,917
2025	98,509	350,629
2026	100,479	354,454
Total	<u>\$ 483,076</u>	<u>\$ 1,734,373</u>

The carrying cost and related accumulated depreciation of property held for operating leases as of June 30, 2021 are as follows (in thousands):

Property	Amount
Wharves and Sheds	\$ 1,213,511
Cranes/Bulk Facilities	27,288
Municipal Warehouses	13,949
Port Pilot Facilities and Equipment	9,066
Buildings and Other Facilities	918,640
Cabrillo Marina	180,200
Total	<u>2,362,654</u>
Less: Accumulated Depreciation	<u>(1,459,660)</u>
Net	<u>\$ 902,994</u>

3. Fiduciary Funds

LACERS leases building facilities under a non-cancelable operating lease that expires in March 2023, at which time a three-year renewal option is available.

N. Risk Management - Estimated Claims and Judgments Payable

1. Governmental Activities

Because of its size and financial capacity, the City has long followed the practice of directly assuming virtually all insurable risks without procuring commercial insurance policies, except for specific exposures where legally required, contractually required or when judged to be the most cost effective method of risk financing. The extent and variety of City exposure is such that the cost of the premiums would outweigh the benefits of such coverage. The City administers, adjusts, settles, defends and pays claims from budgeted resources. Funds are budgeted annually to provide for claims and other liabilities based both on the City's historical record of payments and an evaluation of known or anticipated claims.

As discussed in the summary of significant accounting policies (Note 1E), the City recognizes a liability for claims and judgments when it is probable that an asset has been impaired or a liability has been incurred and the amount of the loss can be reasonably estimated. Included in the account are amounts for tort liability and workers' compensation, which include IBNR liabilities, and provision for allocated expenses.

As of June 30, 2021, a number of lawsuits and claims were pending against the City that arose in the normal course of the City's general governmental operations. The City estimates the amount of tort and non-tort liabilities to be probable of occurring as of June 30, 2021 at approximately \$664.7 million. Of this amount, \$129.6 million is estimated to be payable in the next fiscal year. The City Attorney also estimates that certain pending lawsuits and claims have a reasonable possibility of resulting in additional liability totaling \$55.0 million. However, no amount has been accrued in the accompanying financial statements because it is not probable that a loss has been incurred as of June 30, 2021.

The City's liability for tort cases was actuarially estimated. The total of the present value of the estimated outstanding losses and loss adjustment expenses was used to record the City's liability for tort cases. The present value of the estimated outstanding losses and loss adjustment expenses was calculated based on a 3.0% yield on investments.

The liability for workers' compensation was recorded using the present value of the actuarially estimated outstanding losses, which were based on an analysis of the City's historical loss and allocated loss adjustment expenses. The present value of the estimated outstanding losses was calculated based on a 3.0% yield on investments. At June 30, 2021, the City estimates its workers' compensation liability at \$2.0 billion. Of this amount, \$199.4 million is estimated to be payable in the next fiscal year.

2. Business-type Activities

Airports Enterprise Fund

The Risk Management Division administers Airports' risk and claims management program by implementing a comprehensive risk identification, assessment, regulation and insurance program. The program addresses key risks that may adversely affect Airports' ability to meet its business goals and objectives and effectively insures against losses, transfers risk or otherwise mitigates risk losses.

Airports maintains insurance coverage of \$1.3 billion for general aviation liability perils and \$1.0 billion for war and allied perils (Terrorism). Additional insurance coverage is carried for general all risk property insurance for \$2.5 billion, that includes \$250.0 million sub-limits for boiler and machinery, and \$25.0 million for earthquake perils. Deductibles for these policies are \$10,000 per claim for bodily injury and property damage, with no aggregate for general liability losses, and \$100,000 per occurrence and no aggregate for general property casualty. Historically, no liability or property claims have reached or exceeded the stated policy limits stated above.

Notes to the Basic Financial Statements

Airports carries employment practices liability insurance coverage of \$10.0 million for protection against employment-related losses, including coverage for defense costs and damages. Airports is self-insured for up to \$2.5 million for employment practices liability losses. Airports carries cyber liability insurance with coverage limits of \$15.0 million for protection against cyber liability risks and technology errors and omissions. Airports maintains a self-insurance retention of \$250,000 for cyber liability coverage.

Additionally, Airports maintains catastrophic loss fund for claims or losses that may exceed insurance policy limits or where insurance is not available or viable. Commercial insurance is used where it is legally required, contractually required, or judged to be the most effective way to finance risk. Airports also monitors contractual transfer of risk by and through insurance review and requirements of contractors, tenants, airlines. For fiscal year 2021, no claims were in excess of Airports' insurance coverage or approached a substantial portion of the overall coverage capacities.

A number of claims/lawsuits were pending against Airports that arose in the normal course of its operations. Airports recognizes a liability for claims and judgments when it is probable that an asset has been impaired or a liability has been incurred and the amount of the loss can be reasonably estimated. The probability weighted liability for litigation and other claims for the fiscal year ended June 30, 2021 was \$10.1 million. Airports is self-insured as part of the City's program for workers' compensation. All workers' compensation cases are processed by the City. Liability and risk are retained by Airports. The actuarially determined accrued liability for workers' compensation includes provision for incurred but not reported claims and loss adjustment expenses. The present value of the estimated outstanding losses was calculated based on a 3% yield on investments. Airports' accrued workers' compensation liabilities at June 30, 2021 was \$91.9 million.

Harbor Enterprise Fund

Harbor purchases insurance for a variety of exposures associated with general liability property, automobiles, vessels, employment practices, crime, aircraft, travel, police, pilotage, special events, cyber and terrorism. The City is self-insured for workers' compensation, and Harbor participates in the City's self-insurance program. Automobile liability exposures are self-insured by Harbor for \$1.0 million and multiple layers of excess liability up to \$149.0 million is maintained over the self-insured retention. The excess liability policies also supplement Harbor's general and vessel liability policies. There have been no settlements in the past three years that have exceeded Harbor's insurance coverage. The actuarially determined accrued liability for workers' compensation includes provision for incurred but not reported claims and loss adjustment expenses. Harbor's accrued workers' compensation liability at June 30, 2021 was \$12.9 million.

A number of lawsuits were pending against Harbor that arose in the normal course of operations. Harbor recognizes a liability for claims and when it is probable that a loss has been incurred and the amount of that loss, including those incurred but not reported, can be reasonably estimated. The City Attorney provides estimates for the amount of liabilities to be probable of occurring from lawsuits. Harbor's liability for litigation and other claims at June 30, 2021 was \$14.9 million.

Power and Water Enterprise Funds

DWP is subject to certain business risks common to the utility industry. The majority of these risks are mitigated by external insurance coverage obtained by DWP. For other significant business risks, however, DWP has elected to self-insure. DWP believes that exposure to loss arising out of self-insured business risks will not materially impact the Power's and Water's financial position, results of operations, or cash flows as of June 30, 2021.

Liabilities for unpaid workers' compensation claims are recorded at their net present value when they are probable of occurrence and the amount can be reasonably estimated. The liability is actuarially determined based on an estimate of the present value of the claims outstanding and an amount for claim events incurred but not reported based upon the DWP's loss experience, less the amount of claims and settlements paid to date. The discount rate used to calculate this liability at its present value was 2.0% at June 30, 2021. The Department has third-party insurance coverage for workers' compensation claims over \$1.0 million.

Notes to the Basic Financial Statements

Overall indicated reserves for workers' compensation claims, for both the Power and Water, undiscounted, have been estimated at \$76.0 million as of June 30, 2021. Workers' compensation claims typically take longer than one year to settle and close out.

Power Enterprise Fund

Derivative Instruments. Power enters into natural gas hedging contracts in order to stabilize the cost of gas needed to produce electricity to serve its customers. It is designed to cap gas prices over a portion of the forecasted gas requirements. DWP does not speculate when entering into financial transactions. Financial hedges are variable to fixed-rate swaps and hedge transactions are layered in to achieve dollar cost averaging.

As of June 30, 2021, Power financial natural gas hedges by fiscal year are the following (fair value in thousands):

Fiscal Year	Notion Amount (Total Contract Quantities*)	Contract Price Range Dollar per Unit	First Effective Date	Last Termination Date	Fair Value
2022	22,070,000	\$1.920-3.270	07/01/21	06/30/22	\$ 27,912
2023	15,845,000	1.840-2.710	07/01/22	06/30/23	9,445
2024	8,855,000	1.880-2.630	07/01/23	06/30/24	3,213
2025	2,900,000	2.200-2.610	07/01/24	06/30/25	522
2026	1,527,500	2.230-2.460	07/01/25	06/30/26	339
Total	51,197,500				\$ 41,431

* Contract quantities in MMBtu - Million British Thermal Units

The fair value of the natural gas hedges increased by \$45.4 million during the fiscal year ended June 30, 2021 due to an increase during the year in natural gas prices and is reported as a noncurrent asset and is offset by a deferred inflow on the statement of net position. All fair values were estimated using Platt's forward curves, based on published settlement prices and supplemented by Platt's proprietary models wherever there is less liquid market activity.

Credit Risk. Power is exposed to credit risk related to nonperformance by its wholesale counterparties under the terms of contractual agreements. In order to limit the risk of counterparty default, DWP has implemented a Counterparty Evaluation Credit Policy (Credit Policy). The Credit Policy has been amended from time to time, and the latest board approval was on November 28, 2017. The Credit Policy's current scope includes physical power, transmission, physical natural gas, financial natural gas, and environmental products. Also, the credit limit structures are categorized into short-term and long-term structures where the short-term structure is applicable to transactions with terms of up to 18 months and the long-term structure covers transactions beyond 18 months.

The Policy includes provisions to limit risk, including the assignment of internal credit ratings to all of the Power System's counterparties based on counterparty and/or debt ratings; the use of expected default frequency equivalent credit rating for short-term transactions; the requirement for credit enhancements (including advance payments, irrevocable letters of credit, escrow trust accounts, and parent company guarantees) for counterparties that do not meet an acceptable level of risk; and the use of standardized agreements, which allow for the netting of positive and negative exposures associated with a single counterparty.

As of June 30, 2021, the five financial natural gas hedge counterparties were rated by Moody's as follows: one at Aa2, two at A2 and two at A3. The counterparties were rated by S&P as follows: one at AA-, one at A+, one at A-, and two at BBB+.

Based on the International Swap Dealers Association agreements, Power or the counterparty may be required to post collateral to support the financial natural gas hedges subject to credit risk in the form of cash, negotiable debt instruments (other than interest-only and principal-only securities), or eligible letters of credit. As of June 30, 2021, the fair values of the financial natural gas hedges were above the credit limits of two counterparties; cash and securities collateral were posted totaling to approximately \$19.1 million.

Notes to the Basic Financial Statements

Basis Risk. Power is exposed to minimal to no basis risk between the financial natural gas hedges and the equivalent physical gas deliveries as both are settled using the first of the month NW Rocky Mountains Index, while the physical gas deliveries are received at Kern River Opal, where the Department negotiated firm transmission rights. Both locations are in the same region and are highly correlated.

Termination Risk. Power or its counterparties may terminate the contractual agreements if the other party fails to perform under the terms of the contract. No termination events have occurred and there are no out-of-the-ordinary termination events contained in contractual documents.

Sewer Enterprise Fund

Sewer has commercial insurance for risks of physical damage to real and personal properties and for business interruption expenses. Claims settlements have not exceeded commercial insurance coverage during the last three fiscal years.

Claim Changes

The Enterprise Funds' estimated claims and judgments payable of \$206.5 million consisted of \$32.3 million litigation-type claims and \$174.2 million workers' compensation liability. The amount estimated to be payable in the next fiscal year is approximately \$27.2 million.

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

	FY 2021	FY 2020
Unpaid Claims, July 1	\$ 2,595,770	\$ 2,712,867
Provisions for Current Year's Events and Changes in Provision for Prior Years' Events	629,840	295,470
Claims Payments	(395,138)	(412,567)
Unpaid Claims, June 30	<u>\$ 2,830,472</u>	<u>\$ 2,595,770</u>

O. Accrued Landfill Liability

Until July 1996, the City operated the Lopez Canyon Sanitary Landfill under a Conditional Use Permit (CUP), which expired on July 1, 1996. State and Federal laws required the City to close the landfill upon cessation of disposal activities and expiration of the CUP, and to monitor and maintain the site for thirty years after closure. The City systematically recognized a portion of the estimated closure and post-closure care costs based on landfill capacity used.

The City completed the final closure of the landfill on March 30, 2012. In fiscal year 2013, all three regulatory agencies, the State of California Department of Resources Recycling and Recovery (CalRecycle), Regional Water Quality Control Board, and the City of Los Angeles Local Enforcement Agency, approved the final Closure Certification. As of June 30, 2021, the City's liability of \$41.8 million is comprised of \$39.8 million post-closure care costs of the landfill and \$2.0 million corrective action costs for foreseeable release. Pursuant to Section 22211 of Title 27 of the California Code of Regulations, the post-closure care cost of \$39.8 million represents post-closure duration of 21 years. The estimated costs of post-closure care are subject to changes due to inflation, changes in laws and regulations, or changes in technology. As of June 30, 2021, there was no liability due within one year.

As required by Title 27 of the California Code of Regulations, the City established and contributed to a trust fund to finance closure construction. Since the landfill was closed and certified by the applicable regulatory agencies, the closure trust fund was no longer necessary and therefore closed. The City is not currently required to advance fund post-closure care costs.

The City owns and maintains other landfills that were already closed before the State and Federal requirements became enforceable. Therefore, no liability was included in the financial statements for these landfills (Toyon Canyon, Gaffey, Bishops Canyon and Sheldon-Arleta). The Landfill Maintenance Special Trust Fund and Landfill Closure and Post-Closure Maintenance Trust Fund, reported as nonmajor other special revenue funds, were set up to defray the closure and post-closure maintenance costs of City landfills.

P. Pollution Remediation Obligations**1. Governmental Activities**

The pollution remediation obligations for governmental activities for the fiscal year ended June 30, 2021 are as follows (in thousands):

	Balance June 30, 2020	Additions	Deductions	Balance June 30, 2021
Obligating Event				
Violation of Pollution Prevention-Related Permit or License	\$ 15,280	\$ 1,063	\$ (4,295)	\$ 12,048
Voluntary Commencement	200	16,865	(17,065)	--
Total	\$ 15,480	\$ 17,928	\$ (21,360)	\$ 12,048
Pollution Type				
Soil and/or Groundwater Remediation	\$ 15,425	\$ 16,602	\$ (20,034)	\$ 11,993
Lead Paint Removal	--	510	(510)	--
Methane Protection	55	44	(44)	55
Asbestos Removal	--	519	(519)	--
Mold	--	253	(253)	--
Total	\$ 15,480	\$ 17,928	\$ (21,360)	\$ 12,048

The \$12.0 million liabilities for governmental activities, net of \$15.2 million recoveries, is mainly for violation of pollution prevention-related permits or licenses. These obligations were determined based on construction contract amount, contract change orders, related direct costs and allocated indirect project costs. As of June 30, 2021, the total liability of \$12.0 million included \$8.4 million cost of removal of heavy metals, soil grasses and aerially deposited lead for the Sixth Street viaduct from Mateo Street to Highway 101, and \$3.6 million for removal of solvents in the groundwater caused by a leaking underground storage tank and remediation costs for various public work projects. For fiscal year 2021, no remediation outlays were capitalized. Estimated expenditures for fiscal year 2021 and beyond are \$1.5 million and \$10.5 million, respectively. These estimates recognized potential changes due to additional work that may be required to remediate existing pollution projects, unanticipated site conditions that may necessitate modifications in project work plans, possible adoption or application of improved technologies that may require changes in estimates, and provision for additional unexpected pollution projects. Consequently, changes in estimates will be processed through change orders.

Notes to the Basic Financial Statements

2. Business-type Activities

The pollution remediation obligations for business-type activities for the fiscal year ended June 30, 2021 are as follows (in thousands):

	Balance June 30, 2020	Additions	Deductions	Balance June 30, 2021
Obligating Event				
Violation of Pollution Prevention-Related Permit or License	\$ 941	\$ --	\$ (32)	\$ 909
Named by a Regulator as a Potential Party to Remediation	72,747	924	(5,735)	67,936
Named in Lawsuit and Compelled to Participate in Remediation	11,740	610	(400)	11,950
Voluntary Commencement	93,024	14,384	(19,416)	87,992
Total	<u>\$ 178,452</u>	<u>\$ 15,918</u>	<u>\$ (25,583)</u>	<u>\$ 168,787</u>
Pollution Type				
Soil and/or Groundwater Remediation	<u>\$ 178,452</u>	<u>\$ 15,918</u>	<u>\$ (25,583)</u>	<u>\$ 168,787</u>

Airports bear full responsibility for the cleanup of environmental contamination on property it owns. However, if the contamination originated based on contractual arrangements, the tenants are held responsible even if they declare bankruptcy. As property owner, Airports assumes the ultimate responsibility for cleanup in the event the tenant is unable to make restitution. Under certain applicable laws, Airports may become liable for cleaning up soil and groundwater contamination on a property in the event that the previous owner does not perform its remediation obligations. Airports accrues pollution remediation liabilities when costs are incurred or amounts can be reasonably estimated based on expected outlays.

Harbor's estimated pollution remediation liability as of June 30, 2021 was \$69.0 million, of which \$4.7 million is due within one year. These costs relate mostly to soil and ground water contamination on sites within Harbor premises. As certain sites were formerly used for a variety of industrial purposes, legacy contamination or environmental impairments exist. Harbor uses a combination of in-house specialists as well as outside consultants to perform estimates of potential liability and accrues pollution remediation liability when costs are incurred or amounts can be reasonably estimated based on expected outlays. Certain remediation contracts are included in site development plans as final uses for the sites have been identified.

Power's environmental liabilities are primarily related to generating and service stations they own that have had release of hazardous materials or waste they are obligated by a regulator to clean up. The estimated time frame for clean-up and monitoring of these sites is 5-25 years. Power had identified sites that require remediation work and the estimated liability for these sites for fiscal year 2021 was approximately \$88.0 million.

Water has identified underground storage tanks that require remediation work and is working with the Los Angeles Regional Water Quality Control Board, and the Lahontan Regional Quality Control Board, which have jurisdiction over these sites. Water's estimated liability for these sites was approximately \$12.0 million, due within one year, and includes remediation and ongoing operation and maintenance costs where estimable.

The County of Los Angeles (County) has notified the City and other entities of potential liabilities for cleanup and maintenance of a public golf course, which was created over an old landfill, due to environmental issues including leachate and gas migration. According to the County's review of prior customer records, Sewer used the site for disposal of grit waste from the Hyperion Water Reclamation Plant. Prior to 2014, the City entered into and paid a settlement with the County for \$0.2 million and remained an active participant in the site investigation. The case is now under the California Department of Toxic Substance Control (DTSC), a State agency and part of the California Environmental Protection Agency. The City, along with the County and a number of other public and private entities, are named as Potentially Responsible Parties. The proposed remedial action plan is being evaluated by the DTSC. The estimated cost to remediate the site is presently unknown.

Q. Economic Development Incentives - Tax Abatements

The City has two main types of tax abatement programs: (a) agreements whereby the City provides financial assistance to development projects to be funded by net new tax revenues generated by the projects, and (b) contracts entered into with property owners of qualified historical properties for their preservation, maintenance, and rehabilitation in return for property tax abatement.

The threshold for reporting agreements individually is \$1.0 million, though agreements with no payments in the reporting year are reported individually if they are anticipated to exceed the threshold in future years.

1. Development Incentive Agreements

As of June 30, 2021, the City had entered into nine development incentive agreements. Each of these agreements is for a term of up to 25 years. The projects are projected to provide new General Fund tax revenues to the City including but not limited to property taxes, sales taxes, utility users taxes, gross receipts taxes, parking occupancy taxes, transient occupancy taxes and construction related tax revenues. Certain portions of the projected new General Fund tax revenues are used by the City in providing project financing to the developers. City policy maintains that the financial assistance payments to the developers must be no more than 50% of the net new revenues generated by the project during the term of the agreement. These agreements require the approval of the Mayor and the City Council and incentive payments are administered by the City Administrative Officer.

Convention Center Headquarters Hotel Project

In fiscal year 2007, this agreement was entered by the City and Anschutz Entertainment Group (Developer) for the development of a hotel within the LA Live/convention center complex at 900 W. Olympic Blvd., as a combination of an 878-room J.W. Marriott Hotel and a 123-room Ritz Carlton hotel. Annual incentive payments paid to the Developer are equal to the total transient occupancy tax remitted in the year, up to the total incentive amount of \$270 million over 25 years, or \$62.0 million as net present value (NPV). In fiscal year 2021, the City paid \$2.3 million in financial assistance to the Developer. A total of \$112.0 million has been paid to the Developer since payments began in fiscal year 2010.

901 Olympic North Hotel Project

In fiscal year 2012, this agreement was entered by the City and 901 West Olympic Blvd. L.P. (Developer) for the development of two hotels, both 3-star rated Marriott products, in one building with a total of 393 rooms. Annual incentive payments paid to the Developer are equal to the total transient occupancy tax remitted in the year, up to the total incentive amount of \$67.3 million over 25 years, or \$21.9 million as NPV. In fiscal year 2021, the City paid \$1.3 million in financial assistance to the Developer. A total of \$24.0 million has been paid to the Developer since payments began in fiscal year 2014.

Metropolis Hotel Project

In fiscal year 2015, this agreement was entered by the City and Greenland LA Metropolis Hotel Development, LLC (Developer) for the development of the Metropolis Hotel Project. The project includes a 350 room 18-story hotel, including residential parking, open space, 1,692 square feet of retail space and business center. Annual incentive payments paid to the Developer are equal to the total transient occupancy tax remitted in the year, up to the total incentive amount of \$18.7 million over six years, or \$13.5 million NPV. In fiscal year 2021, the City paid \$1.8 million in financial assistance to the Developer. A total of \$11.2 million has been paid to the Developer since payments began in fiscal year 2017.

Village at Westfield Topanga Project

In fiscal year 2014, this agreement was entered by the City and 21919 Erwin LLC, and West Valley Owner LLC for the development of the Village at Westfield Topanga (Developers). The project is comprised of the construction of a new 500,000 square foot, first class mixed-use development including upscale retail, boutique specialty shops, personal services, restaurants and community center. Annual incentive payments paid to the Developers are based on the total property taxes remitted, subject to an annual true-up, up to the total incentive amount of \$47.7 million over 25 years, or \$25.0 million NPV. In fiscal year 2021, the City paid \$1.3 million in financial assistance to the Developers. A total of \$6.5 million has been paid to the Developers since payments began in fiscal year 2017.

Wilshire Grand Hotel Project

In fiscal year 2011, the agreement was entered by the City and Hanjin International Corporation (Developer) for the development of a hotel and mixed-use project totaling approximately 2.5 million square feet. The project includes 560 hotel rooms and/or hotel-condo units, 100 residential units and 1.5 million square feet of office space. Annual incentive payments paid to the Developer are equal to the total transient occupancy tax remitted in the year, up to the total incentive amount of \$171.2 million over 25 years, or \$60.8 million NPV. In fiscal year 2021, the City paid \$2.6 million in financial assistance to the Developer. A total of \$24.9 million has been paid to the Developer since payments began in fiscal year 2018.

Grand Avenue Hotel Project

In fiscal year 2017, the agreement was entered by the City and Grand Avenue L.A., LLC, and Grand Avenue M Housing Partners, LLC, (Developers) for the revitalization of Grand Avenue and downtown Los Angeles. The project includes development of hotel, residential, commercial, retail and entertainment components. Annual incentive payments paid to the Developers are equal to the total transient occupancy tax remitted in the year, up to the total incentive amount of \$149.6 million over 25 years, or \$55.1 million NPV. No payment was made in fiscal year 2021.

Cambria Hotel Project

In fiscal year 2018, the agreement was entered by the City and 926 James M. Wood Boulevard, LLC (Developer) for the development of Cambria Hotel Project. The project includes a 247-room three diamond rated hotel. The hotel will include all facilities associated with a select service hotel, including parking, meeting rooms, ground-level retail and restaurant, a rooftop bar, and a pool and fitness center. Annual incentive payments paid to the Developer are equal to the total transient occupancy tax remitted in the year, up to the total incentive amount of \$43.2 million over 25 years, or \$15.7 million NPV. No payment was made in fiscal year 2021.

Fig plus Pico Conference Center Hotels Project

In fiscal year 2019, the agreement was entered by the City and Lightstone DTLA, LLC (Developer) for the development of Fig plus Pico Conference Center Hotel Project. The project includes a 1,153-room and 13,145 square feet of ground-floor retail/restaurant uses within two hotel towers, totaling up to 505,335 square feet of floor area on approximately 1.22-acre site, with Hotel A/B Tower including up to 775 hotel guest rooms, 11,000 square feet of ground-floor retail/restaurant uses, and podium parking for all three hotels within a 38-story, 465-foot tower, and Hotel C Tower including up to 378 guest rooms and 2,145 square feet of ground-floor retail/restaurant uses in a 27-story, 350-foot tower. Annual incentive payments paid to the Developer are equal to the total transient occupancy tax remitted in the year, up to the total incentive amount of \$103.3 million over 25 years, or \$67.4 million NPV. No payment was made in fiscal year 2021.

AECOM Hotel Project

This agreement was entered by the City and AECOM Capital (Developer) for the development of the AECOM Hotel Project. The project includes a 16-story, 258-room 3-star select-service hotel, including restaurant and retail space, meeting space, a rooftop deck with a pool and fitness center, and a 36-space underground parking garage totaling 16,422 square feet on the hotel project site. Annual incentive payments paid to the Developer are equal to the total transient occupancy tax remitted in the year, up to the total incentive amount of \$29.5 million over 25 years, or \$17.3 million NPV. No payment was made in fiscal year 2021.

2. Mills Act Historical Property Agreements

The Mills Act Historical Property Contracts program is the State of California's leading financial incentive for historic preservation projects and is implemented under the provisions of Ordinance No. 172,857 implementing State Government Code Sections 50280 et seq., commonly known as the "Mills Act". The Mills Act allows the City to enter into contracts with owners of qualified historical properties for their preservation maintenance and rehabilitation. The program is designed to assist under-utilized and under-valued properties. The property is assessed on an income basis rather than fair value. The result is property tax abatement. As of June 30, 2021, there are 950 existing Mills Act contracts in the City. The City receives new Mills Act applications annually and approved 18 new contracts in fiscal year 2021. Existing contracts are renewed annually for a minimum term of ten years.

For fiscal year 2021, the property tax abated from the Mills Act agreements was \$2.3 million. The City Council has imposed a cap on total property tax abatement of \$2.3 million.

NOTE 5. OTHER INFORMATION

A. Pension Plans

1. Plan Descriptions

The City of Los Angeles contributes to three single-employer defined benefit pension plans: Los Angeles Fire and Police Pension System (Pensions), Los Angeles City Employees' Retirement System (LACERS), and Water and Power Employees' Retirement Plan (DWP Plans). Pensions and LACERS provide retirement benefits to sworn and civilian (other than DWP) employees, respectively. The DWP Plans provide retirement, disability, and death benefits to DWP employees. The City also provides three single-employer substantive Other Postemployment Benefits (OPEB) plans through the aforementioned defined benefit plans: Fire and Police Health Subsidy Plan (Pensions OPEB), Los Angeles City Employees' Postemployment Health Care Plan (LACERS OPEB), and Water and Power Employees' Retiree Health Benefits Plan (DWP OPEB). Each plan issues a publicly available financial report that includes financial statements and required supplementary information for that plan. Those reports may be obtained online or by writing or calling the plans.

Los Angeles Fire and Police Pension System
701 E. Third Street, Suite 200
Los Angeles, CA 90013
(213) 279-3000
<https://www.lafpp.com/financial-reports>

Los Angeles City Employees' Retirement System
P.O. Box 512218
Los Angeles, CA 90051-0218
(800) 779-8328
<http://www.lacers.org/aboutlacers/reports/index.html>

Water and Power Employees' Retirement Plan
111 N. Hope Street, Room 357
Los Angeles, CA 90012
(213) 367-1692
<https://retirement.ladwp.com/webcenter/portal/rp/home/page121/page171>

2. Description of the Plans, Membership and Benefits

General Information About the Plans

Pensions

Pensions operates under the City of Los Angeles (City) Charter (Volume II, Article XI) and Administrative Code provisions (Division 4). It operates in accordance with the State Constitution Article XVI, Section 17(a). Pension benefits are administered by the Pensions Board that has exclusive responsibility to administer the system, providing benefits to Pensions participants and their beneficiaries and to ensure prompt delivery of those benefits. The City Charter and Administrative Code provide that the funding requirements of Pensions will be satisfied by the City. The funding requirements of Pensions are determined by the result of annual actuarial valuations. Pensions is a defined benefit single-employer pension plan covering all full-time active sworn firefighters, police officers, and certain Harbor Port Police and Airport police officers of the City of Los Angeles.

Pensions also covers those certified paramedics and civilian ambulance employees who transferred from LACERS during the fiscal year ended June 30, 1983 or have since been hired. Pensions is composed of six tiers. Effective July 1, 2011, a new pension tier, Tier 6, was added. Benefits are based on the member's pension tier, pension salary base, and years of service. In addition, Pensions provides for disability benefits under certain conditions and benefits to eligible survivors.

LACERS

LACERS is under the exclusive management and control of its Board of Administration (Board), whose authority is granted by statute in Article XVI, Section 17 of the California State Constitution, and Article XI of the Los Angeles City Charter. LACERS operates a single-employer defined benefit plan (Retirement Plan) and a single-employer Postemployment Health Care Plan established by ordinance and approved by the City Council and the Mayor. Members who entered the System prior to February 21, 2016 are Tier 1 Members of LACERS. On or after February 21, 2016, new Members become Members of LACERS Tier 3.

DWP Plans

DWP Plans is a single-employer public employee retirement system whose main function is to provide pension, death and disability benefits, to eligible employees of DWP. The authority for providing benefits is granted by the City Charter. Authority for changing DWP Plans benefits is adopted through resolution by the DWP Plan Board of Administration and the DWP Board of Commissioners. The DWP Plans have four separate funds – Retirement Fund, Disability Fund, Death Benefit Fund, and Retiree Health Benefits Fund (RHBF). Each fund is considered a separate plan and an independent trust fund of DWP. The Retirement Fund is a single-employer defined benefit pension plan. The Death Benefit Fund and Retiree Health Benefit Fund are single-employer defined benefit other postemployment benefits (OPEB) plans. The Disability Fund is for the payment of temporary disability and permanent total disability of DWP employees, and is not considered a pension plan nor an OPEB plan. On December 11, 2013, the DWP Retirement Board adopted an amendment to create a new tier, Tier 2 for DWP's new hires on or after January 1, 2014.

Membership

Pensions

The components of the Pensions' membership at June 30, 2021 were as follows:

Active Nonvested	
Tier 4	30
Tier 5	4,442
Tier 6	3,848
Subtotal	<u>8,320</u>
Active Vested	
Tier 2	5
Tier 3	542
Tier 4	168
Tier 5	3,785
Tier 6	3
Subtotal	<u>4,503</u>
Pensioners and Beneficiaries	
Tier 1	212
Tier 2	6,564
Tier 3	843
Tier 4	365
Tier 5	5,540
Tier 6	3
Subtotal	<u>13,527</u>
Vested Terminated	
Tier 3	38
Tier 5	245
Tier 6	350
Subtotal	<u>633</u>
Total	<u><u>26,983</u></u>

Notes to the Basic Financial Statements

Pensions' Tier 1 includes members hired on or before January 28, 1967. Tier 2 includes members hired from January 29, 1967 through December 7, 1980, and those Tier 1 members who transferred to Tier 2 during the enrollment period of January 29, 1967 to January 29, 1968. Tier 3 includes members hired from December 8, 1980 through June 30, 1997, and those Tier 4 members hired during the period of July 1, 1997 through December 31, 1997 who elected to transfer to Tier 3 by the enrollment deadline of August 6, 1999. Tier 4 includes members hired from July 1, 1997 through December 31, 2001, and those Tier 3 members who elected to transfer to Tier 4 by the enrollment deadline of June 30, 1998. Tier 5 includes members hired from January 1, 2002 through June 30, 2011, and those Active members of Tiers 2, 3, and 4 who elected to transfer to Tier 5 during the enrollment period of January 2, 2002 through December 31, 2002. Tier 5 was the tier for all Harbor Port police officers hired on or after January 8, 2006 through June 30, 2011. Harbor Port police officers hired before January 8, 2006, who were members of LACERS, were allowed to transfer to Tier 5 during the enrollment period of January 8, 2006 to January 5, 2007.

Tier 6 was established for all firefighters, police and Harbor Port police officers hired on or after July 1, 2011. Tier 6 includes sworn officers from the Department of General Services who transferred to Los Angeles Police Department (LAPD) classifications and elected to opt out of LACERS by the December 12, 2014 deadline. Effective January 7, 2018, Tier 6 also includes all new Airport police officers, as well as any Airport police officers hired prior to January 7, 2018 who elected to transfer to Tier 6 from LACERS at their own expense.

LACERS

The components of LACERS' membership at June 30, 2021 were as follows:

Active Vested and Nonvested	
Tier 1	17,768
Tier 3	7,408
Subtotal	<u>25,176</u>
Inactive Nonvested and Terminated Entitled to	
Benefits	
Tier 1	7,781
Tier 3	1,866
Subtotal	<u>9,647</u>
Inactive	
Retired Tier 1	17,054
Disabled Tier 1	849
Beneficiaries Tier 1	4,109
Subtotal	<u>22,012</u>
Total	<u><u>56,835</u></u>

DWP Plans

As of June 30, 2021, DWP Plans' membership consisted of 9,564 retirees and beneficiaries; 1,708 terminated vested members and 10,605 active members.

Benefits

Benefits Provided by Pensions

Tier 1 members hired prior to January 17, 1927, with 20 years of service are entitled to annual pension benefits equal to 50%, increasing for each year of service over 20 years, to a maximum of 66-2/3% of the average monthly rate of salary assigned to the ranks or positions held by the member during the three years immediately preceding the date of retirement. Tier 1 members hired on or after January 17, 1927, with 20 or more years of service are entitled to annual pension benefits equal to 40%, increasing for each year of service over 20 years, to a maximum of 66-2/3% of the average monthly rate of salary assigned to the ranks or positions held by the member during the three years immediately preceding the date of retirement. Tier 1 has no minimum age requirement and provides for unlimited postemployment cost-of-living adjustments (COLA) based on the Consumer Price Index (CPI). Tier 1 members who were active as of July 1, 1982, and who terminated their employment after July 1, 1982, were entitled to a refund of contributions plus Board-approved interest if they did not qualify for a pension or if they waived their pension entitlements.

Tier 2 members with 20 or more years of service are entitled to annual pension benefits equal to 40% of their final compensation, increasing for each year of service over 20 years, to a maximum of 70% for 30 years. Tier 2 has no minimum age requirement and provides for unlimited postemployment COLAs based on the CPI. Tier 2 members who were active as of July 1, 1982, and who terminate their employment after July 1, 1982, are entitled to a refund of contributions plus Board-approved interest if they do not qualify for a pension or if they waive their pension entitlements.

Tier 3 members must be at least age 50 with 10 or more years of service to be entitled to a service pension. Annual pension benefits are equal to 20% of the monthly average of a member's salary during any 12 consecutive months of service as a Plan member (one-year average compensation), increasing for each year of service over 10 years, to a maximum of 70% for 30 years. Tier 3 provides for postemployment COLAs based on the CPI to a maximum of 3% per year. The Los Angeles City Council (City Council) may grant an ad-hoc COLA no more than every three years, subject to certain conditions. Members who terminate their employment are entitled to a refund of contributions plus Board-approved interest if they do not qualify for a pension or if they waive their pension entitlements.

Tier 4 members must have at least 20 years of service to be entitled to a service pension. There is no minimum age requirement. Annual pension benefits are equal to 40% of their one-year average compensation, increasing for each year of service over 20 years, to a maximum of 70% for 30 years. Tier 4 provides for postemployment COLAs based on the CPI to a maximum of 3% per year. The City Council may grant an ad-hoc COLA no more than every three years, subject to certain conditions. Members who terminate their employment before they are eligible for pension benefits do not receive a refund of contributions.

Tier 5 members must be at least age 50, with 20 or more years of service, to be entitled to a service pension. Annual pension benefits are equal to 50% of their one-year average compensation, increasing for each year of service over 20 years, to a maximum of 90% for 33 years. Tier 5 provides for postemployment COLAs based on the CPI to a maximum of 3% per year. However, any increase in the CPI greater than 3% per year is placed into a COLA bank for use in years in which the increase in CPI is less than 3%. The City Council may also grant a discretionary ad-hoc COLA no more than every three years, subject to certain conditions. Members who terminate their employment are entitled to a refund of their contributions plus Board-approved interest if they do not qualify for a pension or if they waive their pension entitlements.

Tier 6 members must be at least age 50, with 20 or more years of service, to be entitled to a service pension. Annual pension benefits are equal to 40% of their two-year average compensation, increasing for each year of service over 20 years, to a maximum of 90% for 33 years. Tier 6 provides for postemployment COLAs based on the CPI to a maximum of 3% per year. However, any increase in the CPI greater than 3% per year is placed into a COLA bank for use in years in which the increase in CPI is less than 3%. The City Council may also grant a discretionary ad-hoc COLA no more than every three years, subject to certain conditions. Members who terminate their employment are entitled to a refund of their contributions plus Board-approved interest if they do not qualify for a pension or if they waive their pension entitlements.

Benefits Provided by LACERS

Members of LACERS have a vested right to their own contributions and accumulated interest posted to their accounts. Generally, after five years of employment, members are eligible for future retirement benefits, which increase with length of service. If a member who has five or more years of continuous City service terminates employment, the member has the option of receiving retirement benefits when eligible or having his or her contributions and accumulated interest refunded. Benefits are based upon age, length of service, and compensation.

LACERS Tier 1 members are eligible to retire with unreduced benefits if they have 10 or more years of continuous City service at age 60, or at least 30 years of City service at age 55, or with any years of City service at age 70 or older. Members also are eligible to retire with age-based reduced benefits after reaching age 55 with 10 or more years of continuous City service, or at any age with 30 or more years of City service. Full (unreduced) retirement benefits are determined as 2.16% of the member's average monthly pensionable salary during the member's last 12 months of service, or during any other 12 consecutive months of service designated by the member, multiplied by the member's years of service credit. Members with five years of continuous service are eligible for disability retirement, and the benefits are determined as 1/70 of the member's final average monthly salary for each year of service or 1/3 of the member's final average monthly salary, if greater. Upon an active member's death, a refund of the member's contributions and, depending on the member's years of service, a limited pension benefit equal to 50% of monthly salary may be paid up to 12 months. Or, if such member was eligible to retire, survivor benefits may be paid to an eligible spouse or qualified domestic partner. Upon a retired member's death, a \$2,500 funeral allowance is paid, and a modified or unmodified allowance is continued to an eligible spouse or qualified domestic partner.

Airport Peace Officers (APO) members, hired on or before March 28, 2017, who elect to remain in LACERS and paid the mandatory additional contribution of \$5,700 before January 8, 2019 or prior to the member's retirement date, whichever is earlier would be Tier 1 members, and be eligible for enhanced benefits including more favorable disability benefits, death benefits, and a higher retirement factor of 2.30% (versus 2.16% for all other Tier 1 Members).

LACERS Tier 3 members are eligible to retire with unreduced benefits if they have at least 10 or more years of City service at age 60 or at least 30 years of City service at age 55, provided that five years of service must be continuous. Full unreduced retirement benefits at age 60 with 10 years of City service are determined with a 1.5% retirement factor. Members also are eligible to retire with an age-based reduced benefit before reaching age 60 with 30 or more years of City service with a retirement factor of 2.0%. If the member is age 55 or older with 30 years of service at the time of retirement, his or her retirement allowance will not be subject to reduction on account of age. However, if the member is younger than age 55 with 30 years of service at the time of retirement, his or her retirement allowance will be reduced by the applicable early retirement reduction factor. In addition, LACERS also provides Tier 3 members enhanced retirement benefits with a 2.0% retirement factor if the member retires at age 63 with at least 10 years of service, or a retirement factor of 2.1% if the member retires at age 63 with 30 years of service. Tier 3 retirement benefits are determined by multiplying the member's retirement factor (1.5% - 2.1%), with the member's Final Average Compensation (FAC) based on the member's pensionable salary for the last 36 months or any other 36 consecutive months designated by the member, and by the member's years of service credit (SC) as follows:

Age at Retirement	Required Years of Service	Retirement Benefit ⁽¹⁾
Under 55	30 Years	2.0% x FAC x Yrs. of SC ⁽²⁾
55 and Over	30 Years	2.0% x FAC x Yrs. of SC
60 and Over	10 Years	1.5% x FAC x Yrs. of SC
63 and Over	10 Years	2.0% x FAC x Yrs. of SC
63 and Over	30 Years	2.1% x FAC x Yrs. of SC

⁽¹⁾Retirement allowance may not exceed 80% of final compensation except when benefit is based solely on the annuity component funded by the Member's contributions.

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

Notes to the Basic Financial Statements

LACERS Tier 3 members with five years of continuous service are eligible for disability retirement, and the benefits are determined as 1/70 of the member's final average monthly salary for each year of service or 1/3 of the member's final average monthly salary, if greater. Upon an active member's death, a refund of the member's contributions and, depending on the member's years of service, a limited pension benefit equal to 50% of monthly salary may be paid up to 12 months. Or, if such member was eligible to retire, survivor benefits may be paid to an eligible spouse or qualified domestic partner. Upon a retired member's death, a \$2,500 funeral allowance is paid, and a modified or unmodified allowance is continued to an eligible spouse or qualified domestic partner.

Retirement allowances are indexed annually for inflation. LACERS has authority to determine, no later than May 1st of each year, the average annual percentage change in the Consumer Price Index (CPI) for the purpose of providing a COLA to the benefits of eligible members and beneficiaries in July. The adjustment is based on the prior year's change of Los Angeles area CPI subject to a maximum of 3.0% for Tier 1 members or 2.0% for Tier 3 members. For Tier 1 members, the COLA percentage greater than 3.0% is banked for future use.

Benefits Provided by DWP Plans

The DWP Plans' Retirement Fund consists of both defined contribution and defined benefit elements. Under Tier 1, members vest in the defined contribution element (annuity) after one year of service. Members vest in the defined benefit element (pension) only after qualifying for retirement and meeting the criteria for the formula pension. Generally, new and returning employees of DWP become eligible for Plan membership on the first day of the payroll period following entry into DWP service. New eligible employees must complete 26 weeks of continuous service before becoming entitled to disability and/or death benefits. During the fiscal year 2014, the City and the Department agreed to a new tier of retirement benefits for new hires to DWP. On December 11, 2013, the Retirement Board adopted a Plan amendment to create a new tier, Tier 2, for the DWP's new-hires on or after January 1, 2014.

Tier 1 members are eligible for normal retirement at age 60. Early retirement at age 55 is generally available if the member has at least 10 years of qualifying service out of the last 12 years before retirement. Members with 30 or more years of qualifying service also may retire at any age and receive a reduced benefit. The early retirement benefit reduction is not applicable if the member is between the ages of 55 and 60, and has at least 30 years of service credits. Upon qualifying for retirement, Tier 1 members will also qualify for a formula pension if they have been employed by DWP or City for at least five years before retirement and have been a contributing member of the Plan for at least four of five years immediately preceding retirement or while eligible to retire (or during any of those four years if they were receiving either disability benefits under the Disability Benefit Plan or payments under any Workers' Compensation Law).

Eligible Tier 1 members are entitled to an annual retirement benefit, payable monthly for life currently in an amount equal to a retirement factor of 2.1% of their highest average salary, for each year of credited service. Members who have at least 30 years of service credit and are at least 55 years of age are entitled to a retirement factor of 2.3% in the calculation of their retirement allowance. "Highest average salary" is defined as the employee's average base salary over the highest 26 consecutive contributing payroll periods. Retirees who are receiving a formula pension are entitled to annual cost of living adjustment (COLA). Adjustments are applied each July 1 based on the CPI (Los Angeles-Long Beach-Anaheim, CA – All Items) as published by the Bureau of Labor Statistics of the United States Department of Labor for each of the two immediately preceding calendar years. The maximum adjustment, positive or negative, is 3% in any one year.

Tier 2 members are eligible for normal retirement at age 60 with at least 5 years of continuous DWP service (5 years must be as a contributing member and/or receiving either disability benefits under the Disability Benefit Plan or payments under any Workers' Compensation Law). A reduced benefit for early retirement at any age is generally available if the member has at least 30 years of service. Members with 30 or more years of credited service may retire at age 55 and receive unreduced benefits.

Notes to the Basic Financial Statements

Eligible Tier 2 members are entitled to an annual retirement benefit, payable monthly for life currently in an amount equal to a retirement factor multiplying each year of credited service, and then multiplying their final average salary. The specific retirement factor is based on the combination of member's age and credited service as follows:

- 1.5% at age 60 with 5 years of continuous DWP service or 10 years of qualifying service
- 2.0% at any age with 30 years
- 2.0% at age 63 with 5 years of continuous DWP service or 10 years of qualifying service
- 2.1% at age 63 with 30 years

"Final average salary" is defined as the employee's average base salary over the highest 78 consecutive payroll periods. A member's monthly pension amount is capped at 80% of one's final average salary. Retirees who are receiving a formula pension are entitled to annual COLA. Adjustments are applied each July 1 based on the CPI for each of the two immediately preceding calendar years. The maximum adjustment, positive or negative, is 2% in any one year. Members may purchase additional post-retirement COLA coverage, not to exceed an additional 1% per year, at full actuarial cost to the Plan. Members, who are eligible for a deferred retirement (vesting), are also eligible for a formula pension, but they are not entitled to an annual COLA.

3. Contribution Information

Member Contributions

Pensions

As a condition of participation, members are required to contribute a percentage of their salaries to Pensions. Tier 1 members were required by the City Charter to contribute 6% of salary. Pensions' actuary recommended that Tier 2 members contribute 1% in addition to the 6% rate provided in the City Charter, for a total of 7% of salary. Tiers 3 and 4 members are required to contribute 8% of salary. Tier 5 members are required to contribute 9% of salary. However, the City shall pay 1% of the Tier 5 required contribution rate contingent on Pensions remaining at least 100% actuarially funded for pension benefits. Since July 1, 2006, Tier 5 members have been required to contribute 9% of salary because Pensions has remained less than 100% actuarially funded for pension benefits as determined by the Pensions' actuary. Tier 6 members are required to contribute 9% of salary for regular pension contributions. Tier 6 members are also required to make an additional pension contribution of 2% of salary to support the City's ability to fund retiree health benefits. Airport police officers who transferred to Tier 6 from LACERS are required to contribute to Pensions at their same LACERS contribution rates until they retire.

LACERS

The current contribution rate for Tier 1 and Tier 1 Enhanced Members is 11% of their pensionable salary including a 1% increase in the Member contribution rate pursuant to 2009 Early Retirement Incentive Program (ERIP) ordinance for all employees for a period of 15 years (or until the ERIP Cost obligation is fully recovered, whichever comes first). Contribution rates for Tier 1 and Tier 1 Enhanced Members are expected to decrease by 1% once ERIP obligation is fully paid.

The contribution rate for Tier 3 members is 11% of their pensionable salary. Unlike Tier 1, Tier 3 members do not pay ERIP contribution, therefore, Tier 3 members' contribution rate will not drop down when Tier 1 members cease to pay the 1% ERIP contribution.

DWP Plans

Retirement contributions are determined by a member's Tier designation. Covered Tier 1 employees continue to contribute 6% of their annual covered payroll upon becoming a Plan member on or after June 1, 1984. Employees entering the Plan before June 1, 1984 contribute an amount based upon an entry-age percentage rate. If an employee leaves or dies while employed, employee contribution plus credited interest is refundable. After one year of membership, the employee may leave his or her contribution on account with the Plan along with the Department's matching contributions and receive a money purchase allowance at retirement age. A surviving spouse of an employee who dies while eligible to retire or with at least 25 years of service may elect to receive a monthly allowance from the Retirement Fund for life rather than a refund of the employee's contributions and interest.

Covered Tier 2 employees are required to contribute 10% of their annual covered payroll upon becoming a Plan member. A Tier 2 member has the same benefits as a Tier 1 member upon termination or death while employed with a single exception. A Tier 2 member will not receive a money purchase allowance with vesting after one year. Instead a Tier 2 member will only receive a formula pension if one is at age 60 and has at least 5 years of continuous DWP service.

Each bi-weekly payroll period, both eligible Tiers 1 and 2 members contribute \$1.00 each for temporary disability and permanent total disability. Contributing active Tiers 1 and 2 members contribute \$1.00 per bi-weekly payroll period for insured lives death benefit (IDB). Active members contribute \$2.25 per bi-weekly payroll period, and retired members contribute \$4.90 per month for supplemental family death benefit.

Employer Contributions

Pensions

The City Charter specifies that the City will make contributions of an amount equal to the City's share of defined entry age normal costs each year and also the following:

For members of Tiers 1 and 2, a dollar amount or percentage necessary to amortize the "unfunded liability" of Pensions over a 70-year period, beginning with the fiscal year commencing July 1, 1967. Under Tiers 3, 4, and 5, any "unfunded liability" resulting from plan amendments shall be amortized over a 25-year period, and actuarial experience gains and losses shall be amortized over a 20-year period. For Tier 6, the unfunded liabilities shall be funded in accordance with the actuarial funding method adopted by the Board upon the advice of the consulting actuary. Charter Amendment G, effective April 8, 2011, now provides that with the advice of the consulting actuary, the Board shall establish amortization policies for unfunded actuarial accrued liabilities and surpluses for all Tiers.

Accordingly, the City's contributions as determined by the Pensions' actuary, net of early payment discount, for the fiscal year ended June 30, 2021, were as follows (in millions):

	Fire and Police						Harbor Port Police		Airports
	Tier 1	Tier 2	Tier 3	Tier 4	Tier 5	Tier 6	Tier 5	Tier 6	Tier 6
Entry Age Normal Cost	\$ --	\$ 0.24	\$ 15.18	6.35	\$ 229.87	\$ 51.98	\$ 2.68	\$ 0.46	\$ 1.35
Unfunded Supplemental Present Value amount	14.15	5.37	(0.47)	7.27	150.57	39.77	0.81	0.17	0.12
Pension Administrative Expense	--	0.01	0.96	0.36	12.94	3.42	0.15	0.03	0.09

During fiscal year 2021, total employer contributions of \$543.8 million were made in accordance with actuarially determined contribution requirements through an actuarial valuation performed at June 30, 2019.

LACERS

The Los Angeles City Charter Sections 1158 and 1160 provide for periodic actuarially-determined employer contribution rates that, expressed as percentages of annual covered payroll, are sufficient to accumulate the required assets to pay benefits when due. For the fiscal year ended June 30, 2021, the actuarially-determined aggregate employer contribution rate to LACERS by the City was 24.63% of projected payroll, based on the June 30, 2019 actuarial valuation. Upon closing the fiscal year 2021, LACERS re-calculated the employer contribution rate using actual payroll incurred during the fiscal year, which was smaller than projected covered payroll used by the City to make the advance payment on July 15, 2020. As a result, employer contributions received for LACERS were \$30.0 million more than required, and this amount was credited to the employer toward employer contributions for fiscal year 2022. Based on actual payroll, the effective rate of employer contribution for LACERS was 24.37% for fiscal year 2021, with total actuarially determined contribution of \$554.9 million.

DWP Plans

DWP contributes \$1.10 for each \$1.00 contributed by Tier 1 members, plus an actuarially determined percentage of covered payroll. DWP solely contributes an actuarially determined percentage of covered payroll for Tier 2 members. Contribution provisions are established and amended by the Retirement Board upon the advice of the DWP Plan actuary. The average employer contribution rates for fiscal years 2021 (based on the July 1, 2020 valuations) was 33.55% of compensation.

DWP contribution rate for fiscal years 2021 for temporary disability (based on the July 1, 2020 valuation) was \$1.25 per \$100 of covered payroll. DWP contribution for permanent total disability continues to be suspended, as current reserve significantly exceeds the target reserve amount.

In fiscal year 2021, the actuarially determined contributions of DWP's Retirement Fund was \$373.4 million and actual contributions made were \$379.0 million.

4. Net Pension Liability

For the June 30, 2021 reporting date, the Net Pension Liability (NPL) of Pensions was measured as of June 30, 2020 and determined by rolling forward the Total Pension Liability (TPL) from the actuarial valuation as of June 30, 2019. The Fiduciary Net Position (FNP) was valued as of the measurement date.

LACERS' NPL was measured as of June 30, 2020 and determined based upon the FNP and TPL from the actuarial valuation as of June 30, 2020. FNP and TPL were valued as of the measurement date.

The NPL of DWP Plans was measured as of June 30, 2020 and determined based upon the results of the actuarial valuation as of July 1, 2020. The FNP and TPL were valued as of the measurement date.

The City's total pension liability, fiduciary net position and net pension liability as of the measurement date June 30, 2020 were as follows (in thousands):

	Total Pension Liability	Fiduciary Net Position	Net Pension Liability	Fiduciary Net Position as % of Total Pension Liability
Pensions	\$ 23,969,714	\$ 21,396,933	\$ 2,572,781	89.27%
LACERS	22,527,195	14,932,404	7,594,791	66.29%
DWP Plans	14,465,349	13,353,708	1,111,641	92.32%
Total	<u>\$ 60,962,258</u>	<u>\$ 49,683,045</u>	<u>\$ 11,279,212</u>	

Notes to the Basic Financial Statements

Changes in Net Pension Liability

The components of the net pension liabilities of Pensions, LACERS and DWP Plans determined in accordance with GASB Statement No. 68 as of the measurement date of June 30, 2020 were as follows (in thousands):

	Pensions	LACERS	DWP Plans	Total
Total Pension Liability				
Beginning Balance	\$ 23,000,505	\$ 20,793,421	\$ 13,811,956	\$ 57,605,882
Service Cost	410,559	374,967	263,473	1,048,999
Interest	1,654,964	1,499,208	963,032	4,117,204
Benefit Payments, Including Refunds of Member Contributions	(1,121,252)	(979,305)	(635,652)	(2,736,209)
Difference of Expected and Actual Experience	(23,348)	308,184	62,540	347,376
Assumption Changes	48,286	530,720	--	579,006
Net Change	969,209	1,733,774	653,393	3,356,376
Ending Balance	23,969,714	22,527,195	14,465,349	60,962,258
Fiduciary Net Position				
Beginning Balance	21,262,201	14,815,593	12,987,087	49,064,881
Employer Contributions	516,638	553,118	427,655	1,497,411
Member Contributions	153,787	259,817	120,299	533,903
Net Investment Income	606,244	306,712	459,024	1,371,980
Benefit Payments, Including Refunds of Member Contributions	(1,121,252)	(979,305)	(635,652)	(2,736,209)
Administrative Expenses	(20,685)	(23,531)	(4,705)	(48,921)
Net Change	134,732	116,811	366,621	618,164
Ending Balance	21,396,933	14,932,404	13,353,708	49,683,045
Net Pension Liability	\$ 2,572,781	\$ 7,594,791	\$ 1,111,641	\$ 11,279,212

Sensitivity of the Net Pension Liabilities to Changes in Discount Rates

Pensions, LACERS, and DWP Plans used a discount rate of 7.00 percent to measure the total pension liability for the measurement date of June 30, 2020. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rates for each tier and that employer contributions will be made at rates equal to the actuarially determined contribution rates for each tier. For this purpose, only employee and employer contributions that are intended to fund benefits for current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs for future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments for current plan members. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2021 based on the measurement date of June 30, 2020.

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

	Pensions	LACERS	DWP Plans
1% Decrease (6.00%)	\$ 5,922,721	\$ 10,642,600	\$ 3,052,183
Current Discount Rate (7.00%)	2,572,781	7,594,791	1,111,641
1% Increase (8.00%)	(146,430)	5,073,179	(490,953)

Notes to the Basic Financial Statements

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

The City recognized the following pension expense, deferred outflows of resources and deferred inflows of resources as of and for the fiscal year ended June 30, 2021 (in thousands):

	Pension Expense			
	Pensions	LACERS	DWP Plans	Total
Service Cost	\$ 410,559	\$ 374,967	\$ 263,473	\$ 1,048,999
Interest on the Total Pension Liability	1,654,964	1,499,208	963,032	4,117,204
Expensed Portion of Current-period Difference between Expected and Actual Experience in the Total Pension Liability	(4,032)	61,760	9,376	67,104
Expensed Portion of Current-period Changes of Assumptions or Other Inputs	8,340	106,357	--	114,697
Member Contributions	(153,787)	(259,817)	(120,299)	(533,903)
Projected Earnings on Plan Investments	(1,541,584)	(1,085,626)	(905,862)	(3,533,072)
Expensed Portion of Current-period Differences between Actual and Projected Earnings on Plan Investments	187,068	155,783	89,367	432,218
Administrative Expense	20,685	23,531	4,705	48,921
Recognition of Beginning of Year Deferred Outflows of Resources as Pension Expense	482,992	408,781	284,217	1,175,990
Recognition of Beginning of Year Deferred Inflows of Resources as Pension Expense	(502,095)	(285,904)	(226,844)	(1,014,843)
	<u>\$ 563,110</u>	<u>\$ 999,040</u>	<u>\$ 361,165</u>	<u>\$ 1,923,315</u>

	Deferred Outflows of Resources			
	Pensions	LACERS	DWP Plans	Totals
Pension Contributions Subsequent to Measurement Date	\$ 543,819	\$ 554,661	\$ 384,209	\$ 1,482,689
Changes in Proportion and Differences between Employer's Contributions and Proportionate Share of Contributions	--	21,574	11,762	33,336
Changes of Assumptions or Other Inputs	484,474	708,250	89,260	1,281,984
Net Excess of Projected Over Actual Earnings on Pension Plan Investment	507,752	531,128	232,509	1,271,389
Differences between Actual and Expected Experience in the Total Pension Liability	63,809	308,077	70,717	442,603
	<u>\$ 1,599,854</u>	<u>\$ 2,123,690</u>	<u>\$ 788,457</u>	<u>\$ 4,512,001</u>

	Deferred Inflows of Resources			
	Pensions	LACERS	DWP Plans	Totals
Changes in Proportion and Differences between Employer's Contributions and Proportionate Share of Contributions	\$ --	\$ 21,574	\$ 11,762	\$ 33,336
Difference between Expected and Actual Experience in Total Pension Liability	192,306	74,437	85,422	352,165
	<u>\$ 192,306</u>	<u>\$ 96,011</u>	<u>\$ 97,184</u>	<u>\$ 385,501</u>

Notes to the Basic Financial Statements

The amount reported as deferred outflows for contributions made subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2022. The other net amount of deferred outflows of resources and deferred inflows of resources related to pensions that will be recognized in pension expense during the next six years are as follows (in thousands):

Reporting Date under GASB 68 Year Ending June 30	Pensions	LACERS	DWP Plans
2022	\$ 15,965	\$ 326,023	\$ 5,658
2023	269,900	432,967	57,149
2024	323,866	391,810	123,598
2025	250,595	322,219	103,180
2026	3,403	--	11,197
2027	--	--	6,282

6. Long-term Expected Rate of Return on Plan

The discount rate used to measure the total pension liability was 7.00% for Pensions, LACERS, and DWP Plans. The long-term expected rate of return on pension investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and includes inflation) are developed for each major asset class. These returns are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and deducting expected investment expenses and a risk margin. The target allocation and projected arithmetic real rate of return for each measurement class, after deducting inflation, but before reduction for investment expenses, used in the derivation of the long-term expected investment rate of return assumption for the actuarial valuation are summarized as follows:

Asset Class	Pensions		LACERS		DWP Plans	
	Target Allocation	Long-term Expected Rate of Return as of Measurement Date of June 30, 2020	Target Allocation	Long-term Expected Rate of Return as of Measurement Date of June 30, 2020	Target Allocation	Long-term Expected Rate of Return as of Measurement Date of June 30, 2020
Large Cap U.S. Equity	23.00 %	5.40 %	15.01 %	5.54 %	22.95 %	5.44 %
Small Cap U.S. Equity	6.00	6.20	3.99	6.25	1.75	6.18
Developed International Large Cap Equity	16.00	6.54	17.01	6.61	13.06	6.54
Developed International Small Cap Equity	--	--	2.97	6.90	2.18	6.64
Emerging International Large Cap Equity	--	--	5.67	8.74	--	--
Emerging International Small Cap Equity	--	--	1.35	10.63	--	--
Emerging Market Equity	5.00	8.78	--	--	5.16	8.73
Global Equity	--	--	--	--	2.90	6.45
U.S. Core Fixed Income	13.00	1.07	--	--	25.00	1.65
Core Bonds	--	--	13.75	1.19	--	--
High Yield Bonds	3.00	3.31	2.00	3.14	--	--
Bank Loans	--	--	2.00	3.70	--	--
Emerging Market Debt (External)	--	--	2.25	3.55	--	--
Emerging Market Debt (Local)	--	--	2.25	4.75	--	--
Real Estate	7.00	4.65	--	--	8.00	4.60
Custom Real Return	--	--	--	--	5.00	2.07
Core Real Estate	--	--	4.20	4.60	--	--
Non-Core Real Estate	--	--	2.80	5.76	--	--
Real Estate Investment Trust	3.00	4.40	1.00	5.98	--	--
Private Equity	12.00	8.25	14.00	8.97	8.00	9.27
Hedge Funds	--	--	--	--	5.00	3.53
Private Credit/Debit	--	--	3.75	6.00	--	--
Treasury Inflation Protected Securities	4.00	0.62	4.00	0.86	--	--
Commodities	5.00	3.05	1.00	3.33	--	--
Cash	1.00	0.01	1.00	0.03	1.00	0.25
Unconstrained Fixed Income	2.00	1.37	--	--	--	--
	<u>100.00 %</u>		<u>100.00 %</u>		<u>100.00 %</u>	

Notes to the Basic Financial Statements

7. Actuarial Methods and Assumptions

Significant actuarial methods and assumptions used to determine the total pension liabilities for the reporting period of June 30, 2021 are as follows:

	Pensions	LACERS	DWP Plans
Measurement Date	June 30, 2020	June 30, 2020	June 30, 2020
Valuation Date	June 30, 2019	June 30, 2020	June 30, 2020
Inflation Rate	2.75%	2.75%	2.75%
Actuarial Cost Method	Entry age actuarial cost method	Entry age actuarial cost method	Entry age actuarial cost method
Actuarial Assumptions: Salary Increases	4.15% to 12.25%	4.25% to 9.95%	4.50% to 10.25%
Investment Rate of Return	7.00% net of investment expense	7.00% net of investment expense	7.00% net of investment expense
Mortality Rates: Healthy	Pub-2010 Safety Healthy Retiree Amount-Weighted Above-Median Mortality Table multiplied by 105% for males and 100% for females, projected generationally with the two-dimensional mortality improvement scale MP-2019.	Pub-2010 General Healthy Retiree Amount-Weighted Above-Median Mortality Tables with rates increased by 10% for males, projected generationally with the two-dimensional mortality improvement scale MP-2019.	Pub-2010 General Healthy Retiree Amount-Weighted Above-Median Mortality Table (separate tables for males and females) times 105% for males and 100% for females, projected generationally with the two-dimensional mortality improvement scale MP-2018.
Disabled	Pub-2010 Safety Disabled Retiree Amount-Weighted Mortality Table projected generationally with the two-dimensional mortality improvement scale MP-2019.	Pub-2010 Non-Safety Disabled Retiree Amount-Weighted Above-Median Mortality Tables with rates increased by 10% for males and decreased by 5% for females, projected generationally with the two-dimensional mortality improvement scale MP-2019.	Pub-2010 General Healthy Retiree Amount-Weighted Above-Median Mortality Table (separate tables for males and females) times 105% for males and 100% for females, projected generationally with the two-dimensional mortality improvement scale MP-2018.
Beneficiaries	Pub-2010 General Healthy Retiree Amount-Weighted Above-Median Mortality Table multiplied by 105%, projected generationally with the two-dimensional mortality improvement scale MP-2019.	Pub-2010 Contingent Survivor Amount-Weighted Above-Median Mortality Tables with rates increased by 10% for males and females, projected generationally with the two-dimensional mortality improvement scale MP-2019.	Pub-2010 General Healthy Retiree Amount-Weighted Above-Median Mortality Table (separate tables for males and females), projected generationally with the two-dimensional mortality improvement scale MP-2018.
Actuarial Experience Study	Actuarial assumptions were based on July 1, 2016 through June 30, 2019 Experience Study Report dated May 13, 2020.	July 1, 2016 to June 30, 2019	July 1, 2015 to June 30, 2018

B. Other Postemployment Benefits (OPEB)

The City Charter, the Administrative Code and related ordinance define the postemployment healthcare benefits. The City provides four single-employer defined other postemployment benefit plans: Fire and Police Health Subsidy Plan (Pensions OPEB), Los Angeles City Employees' Postemployment Health Care Plan (LACERS OPEB), and Water and Power Employees' Retiree Health Benefits Plan and Death Benefit Plan (DWP OPEB). There are no member contributions for healthcare benefits. The City's OPEB and net OPEB liabilities for LACERS and Pensions are generally liquidated by the General Fund, Airports and Harbor Enterprise funds.

Pensions

Members of the System are entitled to postemployment health subsidy benefits under Sections 1330, 1428, 1518, 1618, and 1718 of the City Charter; Section 4.2018 of the Administrative Code; and related ordinances. Members who retire from the System with at least 10 years of service are eligible for health subsidy benefits. For retirement effective dates prior to July 1, 1998, regular benefits began at age 60. For retirement effective dates on or after July 1, 1998, regular benefits begin at age 55. Tier 6 members who retire on service-connected disability pension are eligible for a minimum health subsidy at age 55 if they have fewer than 10 years of service. Health subsidy benefits are available to members and their covered dependents (e.g. spouses/domestic partners, children) on disability and service retirement. Effective January 1, 2000, qualified surviving spouses/domestic partners are eligible for health subsidy benefits.

LACERS

LACERS administers, and provides single-employer postemployment healthcare benefits to eligible retirees and their eligible spouses/domestic partners who participate in the Retirement Plan regardless of their membership tiers. These benefits consist of subsidies which may also apply to the coverage of other eligible dependent(s). To be eligible for LACERS postemployment healthcare benefits, member must: 1) be at least age 55; 2) have at least 10 whole years of service with LACERS; and 3) be enrolled in a LACERS-sponsored medical or dental plan or is a participant in the Medical Premium Reimbursement Program (MPRP). On November 9, 2018, the City Council approved Ordinance No. 185829 to amend Article 1 of Chapter 11, Division 4 of the Los Angeles Administrative Code to establish the LACERS Health Care Fund (115 Trust Account) for the sole purpose of funding the retiree healthcare benefits for eligible LACERS retirees and beneficiaries as well as to help stabilize premium rates over time. Retirees and surviving spouses/domestic partners can choose from the health plans that are available, which include medical, dental, and vision benefits, or participate in the MPRP if he/she resides in an area not covered by the available medical plans. Retirees and surviving spouses/domestic partners receive medical subsidies based on service years and service credit. The dental subsidies are provided to the retirees only, based on service years and service credit.

DWP Plans

The Water and Power Employees' Retirement Plan of the City of Los Angeles (WPERP) was established by the Los Angeles Department of Water and Power in 1938. Under the provisions of the Charter of the City of Los Angeles Retirement Board of Administration has the responsibility and authority to administer the WPERP and to invest its assets. In 1986, DWP Board adopted the Department Health Plans Board Resolution. This resolution established provisions for the health, dental and other medical plans of the DWP and its subsidies.

This resolution and subsequent amendments have created the DWP's Postretirement Health Care Benefit Plan. The WPERP has four separate funds – Retirement Fund, Disability Fund, Death Benefit Fund, and Retiree Health Benefits Fund. Each fund is considered a separate plan and an independent trust fund of the Department. The Death Benefit Fund and Retiree Health Benefits Fund are single-employer defined benefit OPEB plans.

1. Membership

As of June 30, 2021, Pensions, LACERS and DWP Plans OPEB members consisted of the following:

			DWP OPEB	
	<u>Pensions OPEB</u>	<u>LACERS OPEB</u>	<u>Health Benefits</u>	<u>Death Benefits</u>
Retired members and beneficiaries	11,439	17,500	8,432	7,703
Vested terminated members entitled to, but not yet receiving benefits	948	1,695	--	599
Active members	12,823	25,176	10,605	10,605
Total	25,210	44,371	19,037	18,907

2. BenefitsBenefits Provided by Pensions

Administrative Code Section 4.1154 (e) provides that, on an annual basis beginning in 2006, the Pensions Board is authorized to make discretionary changes to the maximum monthly subsidy, so long as no increase exceeds the lesser of a 7% increase or the actuarial assumed rate for medical inflation for pre-65 health benefits established by the Board for the applicable fiscal year. The maximum monthly subsidy for fiscal year 2021 was \$1,920. Pensions also reimburses Medicare Part B premiums for any pensioner enrolled in Medicare Parts A and B, and eligible to receive a subsidy.

Effective January 1, 2001, members of Pensions are entitled to postemployment health insurance premium reimbursements under Section 4.1163 of the Administrative Code. The reimbursement paid is a percentage of the maximum subsidy for health care. Pensions also reimburses basic Medicare Part B premiums for any pensioner or qualified surviving spouse/domestic partner eligible to receive a subsidy and enrolled in Medicare Parts A and B. As of July 1, 2020, the single coverage maximum subsidy for retirees and surviving spouse or domestic partner is \$551 and multi-person is \$1,361.

Pensions members are also entitled to a dental subsidy. The benefit paid is a percentage of a maximum subsidy for dental care based on the lower of the dental subsidy in effect for LACERS (civilian retirees) or active Safety Members. The maximum monthly subsidy for calendar year 2021 was \$44.60. In determining the dental subsidy, members receive 4% for each completed year of service, up to 100% of the maximum.

Benefits Provided by LACERS

The maximum subsidies are set annually by the Board. Effective February 21, 2016, healthcare benefit eligibility requirements have changed members who have periods of part-time service. Such members are now eligible to participate in the LACERS retiree medical programs with 10 whole years of service, even if some or all of that service was part-time, provided that the member meets the eligibility requirements. Both Tier 1 and Tier 3 members will be eligible for 40% of maximum medical plan premium subsidy for 1 – 10 whole years of service credit, and eligible members earn 4% per year of service credit for their annual medical subsidy accrual after 10 years of service. Eligible spouses/domestic partners of LACERS members are entitled to LACERS postemployment health care benefits after the retired member's death.

During fiscal year 2011, the City adopted an ordinance ("Subsidy Cap Ordinance") to limit the maximum medical subsidy at \$1,190 for those members who retire on or after July 1, 2011; however, members who at any time prior to retirement made additional contributions are exempted from the subsidy cap and obtain a vested right to future increases in the maximum medical subsidy at an amount not less than the dollar increase in the Kaiser two-party non-Medicare Part A and Part B premium. As of June 30, 2021, all active Tier 1 and Tier 3 members were making the additional contributions, and therefore will not be subject to the medical subsidy cap.

Benefits Provided by DWP Plans

Retiree Health Benefits Fund (RHBF)

For retiree healthcare, a medical subsidy is computed by a formula related to years of service and attained age of retirement. The subsidy limit is applied to the combined medical carrier and Medicare Part B premium but not the dental premium. For Tier 1, the monthly medical subsidy ranges from \$30.32 to \$1,821.26 depending on age and service at retirement. Tier 2, the monthly medical subsidy ranges from \$30.32 to \$980.63, depending on age and service at retirement. The monthly dental subsidy for most retirees is \$37.58. The dental subsidy is not available to pay for premiums for married and surviving spouses or domestic partners. All members hired before January 1, 2014 are Tier 1. All members hired after January 1, 2014 are Tier 2.

Death Benefit Fund (DBF)

The Death Benefit Fund consists of the insured lives death benefit (IDB), family death benefit (FDB), and supplemental family death benefit (SFDB).

Insured Lives Death Benefit (IDB)

For contributing active members, death benefit coverage begins after completion of 26 weeks of continuous DWP service. If the death occurs while an active member of the DWP Plan, the benefit includes a single lump sum distribution equal to fourteen times the member's monthly salary, and the Retirement Fund contributions plus accrued interest, payable to the beneficiary.

For retired members, the benefits include a single lump sum distribution equal to fourteen times the member's full retirement allowance not to exceed \$20,000, plus any unpaid retirement allowances due, and the unused portion of the Retirement Fund contributions upon death (if elected at retirement) payable to the beneficiary.

Family Death Benefit (FDB)

Coverage begins after completion of 26 weeks of continuous DWP service. The DWP Plan provides a monthly FDB allowance of \$416 to each qualified surviving child plus \$416 to the spouse, if the spouse has the care of one or more of the member's eligible children. The maximum monthly FDB allowance is \$1,170.

Supplemental Family Death Benefit (SFDB)

The SFDB program supplements the FDB. Coverage begins after enrollment and payment of premiums for 39 consecutive biweekly payroll deductions. The DWP Plan provides for an additional monthly SFDB allowance of \$520 to each qualified surviving child plus \$520 to the spouse, if the spouse has the care of one or more of the member's eligible children. The maximum SFDB allowance is \$1,066.

3. Contribution Information

Employer Contributions

Pensions

The Pensions Board establishes and may amend the contribution requirements of members and the City. The City's annual contribution for the Pensions plan is actuarially determined and represents a level of funding that, if paid on an ongoing basis, is expected to be sufficient to make all benefit payments to current members. The City Administrative Code and related ordinance define member contributions. The employer contribution rate as calculated by Pensions' actuary is 13% of covered payroll. Accordingly, the City's contributions as determined by the actuary, net of early payment discount, for the fiscal year ended June 30, 2021, were as follows (in millions):

Notes to the Basic Financial Statements

	Fire and Police						Harbor Port Police		Airports
	Tier 1	Tier 2	Tier 3	Tier 4	Tier 5	Tier 6	Tier 5	Tier 6	Tier 6
Health Subsidy Entry Age Cost	\$ --	\$ 0.03	\$ 3.96	\$ 1.45	\$ 50.04	\$ 21.15	\$ 0.79	\$ 0.19	\$ 0.62
Health Subsidy Unfunded Actuarial Accrual Liability	1.39	63.51	5.53	3.48	36.86	9.74	0.19	0.04	0.04
Health Administrative Expenses	--	--	0.08	0.03	1.04	0.28	0.01	--	--

During fiscal year 2021, total employer contributions of \$200.4 million which excluded the transfer of employer contributions from the LACERS for the Airport Police members who elected to join the System in Tier 6 were made in accordance with actuarially determined contribution requirements through an actuarial valuation performed at June 30, 2019.

LACERS

The Los Angeles City Charter Sections 1158 and 1160 provide for periodic actuarially determined employer contribution rates that, expressed as percentages of annual covered payroll, are sufficient to accumulate the required assets to pay benefits when due. For the fiscal year ended June 30, 2021, the actuarially determined contribution of the employer to LACERS by the City was 4.49% of projected payroll, based on the June 30, 2019 actuarial valuation. The total contributions for the fiscal year 2021 is \$103.5 million.

Upon closing the fiscal year 2021, LACERS re-calculated employer contributions using actual payroll incurred during the fiscal year which was smaller than projected covered payroll used by the City to make the advance payment on July 15, 2020. As a result, employer contributions for Postemployment Health Care Plan were \$4.1 million more than required, and this amount was returned to the employer as a credit toward employer contribution for fiscal year 2022. While the total actual payroll was lower than projected, actual payroll for Tier 3 Members was higher than projected. Because the employer contribution rate for Postemployment Health Care Plan for Tier 3 Members was higher than the rate for Tier 1 Members, the overall effective rate of employer contribution for Postemployment Health Care Plan, based on actual payroll, was 4.54%, a slightly higher rate than 4.49% originally projected.

DWP Plans

The DWP Board establishes rates for retiree healthcare plan based on an actuarially determined rate. For the fiscal year ended June 30, 2021, the DWP's average contribution rate was 9.7% of covered-employee payroll. Employees are not required to contribute to the retiree healthcare plan. DWP's contributions to the retiree healthcare plan were \$106.0 million including administrative expenses of \$1.1 million for the fiscal year ended June 30, 2021.

Prior to fiscal year 2019, Death Benefit was funded by the employer on a modified "pay-as-you-go" basis. The funding policy was changed for valuation period beginning July 1, 2019 and thereafter. Employer contributions shall be determined annually on the basis of Entry Age Actuarial Cost Method and amortizing the resulting unfunded liability or surplus identified in each year in equal dollar amounts over the subsequent fifteen year period. The Department contribution rate for fiscal year 2021 was 1.12% of covered payroll. The employer and member contribution rates as of June 30, 2021 are as follows:

	Members		
	DWP	Active	Retired
Total Death Benefit Fund	1.18% of Payroll	N/A	N/A
Supplemental family death benefit	N/A	\$2.25 biweekly	\$4.90 monthly
Insured lives death benefit			
Contributing	N/A	\$1.00 biweekly	N/A
Noncontributing	N/A	N/A	N/A

Notes to the Basic Financial Statements

DWP's contributions to the death benefits plan were \$14.9 million including administrative expenses of \$2.0 million for the fiscal year ended June 30, 2021.

4. Net OPEB Liability

For the June 30, 2021 reporting date, the Net Other Postemployment Benefits Liability (NOL) of Pensions was measured as of June 30, 2020 and determined based upon the Total OPEB Liability (TOL) from the actuarial valuation as of June 30, 2020. The Fiduciary Net Position (FNP) was valued as of the measurement date.

LACERS' NOL was measured as of June 30, 2020 and determined based upon the FNP and TOL from the actuarial valuation as of June 30, 2020. FNP and TOL were valued as of the measurement date.

The NOL of DWP Plans was measured as of June 30, 2020 and determined based upon the results of the actuarial valuation as of June 30, 2020. The FNP and TOL were valued as of the measurement date.

The City's total OPEB liability, fiduciary net position and net OPEB liability for each plan as of June 30, 2021 were as follows (in thousands):

	Total OPEB Liability	Fiduciary Net Position	Net OPEB Liability	Fiduciary Net Position as % of Total OPEB Liability
Pensions	\$ 3,709,858	\$ 2,143,448	\$ 1,566,410	57.78%
LACERS	3,486,530	2,851,204	635,326	81.78%
DWP Plans				
Health Benefits	2,490,223	2,303,729	186,494	92.51%
Death Benefit	133,737	37,365	96,372	27.94%
Totals	<u>\$ 9,820,348</u>	<u>\$ 7,335,746</u>	<u>\$ 2,484,602</u>	

Changes in Net OPEB Liability

The components of the net OPEB liabilities of Pensions, LACERS and DWP Plans determined in accordance with GASB Statement No. 75 as of the measurement date of June 30, 2020 were as follows (in thousands):

	Pensions	LACERS	DWP Plans	Totals
Total OPEB Liability				
Beginning Balance	\$ 3,621,204	\$ 3,334,299	\$ 2,817,704	\$ 9,773,207
Service Cost	79,394	76,423	57,681	213,498
Interest	263,088	242,666	192,444	698,198
Benefit Payments	(143,600)	(127,214)	(117,324)	(388,138)
Differences between Expected and Actual				
Experience	(190,525)	(135,720)	(290,220)	(616,465)
Assumption Changes	80,297	96,076	(36,325)	140,048
Net Change	<u>88,654</u>	<u>152,231</u>	<u>(193,744)</u>	<u>47,141</u>
Ending Balance	<u>3,709,858</u>	<u>3,486,530</u>	<u>2,623,960</u>	<u>9,820,348</u>
Fiduciary Net Position				
Beginning Balance	2,037,716	2,812,098	2,249,358	7,099,172
Employer Contributions	193,213	112,136	125,354	430,703
Member Contributions	--	--	385	385
Net Investment Income	58,101	60,899	85,814	204,814
Benefit Payments	(143,600)	(127,214)	(117,324)	(388,138)
Administrative Expenses	(1,982)	(6,715)	(2,493)	(11,190)
Net Change	<u>105,732</u>	<u>39,106</u>	<u>91,736</u>	<u>236,574</u>
Ending Balance	<u>2,143,448</u>	<u>2,851,204</u>	<u>2,341,094</u>	<u>7,335,746</u>
Net OPEB Liability	<u>\$ 1,566,410</u>	<u>\$ 635,326</u>	<u>\$ 282,866</u>	<u>\$ 2,484,602</u>

Notes to the Basic Financial Statements

Sensitivity of the Net OPEB Liabilities to Changes in Discount Rates

Pensions, LACERS, and DWP Plans used discount rate of 7.00 percent (3.5 percent for Death Benefit Plan) to measure the total OPEB liability for the measurement date of June 30, 2020. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the fiduciary net position was projected to be available to make all projected future benefit payments for current plan members. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total OPEB liability as of June 30, 2021 based on the measurement date of June 30, 2020.

The net OPEB liability changes when there are changes in the discount rate. The following presents the net OPEB liabilities (in thousands) calculated using the adopted discount rates of 7.00 percent for Pensions, LACERS, and DWP Health Benefits Plans, and 3.5 percent for the DWP Death Benefit Plan, as well as what the net OPEB liabilities would be if they were calculated using a discount rate that is 1-percentage point lower (6.00 percent or 2.5 percent) or 1-percentage point higher (8.00 percent or 4.5 percent) than the current rates.

	Pensions	LACERS	DWP Plans	
			Health Benefits	Death Benefit*
1% Decrease (6.0% / 2.5%*)	\$ 2,126,364	\$ 1,137,842	\$ 529,687	\$ 117,813
Current Discount Rate (7.0% / 3.5%*)	1,566,410	635,326	186,494	96,372
1% Increase (8.0% / 4.5%*)	1,114,094	225,113	(95,924)	79,311

Sensitivity of the Net OPEB Liabilities to Changes in Healthcare Cost Trend Rates

The net OPEB liability changes when there are changes in the healthcare cost trend rate. LACERS' current trend rates assumption is 6.62% graded down to 4.50% over nine years for Non-Medicare medical plan costs; 6.12% graded down to 4.50% over seven years for Medicare medical plan costs and 4.00% for all years for Dental and 4.5% Medicare Part B cost. The current trend rates assumption for Pensions is 4.75%, then 6.50%, graded down to 4.50% over eight years for Non-Medicare medical plan costs; 4.50% and 6.25%, then 6.0%, graded down to 4.50% over six years for Medicare medical plan costs and 4.00% for all years for Dental and 4.50% Medicare Part B cost. DWP Plans current trend rates assumption is 6.75%, graded down to 4.50% over nine years for Non-Medicare medical plan costs; 6.25% graded down to 4.50% over seven years for Medicare medical plan costs and 4.00% for all years for Dental and 4.5% Medicare Part B cost.

The following presents the net OPEB liabilities (in thousands) as of June 30, 2020 measurement date, as well as what net OPEB liabilities would be if it were calculated using a trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate for Pensions, LACERS and DWP Plans:

	Pensions	LACERS	DWP Plans
1% Decrease	\$ 1,093,547	\$ 187,139	\$ (122,350)
Current Trend Rate	1,566,410	635,326	186,494
1% Increase	2,163,866	1,195,159	570,407

Notes to the Basic Financial Statements

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

The City recognized the following OPEB expense, deferred outflows of resources and deferred inflows of resources as of and for the fiscal year ended June 30, 2021 (in thousands):

	OPEB Expense			
	Pensions	LACERS	DWP Plans	Totals
Service Cost	\$ 79,394	\$ 76,423	\$ 57,681	\$ 213,498
Interest on the Total OPEB Liability	263,088	242,666	192,444	698,198
Expensed Portion of Current-period Difference between Expected and Actual Experience in the Total OPEB Liability	(26,573)	(21,681)	(37,984)	(86,238)
Expensed Portion of Current-period Changes of Assumptions or Other Inputs	11,199	15,348	(4,755)	21,792
Member Contributions	--	--	(385)	(385)
Projected Earnings on Plan Investments	(155,881)	(206,814)	(162,105)	(524,800)
Expensed Portion of Current-period Differences between Actual and Projected Earnings on Plan Investments	19,556	29,183	15,258	63,997
Administrative Expense	1,982	6,715	2,493	11,190
Recognition of Beginning of Year Deferred Outflows of Resources as OPEB Expense	42,420	33,933	22,243	98,596
Recognition of Beginning of Year Deferred Inflows of Resources as OPEB Expense	(59,869)	(74,431)	(51,723)	(186,023)
	<u>\$ 175,316</u>	<u>\$ 101,342</u>	<u>\$ 33,167</u>	<u>\$ 309,825</u>

	Deferred Outflows of Resources			
	Pensions	LACERS	DWP Plans	Totals
OPEB Contributions Subsequent to Measurement Date	\$ 200,425	\$ 103,571	\$ 121,026	\$ 425,022
Changes in Proportion and Differences between Employer's Contributions and Proportionate Share of Contributions	--	5,781	7,948	13,729
Changes of Assumptions or Other Inputs	196,063	166,037	98,551	460,651
Net Difference between Projected and Actual Earnings on Investments	68,035	64,961	39,044	172,040
Difference between Expected and Actual Experience	16,893	7,356	408	24,657
	<u>\$ 481,416</u>	<u>\$ 347,706</u>	<u>\$ 266,977</u>	<u>\$ 1,096,099</u>

	Deferred Inflows of Resources			
	Pensions	LACERS	DWP Plans	Totals
Changes in Proportion and Differences between Employer's Contributions and Proportionate Share of Contributions	\$ --	\$ 5,781	\$ 7,948	\$ 13,729
Changes of Assumptions or Other Inputs	76	--	69,960	70,036
Net difference between Projected and Actual Earnings on Investments	--	--	1,520	1,520
Difference between Expected and Actual Experience	353,511	208,872	307,208	869,591
	<u>\$ 353,587</u>	<u>\$ 214,653</u>	<u>\$ 386,636</u>	<u>\$ 954,876</u>

The amount reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the fiscal year ending June 30, 2022. The other net amount of deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as OPEB expense as follows (in thousands):

Reporting Date under GASB 75 Year Ending June 30	Pensions	LACERS	DWP Plans
2022	\$ (13,266)	\$ (17,648)	\$ (56,961)
2023	1,644	16,001	(37,949)
2024	9,178	28,997	(29,993)
2025	(11,772)	13,497	(17,600)
2026	(37,409)	(9,718)	(32,130)
2027	(18,357)	(1,647)	(38,678)
2028	(2,614)	--	(27,374)

Notes to the Basic Financial Statements

6. Long-term Expected Rate of Return on Plan Investments

The discount rate used to measure the total OPEB liability was 7.00% for Pensions, LACERS, and DWP Health Plan, and 3.50% for DWP Death Benefit Plan. The long-term expected rate of return on OPEB investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These returns are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation, and deducting expected investment expenses and a risk margin. The target allocations and projected arithmetic real rates of return for each major asset class, after deducting inflation but before deducting investment expenses, used in the derivation of the long-term expected investment rate of return assumption are summarized as follows:

Asset Class	Pensions		LACERS		DWP Plans	
	Target Allocation	Long-term Expected Rate of Return as of Measurement Date of June 30, 2020	Target Allocation	Long-term Expected Rate of Return as of Measurement Date of June 30, 2020	Target Allocation	Long-term Expected Rate of Return as of Measurement Date of June 30, 2020
Large Cap U.S. Equity	23.00 %	5.40 %	15.01 %	5.54 %	22.95 %	5.44 %
Small Cap U.S. Equity	6.00	6.20	3.99	6.25	1.75	6.18
Developed International Large Cap Equity	16.00	6.54	17.01	6.61	13.06	6.54
Developed International Small Cap Equity	--	--	2.97	6.90	2.18	6.64
Emerging International Large Cap Equity	--	--	5.67	8.74	--	--
Emerging International Small Cap Equity	--	--	1.35	10.63	--	--
Emerging Market Equity	5.00	8.78	--	--	5.16	8.73
Global Equity	--	--	--	--	2.90	6.45
U.S. Core Fixed Income	13.00	1.07	--	--	25.00	1.65
Core Bonds	--	--	13.75	1.19	--	--
High Yield Bonds	3.00	3.31	2.00	3.14	--	--
Bank Loans	--	--	2.00	3.70	--	--
Emerging Market Debt (External)	--	--	2.25	3.55	--	--
Emerging Market Debt (Local)	--	--	2.25	4.75	--	--
Core Real Estate	7.00	4.65	4.20	4.60	8.00	4.60
Custom Real Return	--	--	--	--	5.00	2.07
Non-Core Real Estate	--	--	2.80	5.76	--	--
Real Estate Investment Trust	3.00	4.40	1.00	5.98	--	--
Private Equity	12.00	8.25	14.00	8.97	8.00	9.27
Hedge Funds	--	--	--	--	5.00	3.53
Private Credit/Debit	--	--	3.75	6.00	--	--
Treasury Inflation Protected Securities	4.00	0.62	4.00	0.86	--	--
Commodities	5.00	3.05	1.00	3.33	--	--
Cash	1.00	0.01	1.00	0.03	1.00	0.25
Unconstrained Fixed Income	2.00	1.37	--	--	--	--
	<u>100.00 %</u>		<u>100.00 %</u>		<u>100.00 %</u>	

7. Actuarial Methods and Assumptions

Significant actuarial methods and assumptions used to determine the total OPEB liabilities for the reporting period of June 30, 2021 are as follows:

	Pensions	LACERS	DWP Plans
Measurement Date	June 30, 2020	June 30, 2020	June 30, 2020
Valuation Date	June 30, 2020	June 30, 2020	June 30, 2020
Inflation Rate	2.75%	2.75%	2.75%
Actuarial Cost Method	Entry age actuarial cost method	Entry age cost method	Entry age actuarial cost method
Actuarial Assumptions: Salary Increases	4.15% to 12.25%	4.25% to 9.95%	4.50% to 10.25%
Investment Rate of Return	7.00% net of investment expenses	7.00% net of investment expense	Health/Death* Plan: 7.00%/*3.5% net of investment expense
Healthcare cost trend rates	4.75%, 6.50%, then graded down to 4.50% over 8 years for Non-Medicare medical plan costs and 4.50%, 6.00% then graded down to 4.50% over 6 years for Medicare medical plan costs; and 4.00% for all years for dental and 4.50% Medicare Part B costs.	6.62% graded down to 4.50% over 9 years for non-Medicare medical plan costs; 6.12% graded down to 4.50% over 7 years for Medicare medical plan costs; and 4.00% for all years for dental and 4.50% Medicare Part B costs.	6.75% graded down to 4.50% over 9 years for non-Medicare medical plan costs; 6.25% graded down to 4.50% over 7 years for Medicare medical plan costs; and 4.0% for all years for dental and 4.50% Medicare Part B costs.
Mortality Rates: Pre-Retirement	Headcount-Weighted Above-Median Employee Mortality Table, projected generationally with two-dimensional mortality improvement scale MP-2019	Headcount-Weighted Above-Median Mortality Tables with rates increased by 10%, projected generationally with the two-dimensional mortality improvement scale MP-2019.	Headcount-Weighted Above-Median Mortality Table (separate tables for males and females), projected generationally with the two-dimensional mortality improvement scale MP-2018.
Postemployment Healthy	Headcount-Weighted Above-Median Mortality Table multiplied by 105% for males and 100% for females, projected generationally with the two-dimensional mortality improvement scale MP-2019.	Headcount-Weighted Above-Median Mortality Tables with rates increased by 10% for males, projected generationally with the two-dimensional mortality improvement scale MP-2019.	Headcount-Weighted Above-Median Mortality Table (separate tables for males and females) times 105% for males and 100% for females, projected generationally with the two-dimensional mortality improvement scale MP-2018.
Disabled	Headcount-Weighted Mortality Table projected generationally with the two dimensional scale MP-2019.	Headcount-Weighted Mortality Tables with rates increased by 10% for males and decreased by 5% for females, projected generationally with the two-dimensional mortality improvement scale MP-2019.	Headcount-Weighted Above-Median Mortality Table (separate tables for males and females) times 105% for males and 100% for females, projected generationally with the two-dimensional mortality improvement scale MP-2018.
Beneficiaries	Amount-Weighted Above-Median Mortality Table multiplied by 105%, projected generationally with the two-dimensional mortality improvement scale MP-2019.	Headcount-Weighted Above-Median Mortality Table with rates increased by 10% for males and females, projected generationally with the two-dimensional mortality improvement scale MP-2019.	Headcount-Weighted Above-Median Mortality Table (separate tables for males and females), projected generationally with the two-dimensional mortality improvement scale MP-2018.
Actuarial Experience Study	July 1, 2016 to June 30, 2019	July 1, 2016 to June 30, 2019	July 1, 2015 to June 30, 2018

8. Deferred Retirement Option Plan

Effective May 1, 2002, members of Pensions have the option to enroll in the Deferred Retirement Option Plan (DROP) under Section 4.2100 of the Administrative Code. Members of Tiers 2 and 4 who have at least 25 years of service, and members of Tiers 3, 5, and 6 who have at least 25 years of service and who are at least age 50 are eligible for DROP.

Members who enroll continue to work and receive their active salary for up to five years. Enrolled members continue to contribute to Pensions until they have completed the maximum number of years required for their tier but cease to earn additional retirement service and salary credits. Monthly pension benefits that would have been paid to enrolled members are credited to their DROP accounts. DROP account balances earn interest at an annual rate of 5%.

Effective February 1, 2019, for members who enroll on or after this date, participation in DROP will be suspended for any calendar month in which a participant does not spend at least 112 hours on "active duty" status. However, if a participant sustains a serious injury on duty and is admitted to the hospital for at least three consecutive days as a result of that injury, their participation will not be suspended during the first 12 calendar months following the date of injury. If a member's DROP participation is suspended, he/she is eligible to participate in DROP for a maximum of 30 additional months beyond his/her original five-year participation period. The participation period can only be extended for as many months as the member's participation was suspended and no interest is credited to the member's DROP account following the initial five-year participation period.

Once the DROP participation period ends, enrolled members must terminate active employment. They then receive the proceeds from their DROP account and a monthly benefit based on their service and salary at the beginning date of their DROP participation, plus applicable COLAs.

At June 30, 2021, 1,484 pensioners were enrolled in the DROP program, with total estimated values of the DROP accounts of approximately \$370.9 million.

9. Two Percent Opt-In

On July 15, 2011, the City Council adopted an ordinance to permanently freeze the retiree health subsidies and reimbursements for members of Pensions who retired or entered DROP on or after July 15, 2011. This ordinance added language to the Los Angeles Administrative Code to freeze the maximum monthly non-Medicare subsidy at the July 1, 2011, rate of \$1,097.41 per month, and freeze the maximum monthly Medicare subsidy as of the January 1, 2011, rate of \$480.41 per month. However, the ordinance also provided that members may make an irrevocable election to contribute towards vesting increases in the maximum medical subsidy, as allowed by an applicable MOU.

Members who opted-in to make an additional two percent pension contribution are entitled to the current maximum health subsidy benefit and all future subsidy increases once they retire and become eligible to receive a subsidy. The opt-in period for the majority of the members began August 15, 2011, and closed September 29, 2011.

10. Early Retirement Incentive Program

The City's Early Retirement Incentive Program (ERIP) in 2009 provided incentives for 2,400 members of LACERS to retire in the form of retirement benefit enhancement and/or separation pay incentives. Total severance and separation payment costs of \$89.4 million were paid out in two installments in fiscal years 2011 and 2012. ERIP cost obligation shall be an obligation of the LACERS' members and shall be cost-neutral to the City. To this end, the base amount of retirement benefits (excluding COLA) of employees retiring under ERIP shall be reduced by 1.0%. The ERIP ordinance stipulated a 1.0% increase in member contribution rate for all employees effective July 1, 2011, for a period of 15 years, or until the ERIP cost obligation is fully paid, whichever comes first.

C. Commitments and Contingencies**Contingencies****1. Governmental Activities**Pledges of Future Revenues

The City has pledged certain future revenues for the payment of certain outstanding long-term obligations. Discussions about pledged revenues are included in Note 4I on Long-Term Liabilities.

Pending Lawsuits and Claims

As mentioned in Note 4N, certain pending lawsuits and claims have a reasonable possibility of resulting in additional liability totaling approximately \$55.0 million. However, no amount has been accrued in the accompanying financial statements because it is not probable that a loss has been incurred as of June 30, 2021.

Blue Cross of America v. City of Los Angeles.

On March 30, 2017, Blue Cross filed a protective tax refund complaint of business taxes paid for tax year 2015, under Article XIII, Section 28 of the California Constitution. In October 2017, Blue Cross filed a supplemental claim (together with the 2017 complaint, the "Blue Cross Action") seeking additional refunds of business taxes paid for tax years 2016, 2017, 2018 and 2019. Blue Cross' protective refund action arises out of a separate action in Los Angeles County Superior Court, entitled Michael D. Myers v. State Board of Equalization, et al. (BS143436)("Myers"). Myers proceeded under a California statute that permitted an individual taxpayer to sue a governmental agency when the taxpayer believes the agency has failed to enforce governing law.

One of the issues to be resolved in Myers, is whether Blue Cross is an "insurer" for purposes of California tax law and therefore required to pay a gross premiums tax in lieu of a corporate franchise tax. Following an adverse appellate court ruling, which concluded that the matter should be first adjudicated at the trial court, on April 2, 2019, Blue Cross filed a request to the California Supreme Court to resolve the question of whether Blue Cross is an "insurer" under the California Constitution. The California Supreme Court denied the appeal on May 15, 2019. The case was set for trial in January 2021. February 21, 2021, the trial court, in a judgment, determined that Blue Cross was not an "insurer". On March 21, 2021, the plaintiffs filed a notice of appeal. The plaintiffs appeal was denied and the matter is before the trial court for further pleadings. In the event that Blue Cross is determined to be an "insurer" upon final adjudication of the issue, it would likely be entitled to a refund of previously paid City business taxes. The refund is estimated to be approximately \$55.0 million (inclusive of interest), as computed through the end of 2021, plus attorney's fees.

Brewster v. City of Los Angeles.

On or about November 2, 2014, plaintiff filed a putative class action in Federal District Court for damages pursuant to 42 U.S.C. § 1983. The complaint alleged that the City violated the plaintiffs' rights under the Fourth Amendment of the U.S. Constitution, and related state laws, by impounding vehicles without a warrant for 30 days pursuant to Vehicle Code section 14602.6. Plaintiffs filed a motion for class certification. The District Court heard argument on the motion for class certification on September 21, 2020 and took the matter under submission on that date. On August 5, 2021, the District Court granted plaintiff's motion for class certification in part and denied in part. The District Court certified two classes and denied the certification of a third. Plaintiffs filed a motion of reconsideration with respect to the third class on August 17, 2021. On September 24, 2021, the District Court granted plaintiffs motion to file a renewed motion for certification of the third class by October 25, 2021. The plaintiffs filed their renewal motion on October 21, 2021. The City subsequently filed a motion to decertify the two classes previously certified by the court and to contest certification of the third. The hearing was scheduled for January 24, 2022. In the event the third class is certified, the potential liability could increase the City exposure from \$18.0 million (from the certification of the two classes) to approximately \$75.0 million to \$100.0 million. The City is contesting the renewal motion for certification of the third class and the certification of the other two classes.

2. Business-type Activities

Airports Enterprise Fund

Aviation Security

Concerns about the safety and security of airline travel and the effectiveness of security precautions may influence passenger travel behavior and air travel demand, particularly in the light of existing international hostilities, potential terrorist attacks, and world health concerns, including epidemics and pandemics. As a result of terrorist activities, certain international hostilities and risk of violent crime, Airports has implemented enhanced security measures mandated by the FAA, the Transportation Security Administration (TSA), the Department of Homeland Security and Airport management. Current and future security measures may create significantly increased inconvenience, costs and delays at Los Angeles International Airport (LAX) which may give rise to the avoidance of air travel generally and the switching from air to ground travel modes and may adversely affect Airports' operations, expenses and revenues. LAX has been the target of a foiled terrorist bombing plot and has been recognized as a potential terrorist target. Recent incidents at United States and international airports underscore this risk. LAX is a high profile public facility in a major metropolitan area. Airports cannot predict whether LAX or any of Airports' other airports will be actual targets of terrorists or other violent acts in the future.

Environmental Matters

On November 7, 2019, the Board approved to: (i) update the LAX Ground Support Equipment Emissions Reduction Policy (GSE ERP) with new emission reduction targets for 2023 and 2031; (ii) create a set of LAX Air Quality Improvement Measures (AQIM) by consolidating mostly existing on-going programs or previously adopted policies into one plan to more efficiently track progress and align with Airports' proposed Sustainability Action Plan; and (iii) approve a Memorandum of Understanding (MOU) with the South Coast Air Quality Management District (SCAQMD) to quantify emission reductions associated with the following LAX AQIM measures identified in the MOU to assist SCAQMD in obtaining emission reduction for these measures to meet its obligations under the Clean Air Act:

- Updated Ground Support Equipment Emissions Reduction Policy
- Alternative Fuel Vehicle Incentive Program
- Zero-Emission Bus Program

Airports' primary obligations under the MOU are to implement the above measures and provide annual reports to SCAQMD on implementation of the measures, including equipment data and emission benefit calculations. In the event that actual emission reduction is less than the estimated emission reduction projected for these measures, Airports and SCAQMD will work together to consider potential new or enhanced programs, or better efforts to quantify existing programs, to help SCAQMD address any shortfalls.

Harbor Enterprise Fund

Alameda Corridor Transportation Authority (ACTA) Agreement

In August 1989, Harbor and the Port of Long Beach (Ports) entered into a joint exercise of powers agreement and formed ACTA for the purpose of establishing a comprehensive transportation corridor and related facilities consisting of street and railroad rights-of-way and an improved highway and railroad network along Alameda Street between the Santa Monica Freeway and the Ports in San Pedro Bay, linking the Ports to the central Los Angeles area. The Alameda Corridor began operating on April 15, 2002. ACTA is governed by a seven-member board, which is comprised of two members from each Port, one each from the Cities of Los Angeles and Long Beach and one from the Metropolitan Transportation Authority. If in the future, ACTA is able to distribute income or make equity distributions, the Ports shall share such income and equity distributions equally.

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In October 1998, the Ports, ACTA, and the railroad companies, which operate on the corridor, entered into a Corridor Use and Operating Agreement (Corridor Agreement). The Corridor Agreement provides for operation of the corridor to transport cargo into and out of the Ports. Payment of use fees and container charges, as defined in the Corridor Agreement are used to pay (a) the debt service that ACTA incurs on approximately \$2.0 billion of outstanding bonds, (b) for the cost of funding required reserves and costs associated with the financing, including credit enhancement and rebate requirements, and (c) repayment and reimbursement obligations to the Ports, (collectively, ACTA Obligations). Use fees end in 2062 or sooner if the ACTA Obligations are paid off earlier.

If ACTA revenues are insufficient to pay ACTA Obligations outlined in (a) and (b) above, the Corridor Agreement obligates each Port to pay up to twenty percent (20%) of the shortfall (Shortfall) for each debt service payment date. If this event occurs, the Ports' payments to ACTA are intended to provide cash for debt service payments and to assure that the Alameda Corridor is available to maintain continued cargo movement through the Ports. The Ports are required to include expected Shortfall payments in their budgets, but Shortfall payments are subordinate to other obligations of Harbor, including the bonds and commercial paper currently outstanding. Harbor does not and is not required to take Shortfall payments into account when determining whether it may incur additional indebtedness or when calculating compliance with rate covenants under the respective bond indentures and resolutions related to each Port bond or indebtedness.

An amended and restated Corridor Agreement became effective December 15, 2016, which (1) incorporated the July 5, 2006 First Amendment to the Corridor Agreement; (2) replaced the Operating Committee with an alternative decision making process for management of Alameda Corridor maintenance and operations; and (3) removed construction related provisions and updated certain other provisions to reflect current conditions and practices. The Los Angeles Board of Harbor Commissioners approved the amended and restated Corridor Agreement at a meeting held on October 24, 2016.

In 2016, ACTA issued Tax-Exempt First and Second Subordinate Lien Revenue Refunding Bonds, Series 2016A and Series 2016B (Series 2016 Bonds). With the intent of reducing future Shortfall payments, the issuance of the Series 2016 Bonds advance refunded most of ACTA's Refunding Series 2004A Bonds. There was no Shortfall payment in fiscal year 2021.

Power and Water Enterprise Funds

A number of claims and suits are pending against DWP for alleged damages to persons and property and for other alleged liabilities arising out of DWP's operations. In the opinion of DWP management, any ultimate liability which may arise from these actions, is not expected to materially impact the Power and Water Enterprise Funds' financial statements as of June 30, 2021.

Power Enterprise Fund

Power Revenue Fund Surplus Transfer to City

Under the provision of the City Charter, Power transfers funds at its discretion to the reserve fund of the City. Pursuant to the covenants contained in the bond indentures, the transfers may not be in excess of the increase in fund net position before transfers to the reserve fund of the City of the prior fiscal year.

On September 14, 2017, the Los Angeles County Superior Court preliminarily approved a settlement of a class action lawsuit under which the revenue collected under the 2016 Incremental Electric Rate Ordinance (the 2016 Ordinance) is precluded from being transferred to the reserve fund of the City. As of June 30, 2017, Power has billed approximately \$52.0 million under the 2016 Ordinance that under the settlement needs to be returned to customers net of attorney's fees and other administrative costs. Accordingly, for fiscal year ended June 30, 2017, Power reduced retail revenue by the same \$52.0 million and increased current accrued expenses accordingly. In October 2017, \$52.0 million was placed in escrow account for return to customers. Upon proof of such return, Power can request funds

Notes to the Basic Financial Statements

from the escrow account accordingly. Going forward, the 2016 Ordinance rates will be reduced through the Variable Energy Cost Adjustment so that no revenue for transfers is billed under the Ordinance.

During fiscal year 2021, the 2008 Electric Rate Ordinance (the 2008 Ordinance) and the 2016 Ordinance were in effect. Revenue from each ordinance is listed below, as well as revenue from other sources, including contracts for wholesale energy and transmission revenue. The 12.628 cents under the 2008 Ordinance is determined based on the fiscal year's revenue billed and kilowatt-hour (kwh) usage as of November 3, 2010. The 2008 Ordinance was the only ordinance in effect at that time. The following table relates to revenue billed to customers for the fiscal year ended June 30, 2021:

Revenue Type	Basis of Revenue	kwh (in billions)	Rate per KWH Under the 2008 Ordinance	Revenue (in thousands)
Retail Sales	2008 Ordinance	20.8	\$ 0.12628	\$ 2,631,410
Retail Sales	2016 Ordinance	20.8		1,467,184
Wholesale Sales	Contract			126,925
Transmission Sales	Contract			49,630
Rent from Electric Property	Contract			2,435
Other Service Charges	Fee schedule			18,730
Unbilled Sales	Estimated			49,693
Bad Debts Expense	Estimated			(77,529)
				<u>\$ 4,268,478</u>

Water Enterprise Fund

Surface Water Treatment Rule

The State of California Surface Water Treatment Rule (SWTR) imposed increased filtration requirements at any open distribution reservoir exposed to surface water runoff. DWP had four major reservoirs in its system subject to SWTR: Upper and Lower Hollywood, Lower Stone Canyon, and Encino. To comply with SWTR, DWP designed projects to remove these reservoirs from regular service through construction of larger pipelines and alternate covered storage facilities.

The Hollywood Water Quality Improvement Project was completed in July 2002. Upper and Lower Hollywood Reservoirs were removed from service and functionally replaced by two 30 million-gallon tanks and additional pipelines. Construction of the Encino Water Quality Improvement Project was completed in December 2007. Construction of the Lower Stone Canyon Water Quality Improvement Project was completed in November 2008. DWP is now in compliance with the SWTR.

Stage 2 Disinfectants and Disinfection Byproduct Rule

In January 2006, the Environmental Protection Agency (EPA) published the Stage 2 Disinfectants and Disinfection Byproduct Rule (Stage 2 DBP Rule) in the federal register. The Stage 2 DBP Rule strengthens public health protection for customers by tightening compliance monitoring requirements for two groups of disinfection by-products (DBPs): trihalomethanes (TTHM), and haloacetic acids (HAA5). DBPs form when naturally occurring materials in water (e.g., decomposing plant material) combine with chemicals added to disinfect the water. DBPs are associated with cancer. In order to comply with the requirements of the Stage 2 DBP Rule, DWP must change its primary disinfectant from chlorine to chloramines, a less reactive disinfectant, by April 1, 2014. In order to convert to chloramines, DWP constructed an ultraviolet filtration plant, two chloramination stations, three ammoniation stations, two chlorination stations and has and will continue to install mixers in tanks and reservoirs. DWP achieved compliance with the Stage 2 DBP Rule before April 2014 compliance date. Additional treatment facilities will be constructed as groundwater sources are improved and/or expanded. The cost of Stage 2 DBP compliance related engineering studies and construction activities is expected to be approximately \$402.7 million at completion. The actual expenditures to date are \$355.8 million.

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Long-Term 2 Enhanced Surface Water Treatment Rule

In January 2006, the EPA published the Long-Term 2 Enhanced Surface Water Treatment Rule (LT2) in the federal register. The LT2 builds upon the Safe Drinking Water Act and other earlier water quality rules to strengthen protection against microbial contaminants, especially cryptosporidium. Cryptosporidium is a significant concern in drinking water because it contaminates most watersheds used for the collection of drinking water and can cause gastrointestinal illness. Five of the Department's six open reservoirs are now compliant under the LT 2, with the remaining reservoir to be brought into compliance through the completion of the Los Angeles Reservoir Ultraviolet Treatment Plant. Santa Ynez, Elysian, and Upper Stone Canyon Reservoirs were covered. Silver Lake and Ivanhoe Reservoirs were removed from service. Construction of an ultraviolet treatment plant at Los Angeles Reservoir is 89 percent complete. The cost of LT2 compliance-related engineering studies and construction activities is expected to reach \$1.5 billion at completion. The actual cost spent to date has been \$1.4 billion.

Owens Lake

Historically, the Owens River was the main source of water for Owens Lake. Diversion of water from the river, first by farmers in the Owens Valley and then by the City, resulted in the lake drying up. The exposed lakebed became a significant source of particulate matters of 10 micrometers or less in diameter (PM10), causing the U.S. EPA to classify the southern Owens Valley as a serious nonattainment area for PM10 in 1991. The EPA required the Great Basin Unified Air Pollution Control District (District) to prepare a State Implementation Plan (SIP) to bring the region into compliance with the National Ambient Air Quality Standard (NAAQS). In 1998, the District adopted the first SIP for attainment of the NAAQS to bring the region into compliance.

In the intervening years, DWP has constructed facilities at the Lake in Phases responding to a series of supplemental control requirements. In November 2014, DWP reached an agreement with the District. The agreement was memorialized in a stipulated judgment that provides several benefits to DWP, including provisions: (1) permitting the use of less water intensive and completely waterless measures to control dust at the lakebed, resulting in more water available for customer use; (2) limiting the City's liability for dust mitigation to no more than 53.4 square miles; (3) forming an Owens Lake Scientific Advisory Panel; (4) addressing the discovery of Native American artifacts on or around the lakebed; In accordance with the agreement, the previous SIP was revised and calls for the region to be in compliance with the federal Clean Air Act by December 31, 2017.

Water completed construction of the Owens Lake Dust Mitigation Program – Phase 9/10 Project by the compliance deadline of December 31, 2017. The Phase 9/10 Project entailed mitigating dust emissions from an additional 3.62 square miles of Owens Lake playa through use of Gravel Blanket, Managed Vegetation, and Shallow Flooding Best Available Control Measures at a cost of \$268.0 million. At completion of Phase 9/10 the Department has now controlled dust emission on 48.6 square miles of Owens Lake playa resulting in 99.3% overall reduction in PM10 emissions. The annual cost of operating and maintaining all infrastructure constructed at Owens Lake in the last 20 years runs at an average of \$36.0 million. All improvements made to Owens Lake as part of dust mitigation efforts are recorded as Utility Plant in the year made.

Sewer Enterprise Fund

Certain claims and lawsuits are pending against Sewer for construction claims and other alleged liabilities arising during the ordinary course of operations. Sewer recognizes liabilities for claims and lawsuits when it is probable that an asset has been impaired or a liability has been incurred and the amount of the loss can be reasonably estimated. The City Attorney estimates the amount of liabilities that are probable of occurring from these claims and lawsuits. For fiscal year 2021, \$7.3 million was accrued as claims payable.

Sewer is currently litigating a class action lawsuit challenging the Sewer's calculation of the annual, fiscal year Dry Winter Compensation Factor (DWCF) relating to residential sewer service charges (Hoffman v. City). The trial court's Statement of Decision, served on June 30, 2021, determined that the City did not comply with the applicable Los Angeles Municipal Code Section and the Board of Public Works Rules and Regulations in setting the DWCF, and overcharged residential customers. Potential damages in this case for all causes of action related to this litigation will be subject to discovery and expert opinion, which has not yet been performed, and may be in the range of, or excess of, \$180.0 million, plus possible revenue loss per year in the future.

Commitments**1. Governmental Activities**

The City uses encumbrance accounting under which contracts and other commitments for expenditures are recorded to reserve applicable appropriations. Encumbrances are reported as part of restricted, committed or assigned fund balance on the governmental funds balance sheet. As of June 30, 2021, the City's encumbrances totaled \$1.3 billion of which \$196.5 million were contractual commitments for various capital projects. Below are details of encumbrances by fund categories (in thousands):

	Restricted	Committed	Assigned	Totals
General Fund	\$ --	\$ 38,307	\$ 226,527	\$ 264,834
Nonmajor Governmental Funds	872,051	161,577	125	1,033,753
	<u>\$ 872,051</u>	<u>\$ 199,884</u>	<u>\$ 226,652</u>	<u>\$ 1,298,587</u>

The City is committed to fulfilling certain agreements entered by the City with respect to its litigation matters. The following describes certain litigation matters where the City, through settlement or agreement, has agreed to a liability or committed to spend \$10.0 million or more.

Lavinsky et al. v. City of Los Angeles. This case involves a class action lawsuit in connection with the City's gas utility users' tax. The parties settled the matter for approximately \$32.5 million, inclusive of attorney's fees and administrative costs. The settlement amount to the class plaintiffs would be in the form of an abatement via reduced gas users' tax revenue from Southern California Gas customers over a three-year period, which estimated to end on or about March 31, 2023. To date, approximately 64 percent of the settlement fund has been paid out via the temporarily lowered gas tax rate.

LA Alliance for Human Rights et al. v. City of Los Angeles et al. On March 10, 2020, the plaintiffs filed suit against the City and the County of Los Angeles (County) for violating various State and Federal laws in connection with homeless individuals. The plaintiffs contend that the County and the City have not made sufficient progress in providing housing and other services to the homeless population. Such failure has resulted in impassable sidewalks and exposed the public to health risks, environmental hazards, increased crime, and untreated mental illness and addiction. The plaintiffs demand that the Defendants provide immediate shelter for all homeless individuals to abate the degradation of the cities and communities.

On May 15, 2020, the US District Court of Central District of California (District Court) issued a preliminary injunction requiring the City and the County to relocate and shelter approximately 6,000 to 7,000 homeless individuals living near freeway overpasses, underpasses, and ramps. Of that number, approximately 3,000 to 4,000 were found in the City. Under the order, the City, together with the County, were required to shelter or provide alternative housing to these homeless individuals in facilities that were safe, humane, hygienic, and public health compliant. The injunction was to be effective on May 22, 2020. The District Court stayed its order on May 22, 2020 pending the review of an alternative shelter and relocation plan submitted by the City and County. On June 18, 2020, the City and County entered into an agreement to memorialize an alternative shelter and relocation plan, subject to court approval and monitoring. Under the agreement, the City agreed to provide 6,700 beds to shelter homeless individuals. Of that number, 6,000 would be additional new beds to be available from the date of the agreement, as follows: 5,300 beds within 10 months and 700 beds within 18 months. On June 18, 2020, the District Court approved the agreement and vacated the preliminary injunction.

A preliminary estimate of the capital cost to the City for providing the 6,700 beds is \$200.0 million. The City estimates that the annual cost of operations and services for this population is \$104.0 million, of which the County has agreed to pay the City approximately \$60.0 million per year for five years. The City has committed to fund the remaining half of the estimated annual operations and services costs. Such costs will total approximately \$300.0 million over five years. While the City anticipates that all of these obligations will be financed in fiscal year 2022 with COVID-related federal and State funds, and County funds for services, in future years these obligations could result in additional expenditures from the City's General Fund.

Notes to the Basic Financial Statements

On April 20, 2021, the District Court issued a preliminary injunction in this case focused on the City's and County's handling of homelessness in the "Skid Row" area of the City. In the injunction, among other things, the District Court ordered (1) the City to place \$1.0 billion into an escrow account for an accounting of its uses (reflecting the approximate amount that the City allocated to homelessness in the 2021-22 Budget), (2) suspended the sale or transfer of any City property pending a City Controller report, (3) ordered an audit of the City's expenditures related to homeless housing, and (4) ordered the City and County to offer housing to Skid Row residents within 90 days in the case of unaccompanied women and children; within 120 days in the case of families; and within 180 days in the case of the general population. The cost estimate to offer housing to Skid Row residents is unknown at this time.

The City and County appealed the District Court's preliminary injunction to the Ninth Circuit Court of Appeals on April 21, 2021. On or about September 23, 2021, the Ninth Circuit vacated the District Court's April 21, 2021 preliminary injunction. The City will no longer be compelled to comply with the terms of the April 21, 2021 preliminary injunction. On or about October 29, 2021, the plaintiffs filed an amended complaint further alleging that the City's and County's inactions to provide housing to the homeless population violated their constitutional rights. The District Court case will continue to proceed, as modified by the amended complaint.

2. Business-Type Activities

As of June 30, 2021, the following Enterprise Funds have commitments for construction contracts and open purchase orders in the following approximate amounts (in thousands):

Airports*	\$	203,200
Harbor		21,700
Power		45,989
Water		13,044
Sewer		150,000
		<u>\$ 433,933</u>

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

Airports Enterprise Fund

Airports has commitments for open purchase orders of approximately \$203.2 million as of June 30, 2021.

Airports has commitments to make a series of Milestone Payments according to the terms of contract for Automated People Mover (APM) totaling approximately \$1.2 billion during the construction, based upon the value of work performed and/or its completion of certain design and construction milestones. Total payments of \$792.5 million were made through fiscal year 2021. Subject to certain conditions, additional four APM Milestone Payments are to be made. Additional commitments related to further Availability Payments are subject to project completion.

Airports has commitments to make a series of Consolidated Rental Car Facility (ConRAC) Milestone/Progress Payments of approximately \$748.3 million during the construction based upon the value of work performed and/or its completion of certain design and construction milestones. Total payments of \$487.4 million were made through fiscal year 2021. Additional commitments related to further Availability Payments are subject to project completion.

Harbor Enterprise Fund

In 1985, Harbor received a parcel of land, with an estimated value of \$14.0 million, from the federal government, for the purpose of constructing a marina. Harbor has agreed to reimburse the federal government up to \$14.0 million from excess revenues, if any, generated from marina operations after Harbor has recovered all costs of construction. No such payment was made in fiscal year 2021.

Power Enterprise Fund**Purchased Power Commitments**

As of June 30, 2021, the Power has entered into a number of energy and transmission service contracts, which involve substantial commitments as follows (amounts in thousands):

Agency	Agency Share (percentage)	DWP's Interest in Agency Share		
		Interest (percentage)	Capacity (Megawatts)	Outstanding Commitment
Intermountain Power Project	IPA	100.0 %	63.6 %	1,145 \$ 138,348
Mead-Adelanto Transmission Project	SCPPA	68.0	48.9	539 27,083
Mead-Phoenix Transmission Project	SCPPA	17.8-22.4	50.4	647 22,013
Southern Transmission System	SCPPA	100.0	59.5	1,429 214,269
Miford I Wind	SCPPA	100.0	92.5	185 121,603
Windy Point *	SCPPA	100.0	100.0	262 339,426
Linden Wind Energy *	SCPPA	100.0	100.0	50 134,441
Miford II Wind *	SCPPA	100.0	100.0	102 103,630
Apex Power Project	SCPPA	100.0	100.0	520 389,175
				<u>\$ 1,489,988</u>

* Power will receive 100% of the energy, unless City of Glendale exercises its option to repurchase any of its contract output entitlement share.

IPA – The Intermountain Power Agency (IPA) is an agency of the State of Utah established to own, acquire, construct, operate, maintain, and repair the Intermountain Power Project (IPP). The Power System serves as the project manager and operating agent of IPP. IPP is considered a related party.

SCPPA – The Southern California Public Power Authority (SCPPA) is a California joint powers agency that finances the construction or acquisition of generation, transmission, and renewable energy projects. The Power System is a member of SCPPA. SCPPA is considered a related party.

Power does not have ownership of any assets related to these service contracts. As costs are paid each year, they are recorded as purchase power expense. In addition to commitments noted above for debt service, Power is required to pay an average annual fixed charge of approximately \$574.0 million during each of the next five years for operating and maintenance costs related to actual deliveries of energy under these agreements. Power made a total payment under these agreements of approximately \$1.0 billion in fiscal year 2021. These agreements are scheduled to expire from 2027 to 2045.

Power is reimbursed for services provided to IPP under the IPP project manager and operating agent agreements totaling \$35.6 million in fiscal year 2021.

Long-term Notes Receivable

Under the terms of its purchase power agreement with IPA, DWP is charged for its output entitlements based on its share of IPA's costs, including debt service. During fiscal year 2000 and 2005, DWP restructured a portion of this obligation by transferring \$1.28 billion to IPA in exchange for long-term notes receivable. The funds transferred were obtained from the debt reduction funds and through the issuance of new variable rate debentures. IPA used the proceeds from these transactions to defease and to tender various bonds.

The IPA notes are subordinate to all of IPA's publicly held debt obligations. Power's future payments to IPA will be partially offset by interest payments and principal maturities from the subordinated notes receivable. The net IPA notes receivable balance totaled \$127.0 million as of June 30, 2021. The IPA notes pay interest and principal monthly and mature on July 1, 2023. The interest rates are subject to adjustments related to IPA bond refundings.

Energy Entitlement Contracts

DWP has a contract through 2067 with the U.S. Department of Energy for the purchase of available energy generated at the Hoover Power Plant. DWP's contractual share of contingent capacity at Hoover is 23.92% of the available capacity. The Boulder Canyon Project (BCP) cost was approximately \$14.4 million as of June 30, 2021. The BCP cost includes power purchased under the contract as well as fund contributions to the Lower Colorado River Multi-Species Conservation Program.

DWP has entered into contracts with SCPPA to purchase available renewable energy generated at various renewable energy project sites.

Notes to the Basic Financial Statements

As of June 30, 2021, Power's energy entitlement contracts with SCPPA, which involves the annual costs for the power purchased, are as follows (in millions):

	Agency	Agency Share	Power's Interest in Agency's Share		
			Interest	Capacity (MWs)	Cost of Power Purchased
Pebble Springs Wind	SCPPA	100.0	69.6	68.7	\$ 17.3
Don A Campbell I	SCPPA	100.0	84.6	13.7	11.2
Don A Campbell II	SCPPA	100.0	100.0	16.2	10.1
Copper Mountain Solar 3	SCPPA	100.0	84.0	210.0	50.2
Heber-1 Geothermal	SCPPA	100.0	78.0	35.9	21.7
Springbok 1 Wind Farm	SCPPA	100.0	100.0	105.0	20.5
Springbok 2 Wind Farm	SCPPA	100.0	100.0	155.0	24.6
Ormat Northern Nevada	SCPPA	100.0	100.0	185.0	71.6
Ormesa	SCPPA	100.0	85.7	30.0	18.2
ARP-Loyalton Biomass	SCPPA	66.6	74.1	8.9	0.4
Springbok 3 Wind Farm	SCPPA	100.0	100.0	90.0	13.0
Roseburg Biomass Project	SCPPA	62.1	79.4	5.4	0.3
Total energy costs under entitlement agreement					<u>\$ 259.1</u>

Transfers to the Reserve Fund of the City of Los Angeles

Under the provisions of the City Charter, Power transfers funds at its discretion to the Reserve Fund of the City. Pursuant to covenants contained in the bond indentures, the transfers may not be in excess of the increase in net position before transfers to the Reserve Fund of the City of the prior fiscal year. Such payments are not in lieu of taxes and are recorded as a transfer in the statement of revenues, expenses and changes in net position. DWP authorized total transfers of \$218.4 million in fiscal year 2021 from Power to the Reserve Fund of the City.

Asset Retirement Obligation (ARO)

Power is the minority owner of Palo Verde Nuclear Generating System. Power's minority share interest is 5.7% of the total decommissioning liability of \$3.1 billion at June 30, 2021. Arizona Public Service has operating responsibility as well as minority interest (29.1%). Other minority owners are Salt River Project (17.5%), El Paso Electric Company (15.8%), Public Service Company of New Mexico (10.2%) and Southern California Public Power Authority (5.9%). The Power System recorded its proportionate share of the asset retirement obligation based on its ownership percentage of estimates made by the primary owner of the asset.

Power had the following asset retirement obligation at June 30, 2021 (in thousands):

Asset	Obligating event	Timeframe required for decommissioning	June 30, 2020	Additions	Payments	June 30, 2021
Navajo Generating Station	Legal agreement resulting from sales contract with Salt River Project	Plant was put out of commission as of December 2019	\$ 51,770	\$ 3,866	\$ (8,132)	\$ 47,504
Palo Verde Nuclear Generating Station	Ownership agreement	Unit 1: June 1, 2045 Unit 2: April 24, 2046 Unit 3: November 25, 2047	168,583	5,900	--	174,483
Other	Lessee or ownership agreements	2029 - 2064	17,008	354	(2,753)	14,609
Total asset retirement obligation liability			<u>\$ 237,361</u>	<u>\$ 10,120</u>	<u>\$ (10,885)</u>	<u>\$ 236,596</u>

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Power has restricted investments in the amount of \$148.0 million as of June 30, 2021 related to this reserve.

Deferred outflows related to Power's assets retirement obligation are as follows for the year ended June 30, 2021:

Asset	Remaining useful life of asset/lease term	June 30, 2020	Additions	Payments	June 30, 2021
Palo Verde Nuclear Generating Station	27	\$ 13,981	\$ 5,900	\$ (538)	\$ 19,343
Other	9 - 44	14,479	354	(3,767)	11,066
Total Deferred outflows - asset retirement obligation		<u>\$ 28,460</u>	<u>\$ 6,254</u>	<u>\$ (4,305)</u>	<u>\$ 30,409</u>

La Kretz Innovative Campus

Power has entered into a 50-year prepaid lease agreement for \$12.0 million to lease an office building to the La Kretz Innovative Campus (LKIC), a 501(c)3 nonprofit organization. LKIC prepaid the lease in fiscal year 2015 and the \$12.0 million is amortized to other nonoperating income starting February 2016. LKIC in turn leases some of the workspaces in the building to assist energy innovation companies with the resources needed to validate energy efficient technology. Power has energy efficiency staff also located at the building to work with inventors and determine if there are new energy efficiency programs to launch.

Credit Risk

Financial instruments, which potentially expose Power to concentrations of credit risk, consist primarily of retail and wholesale receivables. Power's retail customer base is concentrated among commercial, industrial, residential, and governmental customers located within the City. Although Power is directly affected by the City's economy, management does not believe significant credit risk exists at June 30, 2021, except as provided in the allowance for losses. Power manages its credit exposure by requiring credit enhancements from certain customers and through procedures designed to identify and monitor credit.

Water Enterprise Fund

Purchase Water Commitments

As a member of the Metropolitan Water District (Metropolitan), DWP purchases water from Metropolitan pursuant to water supply purchase orders entered into with Metropolitan for specific periods. In January 2015, DWP and Metropolitan executed a new purchase order for Imported Water Supply Agreement (the Purchase Order Agreement), which requires DWP to purchase at least 2,033,130 acre-feet of water over a 10-year period commencing on January 1, 2015 and expiring on December 31, 2024. Some of the key terms of the Purchase Order Agreement include the following: (a) DWP's annual maximum Tier 1 allocation of water from Metropolitan is 335,663 acre-feet per year, or 3,356,630 acre-feet for the 10-year term of the Purchase Order Agreement; (b) any obligation to pay Metropolitan's Tier 2 supply rate will only be assessed if a member agency exceeds their total 10-year Tier 1 allocation. Under the previous purchase order agreement, Tier 2 costs were assessed on an annual basis, with no ability for member agencies to carry over unused Tier 1 allocation from one year to the next; (c) opportunity to reset the base period demand using a five-year rolling average; and (d) an appeals process for agencies with unmet purchase commitments has been established. This will allow each acre-foot of unmet purchase order commitment to be reduced by the amount of production from a local resource project that commences operation on or after January 1, 2014, which will allow member agencies who successfully develop local supplies, not to be charged if production of these supplies negatively impacts their minimum purchase order commitment. As of June 30, 2021, Water has purchased 1,526,287 acre feet from Metropolitan under the current Purchase Order Agreement. Water expects to fulfill the remaining commitment of 506,843 acre feet of water from Metropolitan over the next 3.5 years, which is estimated to cost \$622.0 million, or approximately \$178.0 million per year.

Sewer Enterprise Fund

As of June 30, 2021, Sewer had outstanding commitments to fund planned modification and improvement of the City's wastewater collection and treatment system of approximately \$150.0 million.

3. Los Angeles Fire and Police Pension System

Pensions has commitments to contribute capital for real estate and alternative investments in the aggregate amount of approximately \$2.6 billion at June 30, 2021.

All members who were active on or after July 1, 1982, have a vested right to their past contributions and accrued interest in the event of their termination prior to retirement, except Tier 4 members. The dollar amount of contributions and interest subject to this right was \$2.1 billion as of June 30, 2021. The City Charter and the Administrative Code provide that member contributions as of June 30 and December 31 of each year earn interest at a rate based on investment earnings, exclusive of gains and losses on principal resulting from sales of securities.

Pensions Retiree Health Subsidy Freeze Litigation

In fiscal year 2020, there were two cases before the courts that involved the retiree health insurance premium subsidy program that the System administers (retiree medical subsidy). Both pending actions were brought by the Los Angeles Police Protective League against the Board and the City.

The two cases (the LAPPL I Action and the LAPPL II Action) both seek to determine what retiree medical subsidy benefit the additional 2% salary contribution provides members who make the contribution under the unions' and City's 2011 Letter of Agreement (LOA). The union plaintiffs argue that the 2% contribution grants members the ceiling amount under LAAC § 4.1167, meaning either 7% or the medical trend rate for that year with no discretion reserved to the Board to grant anything lower. The City argues that the 2% contribution gives member only the right to get out from under the Freeze Ordinance and participate in the process that existed under LAAC § 4.1154(e) prior to the 2011 Freeze Ordinance. Under the pre-Freeze Ordinance process, the Board may exercise its discretion in setting the annual subsidy rate and can set it up to the maximum amount of 7% or the medical trend rate, whichever is lower.

In the LAPPL I Action, on April 15, 2016, the plaintiffs agreed to dismiss Pensions from the action in exchange for Pensions' agreement to be bound by the final judgment rendered in the case. Until a court of competent jurisdiction renders a final judgement on the interpretation of the LOA, Pensions has a fiduciary duty to follow LAAC § 4.1154(e) as written, and must continue to exercise its discretion in setting the retiree medical subsidy as it did before the 2011 Freeze Ordinance.

The LAPPL Action I proceeded to trial, and on November 1, 2016, the trial court ruled in favor of the plaintiffs, finding that the language of the LOA was unambiguous without weighing the conflicting evidence regarding the interpretation of the LOA and the parties' intent. The City appealed, and on October 30, 2018, the Second District Court of Appeal reversed and remanded the case for further proceedings consistent with the Court of Appeal's decision. In its decision, the Court of Appeal found that the provisions at issue in the LOA were ambiguous, which required the trial court to consider and weigh the evidence of the parties' intent in its interpretation of the provisions, which the trial court did not do. Upon remand back to the Superior Court, on February 15, 2019, the case was reassigned to Judge Holly Fujie for further trial proceedings.

While the LAPPL Action I was pending on appeal, on August 10, 2017, the unions filed a second action (LAPPL Action II). The LAPPL Action II raises the same issues as the LAPPL Action I regarding the 2% contribution, and asserts a new breach of fiduciary duty claim, which preserves the unions' rights to challenge LAFPP's 2017 discretionary action to set the subsidy should the unions lose in the pending LAPPL Action I. On July 3, 2018, the LAPPL filed a First Amended Complaint, asserting the same claims based on Pensions' 2018 discretionary action in setting the subsidy. The union filed a Second Amended Complaint to add Pensions' 2019 and 2020 discretionary actions in setting the subsidy. The union later sought to file a Third Amended Complaint to add Pensions' 2021 discretionary actions in setting the subsidy, and on or around August 11, 2021, the parties stipulated to permit the union to file its Third Amended Complaint.

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Upon remand of the LAPPL I Action, the City filed a motion to consolidate the two actions before Judge Fujie, which the Court granted. Given the similarities between the two LAPPL Actions and the dispositive effect of the first action on the second, the trial court has stayed the LAPPL Action II pending of the outcome of LAPPL I. On September 20, 2019, Judge Fujie held a status conference following consolidation and ordered that the case be heard in phases. In Phase One, the LOA interpretation issues common to LAPPL I and LAPPL II are to be heard in a trial before Judge Fujie, and upon resolution of Phase One, the Court will then address the residual fiduciary duty claims against Pensions unique to LAPPL II.

On September 20, 2021, the bench trial began in the LAPPL Action I. The court held trial for two days, and then continued the trial to October 28, 2021 due to scheduling issues. The trial resumed on October 28, 2021 and concluded that day. At the close of trial, the court instructed the parties to each prepare a Proposed Statement of Decision and to file and serve them sixty (60) days after the trial transcript becomes ready. The court further instructed the parties to file and serve their respective Response Briefs to the opposing party's Proposed Statement of Decision. After the parties have filed their Proposed Statement of Decisions and respective responses thereto, the trial court will issue its Proposed Statement of Decision for comment from the parties before the court will issue its Final Statement of Decision.

Current Status of the Retiree Medical Subsidy

As a result of the outcome in the Fry Action, which concluded in fiscal year 2017, Pensions continues to provide a subsidy frozen at the 2011 levels to current and future retired members who chose not to "opt-in" and contribute an additional 2% of their salaries in order to avoid the consequences of the Freeze Ordinance.

With regard to the LAPPL Action I and LAPPL Action II, until a final judgment is rendered on the LOA issues, Pensions will continue to abide by its fiduciary duty to follow LAAC § 4.1154(e) as written and to set and implement the retiree health insurance premium subsidy increases in the same manner as it did prior to the 2011 Freeze Ordinance for members who opted-in to pay the 2% contribution. This means that Pensions continues to exercise its discretion provided under the Los Angeles Administrative Code to set the subsidy up to and including the medical trend rate or 7%, whichever is lower, until the courts render final judgment.

4. Los Angeles City Employees' Retirement System

At June 30, 2021, LACERS was committed to future purchases of real estate and private equity investments at an aggregate cost of approximately \$1.7 billion, including agreements for acquisition not yet initiated.

D. Third-Party Obligations

The City participated in the issuance of the following indebtedness to provide financing to private-sector entities for the acquisition, construction and improvements of housing, commercial, educational, medical, and other facilities deemed to be in the public interest (in thousands):

Issue	Amount Outstanding June 30, 2021
Multifamily Housing Bonds - 149 Issues	\$ 1,092,967
Multifamily Housing Bonds Transferred from CRA - 16 Issues Bond proceeds were used to provide mortgage loans for the construction and financing of multi-family rental and single-family residences in the City. The indebtedness is secured solely by the property financed by the respective bond issues and by credit guarantees by reinvestment-grade financial institutions.	413,830
Industrial Development Bonds - 5 Issues The proceeds were used to provide manufacturers low cost financing to expand industrial capacity and stimulate job creation in the City. The City has no financial obligation as each bond is secured through a letter of agreement between the borrower and the bank.	46,380
Community Facilities District No. 3 Special Tax Bonds The proceeds were used to fund acquisition and construction of certain public improvements for the Cascade Business Park and Golf Course. The City's obligation is limited to collecting the special taxes annually levied and collected from the District for debt service payments.	1,175
Community Facilities District No. 4 Special Tax Bonds The proceeds were used to fund acquisition and construction of public improvements for the Playa Vista Development project. The City's obligation is limited to collecting the special taxes annually levied and collected from the District for debt service payments.	62,995
Community Facilities District No. 8 Special Tax Bonds The proceeds were used to fund acquisition and construction of public improvements for the Legends at Cascades Development. The City's obligation is limited to collecting the special taxes annually levied and collected from the District for debt service payments.	5,520
Street Improvement Assessment 1911/1913 Act Bonds The proceeds were used to finance certain public improvements for the Westwood Village Streetscape Assessment District. The City's obligation is limited to collecting the assessments annually levied for debt service payments.	476
	<u>\$ 1,623,343</u>

The City is not obligated in any manner for repayment of the indebtedness. Accordingly, the liabilities are not reported in the accompanying financial statements.

E. Other Matters**1. Airports Enterprise Fund**Terminal Rates and Charges

On September 17, 2012, the Airports (Board) approved a methodology of calculating rates and charges for airlines and airline consortia using passenger terminals at LAX. The rates, which will recover the costs of acquiring, constructing, operating and maintaining terminal facilities, are as follows: terminal building rate, federal inspection services area (FIS) rate, common use holdroom rate, common use baggage claim rate, common use outbound baggage system rate, common use ticket counter rate, and terminal special charges for custodial services, outbound baggage system maintenance, terminal airline support systems, and loading bridge capital and maintenance.

The rates were effective January 1, 2013 to airlines and airline consortia (signatory airlines) agreeing to the methodology and executing a rate agreement with Airports. Agreements with signatory airlines terminate on December 31, 2022. The rate agreement provides a Signatory Transitional Phase-in (STP) program that allows for reduced rates during the first five years of the implementation period; this program expired in fiscal year 2018 for the calendar 2018 rate setting. Signatory airlines in good standing are also eligible to participate to rate agreement revenue sharing programs.

Prior to fiscal year 2019, airlines with existing leases that opted not to sign an agreement under the methodology (non-signatory tenant airlines) continued to pay rates and charges based on their legacy leases. During fiscal year 2019, all such remaining aeronautical leases were transitioned to the rate agreement methodology.

In December 2019, the Board approved a ten year extension of the Rate Agreement ("Amended and Restated Rate Agreement," or "Rate Agreement Amendment") which would, among other things: (i) extend the term and terms of the Rate Agreement through December 2032; (ii) require airlines executing a Rate Agreement Amendment to pay an "extraordinary debt service coverage charge" to Airports designed to maintain a debt service coverage ratio equal to not less than 1.40X; and (iii) under certain circumstances, eliminate the requirement that a participating airline provide a performance guarantee and instead pay to Airports a "bad debt surcharge", a pooled surcharge designed to compensate Airports for bad debt costs. A signatory airline choosing not to sign the Rate Agreement Amendment will be governed by its Rate Agreement (unmodified by the Rate Agreement Amendment) and at the expiration of such Rate Agreement airlines not agreeing to a Rate Agreement Amendment will be subject to the Airport Terminal Tariff. Passenger airlines and approved airline consortium not currently operating at LAX and commencing operations in the future will have an opportunity to sign the new agreement during or prior to their first 30 days of passenger service at LAX.

In response to the COVID-19 pandemic, Airports is proactively implementing measures intended to mitigate operational and financial impacts. Among those measures are the April 2020 approvals of the Passenger Airline Temporary Relief Program and the Concessionaires and Services Temporary Relief Program. On October 21, 2021, the Board approved to amend concession agreements at LAX to revise payment terms due to the continuing impacts of COVID-19. For concessions that are open and conducting business at LAX, the Board approved to extend the revised rent payment terms, require payment of percentage rents instead of MAG rent for the period July 1, 2021 through June 30, 2022, and establish new MAG rents effective July 1, 2022. Airports plans to use ARPA grant funds to offset the revenue Airports will forgo by continuing to suspend MAG payments through June 30, 2022.

In addition, Airports developed an Airline Cost Stability and Recovery Plan (ACSRP) aimed at managing rates and charges at LAX through fiscal year 2023. The key objectives of this plan are to: 1) make LAX rates and charges more competitive; 2) mitigate the increase in rates and charges for airlines due to reduced activity; 3) harmonize common use costs across the airport; and 4) achieve stability in LAX financial operations. As part of the ACSR, Airports has completed taking over the operations and maintenance and rate setting responsibilities for the common use facilities from the Tom Bradley International Terminal Equipment Company, an airline consortium. Airports completed the following actions according to the Plan: (1) amended the methodology for establishing rates and charges for the use of terminal facilities and equipment (Amended Rate Methodology); (2) amended

Notes to the Basic Financial Statements

and restated the Amended and Restated Rate Agreement (Further Amended and Restated Rate Agreement or FARRA); (3) revised terminal rates and charges to include costs previously collected by the consortium and cost reduction and deferral measures per the ACSRP; (4) revised landing and apron fees to include cost deferrals, per the ACSRP.

In June 2021, the Board adopted the Amended Rate Methodology and the FARRA. The FARRA, which extends the current Agreement to fiscal year 2033, implements the Amended Rate Methodology and streamlines Airports' common use rate structure. Passenger airlines and approved airline consortiums that are party to the current Amended and Restated Rate Agreement must execute and deliver the Further Amended and Restated Agreement to Airports by September 30, 2021. Majority of the airlines have executed the FARRA. After said date, signatories under the existing ARRA will continue to operate under that agreement until its expiration on December 31, 2032.

Passenger Facility Charges (PFCs)

Passenger Facility Charges (PFCs) are fees imposed on enplaning passengers by airports to finance eligible airport related projects that preserve or enhance safety, capacity, or security of the national air transportation system; reduce noise or mitigate noise impacts resulting from an airport; or furnish opportunities for enhanced competition between or among carriers. Both the fee and the intended projects are reviewed and approved by the Federal Aviation Administration (FAA). Airlines operating at LAX have been collecting PFCs on behalf of Airports. PFCs are recorded as nonoperating revenue and presented as restricted assets in the financial statements. The current PFCs at LAX is \$4.50 per enplaned passenger. PFCs collection authorities approved by FAA are \$6.0 billion at LAX as of June 30, 2021. Airports has received approval from the FAA to collect and use PFCs to pay for debt service on bonds issued to finance the TBIT Renovations, Bradley West projects and Terminal 6 improvements. Board authorized \$73.5 million for debt service in fiscal year 2021.

LAX's PFCs collected and the related interest earnings through June 30, 2021 was \$3.0 billion. As of June 30, 2021, LAX's cumulative expenditures on approved PFCs projects totaled \$2.8 billion.

Customer Facility Charges (CFCs)

California CFC Legislation permits Airports to require the collection by rental car companies of CFCs at a rate charged on a per-day basis up to \$9.00 per day (for up to 5 days), and CFCs collected by the rental car companies on behalf of Airports are permitted under the California CFC Legislation to finance, design and construct the ConRAC; to finance, design, construct and operate the APM System, as well as acquiring vehicles for use in that system; and to finance, design and construct terminal modifications to accommodate the common-use transportation system.

In November 2001, in anticipation of constructing a ConRAC identified in LAX's master plan, the Board approved collection of CFCs of \$10.00 per rental contract and began collections in August 2007. On October 5, 2017, the Board authorized collection of an updated CFC pursuant to the California CFC Legislation to fund costs of a ConRAC and its share of a common-use transportation system (CTS) at LAX. The Board authorized collection of CFCs of \$7.50 per day for the first five days of each car rental contract, effective January 1, 2018, by rental car companies serving LAX. On June 20, 2019, the Board authorized collection of \$9.00 per day for the first five days of each car rental contract, effective September 1, 2019, by rental car companies serving LAX.

LAX's CFCs collected and the related interest earnings through June 30, 2021 was \$541.2 million. As of June 30, 2021, cumulative expenditures to date on approved CFCs projects totaled \$448.2 million.

Airports is in the stages of delivering Landside Access Modernization Program (LAMP) to modernize and improve landside access at LAX with the ConRAC as a critical component. Pursuant to Board Resolution No. 26684 that was adopted on January 17, 2019, Airports has authority to use up to \$2.1 billion for the payment/reimbursement of Design-Build-Finance-Operate-Maintain (DBFOM) Agreement with LA Gateway Partners for the ConRAC from sources of revenue including but not limited to CFCs, LAX non-aeronautical revenues, special facility bond proceeds, and revenues derived from concession and lease agreements between Airports and rental car companies using the ConRAC. In this regard, the amount of CFC funds that was used for ConRAC Design and Construction (D&C) payments was \$364.5 million in fiscal year 2021.

2. Harbor Enterprise Fund

Cash Funding of Reserve Fund

As of June 30, 2021, Harbor had \$731.4 million of outstanding parity bonds (including net unamortized premiums). Harbor holds cash reserves for each Indenture of the outstanding bonds, except for the 2019 Revenue Refunding Bonds that were issued without a reserve, as the Board of Harbor Commissioners (BHC), on September 18, 2008, approved the full cash funding of the entire reserve requirement of \$61.5 million and transferred it to Harbor's bond trustee in December 2008. The cash funding of the reserve took place to reassure bond holders of the strong commitment of Harbor to its financial wherewithal as rating agencies had reduced the AAA ratings of the surety companies that had provided insurance for the bonds that Harbor had issued. As of June 30, 2021, the balance in the Common Reserve fund totaled \$42.4 million. Any excess amounts in the Common Reserve resulting from principal repayments will be transferred to the interest fund and/or redemption fund to be used to pay interest and redeem bonds. The required amount for the reserve fund will be reevaluated on a yearly basis. The funds in the reserve are invested in the U.S. Treasury securities and money market funds.

Impact of the Pandemic

Harbor reported declines in both import and export containers volume between March and June 2020 due to impacts of the Pandemic on global shipping. Those declines resulted in an 11.6% decrease in annual containers volume relative to the prior fiscal year. However, in fiscal year 2021 Harbor processed 10.9 million TEUs, a 27.1% increase relative to fiscal year 2020 due to the surge in cargo imports for consumer goods. All cruise lines operating out of the Port of Los Angeles suspended their cruises under previous No Sail Order issued in March 2020 and subsequent extensions. Although cruising was paused, cruise ships periodically dock at Harbor to refuel and restock. In May 2021, phases of Framework for Conditional Sailing Order were released for cruise ship operators to resume restricted passenger voyages. Harbor has not granted requests for rent relief but has considered rent deferral requests on a case-by-case basis.

3. Power and Water Enterprise Funds

FBI Investigation

In July 2019, the Federal Bureau of Investigation began conducting an investigation of Water and Power and the Office of the City Attorney. Water and Power is cooperating fully with the investigators. Water and Power has been requested by the investigating agency to exercise confidentiality with respect to the investigation. Water and Power can generally state that the search warrants served by the Federal Bureau of Investigation on Water and Power and the Office of the City Attorney relate to issues that have arisen over the class action litigation and settlement regarding the Department's billing system and the lawsuit against PricewaterhouseCoopers. Based on Water and Power's understanding of the nature of the investigation and the current status of the lawsuits relating to the new billing system, Water and Power does not believe that the investigation or the billing-system-related lawsuits will have a material adverse effect on Water and Power's operations or financial position.

4. Sewer Enterprise Fund

Contract Agencies

The City has entered into universal terms agreements with twenty contract agencies for which the City provides wastewater treatment services. Billings for a fiscal year are estimated based on the City's budgeted costs and the agencies' projected wastewater flows and strength. After the close of the fiscal year, these bills are then reconciled based on actual costs, flows and strengths. Revenues in fiscal year 2021 for Wastewater Service Contracts: Operation and Maintenance, (O&M) Charges were \$29.5 million, or \$1.4 million more than budget, and for Wastewater Service Contracts: Capital was \$14.8 million, or \$2.3 million less than budget. O&M revenues were higher due to some agencies' payment of previous years' billings. The shortfall in Capital revenues is largely due to a combination of underpayment of billings by City of Burbank (Burbank), of \$1.39 million, and that, while originally budgeted, City of Glendale (Glendale) was not billed for capital projects which are under dispute.

Reconciliation bills for service in fiscal year 2021 have not been completed at this time, so the City does not have sufficient data to determine if there is a likelihood of reconciliation amounts that would have a material impact to the Sewer in fiscal year 2022. The reconciliation bills will include interest for any late payments by agencies.

Disagreements over flow and strength monitoring of the Burbank's wastewater were addressed with the joint hiring of a consultant to investigate the differences. The consultant submitted its report. Because Burbank indicated that not all of their remaining comments were addressed to its satisfaction, the City and Burbank have met on numerous occasions to discuss their differences. Negotiations resulted in Burbank submitting partial payments of \$12.5 million, \$8.7 million, and \$2.3 million through fiscal year 2021. The remaining unpaid balances and estimated billings total approximately \$18.0 million. Burbank has indicated that it will continue to pay the City based on its calculation of the flow and strength of its wastewater discharged to the City's system. The City continues to negotiate the payment of the remaining disputed amount, which will include additional monitoring of wastewater from the City and Burbank. At this time, the City does not have sufficient data to determine the longer-term impact to the Sewer.

Glendale and the City are partners in the Los Angeles-Glendale Water Reclamation Plant (LAGWRP) and, though the City operates the plant, each is responsible to pay half the cost of capital projects at the plant, pursuant to cost-sharing agreement between the two cities. Glendale has objected to paying half of the estimated cost increases for nine projects. The costs have increased from the \$43.1 million provided in January 2018 to \$133.9 million provided in July 2021. The agreement requires that for Glendale to cost-share, they must approve of capital expenditures proposed by the City. The cities are currently negotiating the handling of the cost increases.

Front-funded Programs

On November 6, 2018, LA County voters approved Measure W for the Los Angeles region's Public Health and Safe, Clean Water Program, a special parcel tax to fund projects and programs to increase stormwater capture, reduce stormwater and urban runoff pollution, increase local water supply and improve water quality. It is estimated the City will receive approximately \$83.0 million annually: \$37.0 million as a local return from the Municipal Program and up to \$46.0 million from the competitive Regional Program.

The first revenues were expected in the fall of 2020; therefore, front funding was needed for project feasibility studies in order to secure funding from the Regional Program. The first loan in an amount of \$2.2 million to the Stormwater Pollution Abatement (SPA) Fund from Sewer was authorized by City Council on April 17, 2019. A second loan in an amount of \$1.0 million to the SPA Fund from Sewer was authorized by City Council on April 29, 2020. The first loan of \$2.2 million was repaid in fiscal year 2021 with Safe, Clean Water revenues. Although authorized, the second loan of \$1.0 million has not been used and will not be accessed.

Capital Projects

Total Maximum Daily Loads (TMDLs)

The United States Environmental Protection Agency and Los Angeles Regional Water Quality Control Board (LARWQCB) are required to develop TMDLs for impaired water bodies. TMDLs identify the maximum amount of pollutants that can be discharged to water bodies without causing violations of water quality standards. Various watersheds in the Los Angeles area have water bodies and/or water body segments that are listed as impaired due to a variety of pollutants. TMDLs are not self-executing, but become enforceable by incorporation into the appropriate Basin Plan (i.e., Water Quality Control Plan for the Coastal Watersheds of Los Angeles and Ventura Counties) and National Pollutant Discharge Elimination System (NPDES) permits. At this time, it is difficult to predict the full impact of current TMDLs on the following effluent limits that are prescribed in the respective NPDES permits of the City's four water reclamation plants (WRPs):

- Hyperion WRP: Dichlorodiphenyltrichloroethane (DDT) and polychlorinated biphenyls (PCBs)

- LA-Glendale and DC Tillman WRPs (LAGWRP and DCTWRP): Ammonia, Nitrate/Nitrite, Cadmium (wet weather), Copper, Lead, Zinc (wet weather), and E. Coli
- Terminal Island WRP: Copper, Lead, Zinc, polycyclic aromatic hydrocarbons (PAHs), DDT, and PCBs

Overall, more than twenty TMDLs are in effect and being administered by LARWQCB. The list of impaired water bodies (formally known as the State's 303(d) list) is updated on a two-year cycle, based on new water quality data that become available. It is expected that new water body impairments will be identified in future iterations of the State's 303(d) list, thus requiring new TMDLs to be developed for the Los Angeles area. Los Angeles Sanitation and Environment (LASAN) is closely watching recent 303(d) listings that have potential to become TMDLs with significant cost impacts to the City. These include the following:

- Mercury and arsenic (in fish tissue) in Santa Monica Bay. If a TMDL is developed, new discharge limits could be very challenging to meet, and may require upgrades to the treatment process at Hyperion WRP
- Nutrient criteria in the LA River may be revised, resulting in very low limits for nitrogen and phosphorus. This could have significant impacts on DCTWRP and LAGWRP, possibly accelerating the need to move to reverse osmosis or a similar treatment system.

NPDES Permits

The current Waste Discharge Requirements (WDRs) and NPDES permits for DCTWRP and LAGWRP expire on April 30, 2022. Sewer is in the process of renewing the WDRs and NPDES permits for both plants with the LARWQCB. Currently, LAGWRP is in compliance with its permit limits and discharge conditions. Subsequently, LARWQCB identified five additional effluent limit violations (for copper, total coliform, and turbidity) that occurred in 2019 and would be subject to Mandatory Minimum Penalties (MMP). These violations were resolved when the City accepted LARWQCB's "Acceptance of Conditional Resolution and Waiver of Right to Hearing," their "Offer to Participate in Expedited Payment Program," and agreed to pay penalties in the sum of \$18,000. The United States Environmental Protection Agency may also take enforcement action for the same exceedances, although that is deemed to be unlikely. Exceedances also expose the City to potential third-party lawsuits. In general, if a WRP has difficulties in meeting the pollutant limits in its NPDES permit, the WRP could be required to install additional treatment processes to remove the pollutants. Potential cost impacts for capital improvements cannot be estimated at this time.

The current WDR and NPDES permit for the HWRP expire on March 31, 2022. Sewer is in the process of renewing them with the LARWQCB. The current permit imposes a new ammonia limit on the effluent discharge. HWRP may have difficulty meeting this limit in the future, if ammonia concentrations continue to increase due to water conservation efforts and persistent drought conditions. Potential remedies include providing sidestream treatment to reduce ammonia in the effluent at an estimated capital cost of \$40.0 - \$50.0 million. Additionally, the City plans to recycle 100% of its treated wastewater by 2035. The anticipated change in discharge characteristics associated with implementing the proposed recycled water uses at HWRP may affect the provisions of the NPDES permit when it is reissued in 2022, as well as subsequent permit renewals, and could lead to potential compliance issues with revised effluent limitations, if any such changes are made. Potential cost impacts are unknown at this time. The HWRP headworks overflow event on July 11, 2021 and the resulting discharge of untreated sewage into Santa Monica Bay may be found by the LARWQCB to be in violation of the NPDES permit and subject to penalties and/or third-party lawsuits. The potential cost impacts are unknown at this time.

The LARWQCB adopted the renewal of the WDR and NPDES permit for the TIWRP on June 10, 2021. The permit became effective on August 1, 2021 and expires on July 31, 2026. The previous permit included LARWQCB Resolution No. 94-009 (adopted October 31, 1994), which approved the City's proposal to: 1) ultimately phase out the discharge of tertiary treated wastewater effluent from TIWRP into the Los Angeles Harbor at the earliest practicable date; and 2) to implement a Water

Recycling Program with the goal of achieving total recycled water reuse by 2020. The renewed permit acknowledges the capital improvements that the City and recycled water users have completed to date and will be completed that will enable TIWRP to cease discharging into the Los Angeles Harbor by 2024. Thus, the renewed permit prohibits the discharge of treated municipal wastewater into the Harbor as of December 31, 2024.

In the future, the City may be required to install new treatment processes, if more stringent permit requirements that impact the reclamation plants are imposed. As an example, the SWRCB has initiated a process to develop a nutrient policy for inland surface waters in California. The proposed policy will establish methods to develop numeric or narrative water quality objectives for nutrients. Potential impacts of the policy for DCTWRP and LAGWRP may include the need to make significant facility upgrades, and an increase in energy use to run additional treatment processes, to meet the objectives. However, until such permit requirements are established, the City cannot factor them into the CWCIP nor project their design, construction, or operational costs.

Per- and polyfluoroalkyl substances (PFAS) are constituents of emerging concern for Sewer. PFAS are fluorinated organic chemicals that have been extensively produced and studied in the United States and internationally. They have been used extensively in consumer products such as carpets, clothing, fabrics for furniture, paper packaging for food, and other materials (e.g., cookware) designed to be waterproof, stain-resistant or non-stick. In addition, they have been used in fire-retarding foam and various industrial processes. Exposure to PFAS over certain levels may result in adverse health effects. There are some accepted methods for accurately measuring and effectively removing PFAS contamination, but the science for both is still developing. Concurrently, calls to take corrective action are becoming more frequent and urgent, and numerous regulations and legislative measures are being proposed to limit the level of PFAS in the environment, including in the effluent from wastewater treatment plants. Consequently, future NPDES permits for Sewer's four water reclamation plants may include discharge limits for PFAS. This may require the City to install treatment systems to remove PFAS in the effluent in order to comply, which may require significant expenditures by the City. On July 15, 2020, the SWRCB issued its PFAS Investigate Order to Sewers four plants to conduct PFAS sampling and analysis and to submit the results of the sampling. The activities included in this order are part of a statewide effort to 1) evaluate PFAS groundwater and surface water impacts, and 2) conduct a preliminary investigation of the mass loading of PFAS entering publicly owned treatment works (POTW) and then leaving the POTW in different media (treated wastewater, brine, biosolids). The total cost to comply with the Order is unknown at this time.

Wastewater Spill

On December 29, 2020 Sewer experienced an overflow on a 36-inch sewer that is tributary to the North Outfall Sewer (NOS) resulting from a defective structure that has since been repaired. On February 20, and 22, 2021, Sewer experienced two more Sanitary Sewer Overflows, related to the repairs on the North Outfall Sewer (NOS) that resulted in a discharge, due to a mechanical malfunction on the by-pass pumping system. To date no fines have been levied on Sewer wastewater spills in fiscal year 2021.

5. Federal Public Corruption Investigation

Jose Huizar, a former member of the Los Angeles City Council, has been indicted for violations of the Racketeer Influenced and Corrupt Organizations (RICO) Act in connection with a criminal enterprise in which the United States Attorney alleges that Mr. Huizar received at least approximately \$1.5 million in bribes. Mr. Huizar was suspended from office on June 23, 2020. He has since been replaced by Kevin de Leon. Eight additional defendants have been charged as a result of the federal investigation, including two former officials of the City, one of whom has plead guilty. The federal criminal complaint against Mr. Huizar is part of an on-going public corruption investigation of City elected officials and staff members conducted by the Federal Bureau of Investigation and the United States Attorney's Office. Mitchell Englander, a former City Council member, resigned his City Council seat on December 31, 2018, pled guilty in connection with the investigation, and has begun serving 14 months in federal prison. The City cannot predict the outcome of these investigations.

Notes to the Basic Financial Statements

On October 13, 2021, Mark Ridley-Thomas, a member of the City Council, was indicted on federal charges of conspiracy, bribery, mail fraud and wire fraud relating to alleged actions taken while he served on the Board of Supervisors of the County. On October 20, 2021, the Council voted to suspend Mr. Ridley-Thomas from office in light of the charges. The City cannot predict the outcome of the investigation or proceedings.

6. COVID-19 Pandemic

In March 2020, the World Health Organization (WHO) declared the outbreak of the Coronavirus Disease 2019 (COVID-19) a global pandemic. The State, County, and City have put in place measures and protocols to help reduce the virus's spread and provide financial relief to individuals and businesses.

The ongoing COVID-19 pandemic and the social distancing measures implemented to contain its spread have had an immediate adverse impact on City and its enterprise departments' operations, such as increasing the expenditures and reducing receipts. For additional information about the COVID-19 effects on the business-type activities, please refer to each reporting entity's separately audited financial statements listed in Note 1B.

The Coronavirus Aid, Relief, and Economic Security (CARES) Act and the American Rescue Plan Act (ARPA) were passed by the federal government on March 27, 2020, and March 11, 2021, respectively, which provided various emergency funding to the City. As of June 2021, the City has received approximately a combined total of \$1.3 billion in funding from the CARES Act and ARPA Coronavirus Relief Funds. Approximately \$868.8 million of eligible expenses were incurred in the fiscal year 2021.

F. CRA/LA, A Designated Local Authority and Successor Agency for the Former Community Redevelopment Agency (Former Agency) and Related Contingencies

The enactment in June 2011 of the Assembly Bill 1X26 (Dissolution Act) resulted in the dissolution of all redevelopment agencies as of February 1, 2012. To help facilitate the winding down process, Successor Agencies have been established to manage redevelopment projects currently underway, make payments on enforceable obligations, and dispose of redevelopment assets and properties. On February 3, 2012, Governor Brown appointed three Los Angeles County residents as the governing board of CRA/LA-Designated Local Authority (CRA/LA), successor agency of the Former Agency.

On January 25, 2012, the City Council adopted a resolution wherein the City elected to opt-in as the Housing Successor Agency and designated the Housing and Community Investment Department (HCIDLA) as the City's representative in carrying out the housing functions and responsibilities of the Former Agency.

1. Housing Assets Transfer

On March 22, 2011, Council authorized the transfer of 74 properties from the Former Agency to the City, in connection with the implementation of a Cooperation Agreement (C.F. 11-0086-S1). Since some properties have more than one assessor parcel number (APN), the City Attorney reviewed the Council Motion and identified 130 parcels based on their discrete APN. As of February 1, 2012, 52 grant deeds, including 106 parcels, with historical cost of \$93.4 million were transferred from the Former Agency to the City.

The City elected to retain the housing functions and responsibilities previously performed by the Former Agency. Pursuant to California Health and Safety Code (H&SC) Section 34176 (a) (2), the Housing Asset Transfer Schedule (HATS) prepared by CRA/LA staff was submitted by the City's HCIDLA to State Department of Finance (DOF) on August 1, 2012. DOF issued its final determination letters on March 27, 2013 and July 12, 2013, granting approval of most of the housing assets listed on HATS. Effective May 1, 2013, CRA/LA's housing assets including loans receivable, land held for redevelopment and land inventory unspent housing bond proceeds and functions were assumed by HCIDLA.

In accordance with H&SC section 34176 (g)(1)(A), the Housing Successor is allowed to use or commit unspent housing bond proceeds for the purpose of affordable housing. DOF has advised the Housing Successor that, if it agrees to assume the obligations of the CRA/LA with respect to ensuring compliance with bond covenants and redevelopment objectives, it may drawdown the unspent bond proceeds in lump sum. In fiscal year 2021, there were no outstanding unspent housing bond proceeds listed on the Recognized Obligation Payment Schedule (ROPS) for distribution.

2. Other Loans from the City

At June 30, 2021, there were no outstanding balances for the federally funded loans from the City to the Former Agency. These loans were repaid from available sources, including the tax increments. In its determination letter dated December 26, 2012, DOF approved the affected ROPS line items and authorized the obligation repayment through the Redevelopment Property Tax Trust Fund (RPTTF). The final payment of principal and interest was due upon maturity in 2021.

3. Transfer of Properties for Government Use

Pursuant to H&SC Section 34191, the Successor Agency must prepare a "Long-Range Property Management Plan" (LRPMP) that addresses the disposition and use of the real properties of the former redevelopment agencies. The report must be submitted to the Oversight Board and DOF for approval. The LRPMP must include an inventory of all properties in the Community Redevelopment Property Trust Fund, the repository of all real properties of the Former Agency, and a proposal for how to use or dispose of each property. The LRPMP shall separately identify and list properties dedicated to governmental use purposes and properties retained for purposes of fulfilling an enforceable obligation.

Notes to the Basic Financial Statements

On February 27, 2014, DOF approved the transfer from CRA/LA to the City of 31 real property interests, including seven public parks, 14 public rights of way and parcel remnants, two government facilities and eight access and use easements. In addition, the transfer of four real property interests representing approximately 5.6 million square feet of Transferable Floor Area Ratio development rights may become available for transfer to the City upon DOF approval. All received properties will be encumbered with restrictions that require that the properties continue to be used for government purposes in perpetuity, and will be conveyed by grant deed, quitclaim or easement transfer (Transfer Documents) at no cost to the City. On May 6, 2014, the City Council and Mayor approved actions to assume ownership of the 35 real property interests for Government Use (C.F. 13-1482). As of June 30, 2021, properties transferred to the City net of certain real properties sold totaled \$110.3 million.

4. Transfer of Excess CRA/LA Non-Housing Bond Proceeds

In accordance with H&SC section 34191.4, remaining bond proceeds that cannot be spent in a manner consistent with the bond covenants were to be used to defease the bonds or purchase those same bonds on the open market. CRA/LA's Governing Board and the Oversight Board approved a Bond Expenditure Agreement (BEA) with the City on November 6, 2014 and November 13, 2014, respectively. The BEA authorizes the listing of the agreement as an enforceable obligation on ROPS 14-15B and the transfer of the excess non-housing bond proceeds. As a result, CRA/LA identified and transferred total excess non-housing bond proceeds available in the amount of \$88.4 million, as of June 30, 2021. The \$88.4 million consists of three allocations: (1) on November 4, 2014, DOF partially approved the BEA and authorized an initial transfer of \$84.1 million; (2) in FY 2017-18 the City received an additional \$1.9 million; and (3) in FY 2019-20 the City received an additional \$2.4 million. These monies have accumulated interest for a cumulative total of approximately \$95 million through June 30, 2021.

As of January 2020, the City met its contractual obligation to allocate 100 percent of the \$88.4 million in Excess Bond Proceeds (EBP) and to utilize CRA/LA's excess non-housing bond proceeds, including interest for redevelopment activities within a five year timeframe. The City is committed to fully utilizing the full EBP and all remaining accumulated interest by the final expenditure deadline imposed by the DOF of January 2025. The City recognized a liability for Excess Bond Proceeds for the \$46.3 million at June 30, 2021.

G. Subsequent Events**1. Indebtedness and Credit Ratings**

Subsequent to June 30, 2021, the City issued the following indebtedness:

Issue Date	Description	Amount (in thousands)	Interest Rate (Percentage)
November 10, 2021	General Obligation Bonds, Series 2021-A (Taxable)	\$ 211,940	1.500%-3.000%
November 10, 2021	General Obligation Refunding Bonds, Series 2021-B (Tax-Exempt)	65,490	4.000 - 5.000
December 15 2021	MICLA Lease Revenue Bonds, Series 2021-C (Taxable)	154,205	5.000
October 06, 2021	Airports Subordinate Revenue Bonds 2021, Series D	753,195	3.000 - 5.000
October 06, 2021	Airports Subordinate Refunding Revenue Bonds 2021, Series E	125,815	0.264 - 2.811
December 01, 2021	Power System Revenue Bonds, 2021 Series C	401,705	3.000 - 5.000
January 13, 2022	Power System Revenue Bonds, 2022 Series A	375,000	5.000

Airports maintains credit ratings of AA, Aa2 and AA- on its senior revenue bonds and credit ratings of AA-, Aa3 and A+ on its subordinate revenue bonds from Fitch Ratings (Fitch), Moody's Investors Service (Moody's) and S&P Global Ratings (S&P), respectively. In August 2021, Fitch revised the rating outlook, from negative to stable, and affirmed the ratings with respect to Airports' outstanding senior bonds and subordinate bonds. Moody's and S&P maintain a stable rating outlook.

On December 20, 2021, S&P upgraded its rating with respect to Airports (i) senior revenue bonds from "AA-" to "AA" and (ii) subordinate revenue bonds from "A+" to "AA-". Since December 21, 2021, Airports maintains credit ratings of AA, Aa2 and AA on its senior revenue bonds and underlying ratings of AA-, Aa3 and AA- on its subordinate revenue bonds from Fitch, Moody's, and S&P, respectively.

In October 2021, Fitch assigned a 'AAA' rating to the City's General Obligation (GO) bonds, series 2021-A and 2021-B issued on November 10, 2021. In addition, Fitch upgraded the City's outstanding GO bonds, series 2017-A and 2017-B to 'AAA' from 'AA' and affirmed the 'AA' rating for the City's GO bonds series 2011-B and 2012-A, and the City's Issuer Default Rating. The Outlook revision to stable from negative reflects the improved revenue outlook coupled with sizable federal stimulus, which largely closes the City's budget gaps in fiscal years 2021 and 2022, negating the need to use reserves and maintaining financial resilience while revenues recover fully.

On October 1, 2021, pursuant to Section 9.02(a) of the Facility Lease Agreement, dated as of October 1, 2011, by and between MICLA and the City, the City prepaid all of the remaining principal components of the Basic Lease Payments for Qualified Energy Conservation Bonds (QECB), Series 2011-A in direct placement, at a prepayment price equal to the amount of the principal components, plus the interest components accrued to the prepayment date together with a premium of \$25 thousand. Total prepayment made was \$4.3 million.

2. Airports Enterprise Fund

On July 8, 2021, the Board approved to accept grant offers and execute grant agreements with the Federal Aviation Administration (FAA) for economic relief funds provided from the American Rescue Plan Act of 2021, for the reimbursement of grant-eligible expenses incurred and payments made for LAX and VNY, and for rent relief for grant-eligible airport concessions at LAX. On June 22, 2021, the FAA announced that Airports is eligible to receive up to \$303.9 million in formula-based grant allocations from the American Rescue Grant Program (ARPA). The ARPA is a result of the passage of the American Rescue Plan Act of 2021, and is the third funding round of economic relief grants provided by the FAA to eligible commercial service and reliever airports throughout the United States. The intent of the grant program is to address the impacts of the decrease in global air traffic and economic disruption at airports due to the COVID-19 pandemic. The first and second funding rounds

Notes to the Basic Financial Statements

of economic relief were provided under the Coronavirus Aid, Relief, and Economic Security Act of 2020 (CARES Act) and the Coronavirus Response and Relief Supplemental Appropriation Act of 2021 (CRRSAA), respectively. The total amount of the three funding rounds of economic relief for LAX and VNY is \$700.0 million.

On July 8, 2021, the Board approved to appropriate funds in the amount of \$1.1 billion to acquire Terminal Improvements contemplated in the Terminal Facilities Lease and License Agreement LAA-9037 with American Airlines, Inc. at LAX; approved the Third Amendment to the Terminal Facilities Lease and License Agreement; and approved the direct disbursement of up to \$1.6 million for Concessions Buy-Outs or Convenience Termination Payments for concessionaires in Terminal 4 impacted by the American Airlines, Inc. development program in order to facilitate improvements and enhancements to the headhouse (an arrival and departure hall), concourse, and satellite at Terminals 4 and 5 at LAX.

On August 12, 2021, the Board approved the execution of amended agreements related to the extension of the Bank of America, N.A. direct-pay letter of credit that provides credit support for a portion of the LAX Commercial Paper Program, and all required actions to complete this financial transaction in order to provide credit support over three years for up to \$90.0 million of principal and \$8.1 million of interest, on commercial paper notes (CP) outstanding at any one time, to expire on September 6, 2024.

On September 2, 2021, the Board approved an award of contract to ABM Aviation, Inc. (ABM) to manage and operate remote employee parking lots and provide courtesy shuttle services for LAX employees and the public between the remote employee parking lots, LAX City Bus Center, and LAX Central Terminal Area (CTA), for a ten year term and total contract amount not to exceed \$160.0 million. The parking services include: web-based on-line parking permit sales, collection of parking revenue and deposit into Airports' bank account, access control system maintenance and operation, cleaning of lots, and lot security patrols. In addition, ABM also is required to procure new buses to replace Airports' aging bus fleet. The ABM bus fleet proposal includes procurement of 22 new Carbon Neutral Gas (CNG) buses and eleven new electric buses, in compliance with the California Air Resource Board (CARB) zero-emission airport shuttle (ZEAS) vehicle requirements for 33 percent electric vehicle (EV) replacements by December 31, 2027. Under the new agreement, ABM also will be required to maintain its own shuttle bus fleet, including repairs, cleaning, and fueling of the buses.

On September 2, 2021, the Board approved to adopt new public parking and electric vehicle charging rate ranges for LAX at the CTA garages, the new LAX Economy Parking facility (located at the Intermodal Transportation Facility West), and the Van Nuys FlyAway parking facility, and authorize the Chief Executive Officer, for a period of three years, to manage the setting of specific posted rates within the ranges and to offer discounted rates online. The Airports staff are implementing an improved smart parking solution that will introduce a number of new functions for users, including automated payments, touchless entry and exit, pre-bookings, reservations, automated gates, a parking guidance system, new information technology systems, electric chargers, and other key passenger experience improvements. Smart Parking not only will greatly enhance the passenger experience, but will also provide Airports the ability to better manage its parking inventory, optimize revenue, increase market share, and grow its customer base. In October 2020, the Board awarded a seven-year contract (DA -5466) to ABM to implement the new Smart Parking initiative to modernize parking services at LAX and VNY. ABM estimated that, based on (1) the proposed rates, (2) anticipated customer uptake of the pre-booking option, and (3) future passenger demand, Airports will generate \$1.3 billion in revenue from the seven-year program (Calendar Year from 2021 through 2027).

On October 6, 2021, Airports issued \$753.2 million of Airports subordinate revenue bonds Series 2021D with a premium of \$178.4 million, and \$125.8 million of Airports subordinate refunding revenue bonds Series 2021E at par. The Series 2021D bonds were primarily issued to fund certain capital projects at LAX, refund a portion of the outstanding subordinate Commercial Paper Notes; refund and defease a portion of the outstanding Airports subordinate revenue bonds Series 2016A and a portion of the outstanding Airports senior refunding revenue bonds Series 2016C, in each case to realize debt service savings. The Series 2021E bonds were primarily issued to pay a portion of the interest due November 15, 2021 on certain existing senior bonds and existing subordinate bonds; and refund and

Notes to the Basic Financial Statements

debase a portion of the refunded series 2016A subordinate bonds and a portion of the refunded series 2016C senior bonds.

On October 7, 2021, the Board approved the LAX Airfield and Terminal Modernization Project (ATMP), certified the Final Environmental Impact Report (FEIR) for the ATMP, adopted the associated documents; approved the LAX Specific Plan Compliance Review Determination set forth in the Executive Director's Report; and approved the LAX ATMP as described in the FEIR. The ATMP focuses on airfield and terminal improvements within the airport's existing footprint, and landside (roadway) improvements that help reduce local traffic congestion. The approximate cost of the project is estimated to be \$6.0 billion. The actions taken on this item by the Board is subject to City Council approval.

On October 21, 2021, the Board approved to amend the rental car concession agreements at LAX to establish a consistent period to recalculate the Minimum Annual Guarantee (MAG) amounts and sustainably reintroduce MAG rent provisions. Effective on July 1, 2021, the MAG was to be calculated based on the 12-month period March 1, 2020 through February 28, 2021. The Future Year MAG are to be recalculated annually based on revenue reports submitted for the previous 12-month period (beginning on the first day of March through the last day of February the following year). This amendment will ensure Airports receive the greater of concessions fee revenue and MAG rents, as well as CFCs. Rental car concession fees revenue to Airports is forecasted to be \$40.6 million in fiscal year 2022.

On October 21, 2021, the Board approved to amend concession agreements at LAX to revise payment terms due to the continuing impacts of COVID-19. For concessions that are open and conducting business at LAX, the Board approved to extend the revised rent payment terms to require payment of percentage rents instead of MAG rent for the period July 1, 2021 through June 30, 2022, and establish new MAG rents effective July 1, 2022. Airports plans to use ARPA grant funds to offset the revenue Airports will forgo by continuing to suspend MAG payments through June 30, 2022. The approved amendments will reinstate MAG rents effective July 1, 2022, based on the greater of two calculations: (1) the contractually established percentage of the prior year's rent payments; and, (2) a temporary MAG calculated by multiplying the pre-COVID MAG by a ratio of current passenger levels to pre-COVID passenger levels. Thereafter, the MAG will reset annually as the greater of three calculations: (1) the contractually established percentage of prior year's rent payments; (2) the prior year MAG; and, (3) the pre-COVID MAG. This will reset MAG annually based on passenger levels, up to the point that traffic levels exceed the pre-COVID passenger levels, at which point the annual MAG reset will be handled in accordance with the original agreements. As a condition of the prior rent relief programs approved by the Board, the concessionaires contributed funds to extend health insurance for employees furloughed or laid off due to the impacts of COVID-19. The fiscal impact of this action is projected to be an additional loss of approximately \$130.0 million some of which may be eligible for the ARPA grant reimbursement, and has been budgeted in fiscal year 2022.

On November 18, 2021, the Board approved the actions associated with the issuance of Airports revenue bonds, notes, or other obligations, and LAX special facility obligations, in one or more series, in an aggregate principal amount not to exceed \$3.1 billion, which Airports expects to issue from time to time through June 30, 2024. The actions taken on this item by the Board is subject to City Council approval. On the same date, November 18, 2021, the Board also approved the documents and actions associated with the issuance of Airports Subordinate Revenue Bonds 2022 Series A and Series B, and 2022 Series C through F, in an aggregate principal amount not to exceed \$1.1 billion, provided that the Subordinate Series 2022 A and B Bonds principal amount does not exceed \$842.6 million. The actions taken on this item was approved by the City Council.

In December 2021, FAA announced the fiscal year 2022 allocation under The Infrastructure Investment and Jobs Act, which includes an allocation of approximately \$79.3 million for LAX and approximately \$763 thousand for VNY. These funds are to be used for airport infrastructure projects of Airports' choice with eligibility similar to the Passenger Facility Charge, and will likely offset costs for one or more infrastructure projects at LAX and VNY.

Notes to the Basic Financial Statements

On January 6, 2022, the Board approved a temporary airline lounge rent deferral program for eligible air carriers at LAX. The following airlines with premium passenger lounge leases were offered the proposed rent deferral program: Air Canada, Air New Zealand, Alaska Airlines, American Airlines, Delta Air Lines, Emirates Airlines, Etihad Airways, Korean Air, Qantas Airways, and United Airlines. Only Qantas Airways (Qantas) requested to participate in the program. The fiscal impact of this action will be a delay in monthly cash receipts, but Qantas is required to repay all deferred rent with interest. If any payments are missed, Airports will collect by drawing on Qantas' performance guarantee.

3. Harbor Enterprise Fund

On September 21, 2021, Harbor redeemed an aggregate par amount of \$41.1 million of its outstanding bonds comprised of 2011 Series A (AMT) Bonds for \$8.3 million and 2011 Series B (Non-AMT) Bonds for total of \$32.8 million. Accrued interest of \$0.3 million from August 1, 2021 to the redemption date was added to the final redemption amount for grand total of \$41.4 million.

A portion of the Common Reserve allocated to 2011 Series A and B Bonds totaling \$4.3 million was released toward the redemption on the settlement date by the Trustee, therefore reducing Harbor's outflow of cash toward this redemption to \$37.0 million.

4. Power and Water Enterprise Funds

In November 2021, the Board authorized the Water to execute substitute standby agreements for the \$256.1 million of standby agreements expiring in January of 2022. The substitute standby agreement will expire in January 2026.

The Standby Bond Purchase Agreement with Citibank, N.A. which provides liquidity support to the \$56.1 million Water System Variable Rate Demand Revenue Bonds, 2001 Series B, Subseries B-4, was scheduled to expire on January 25, 2022. Water successfully substituted the liquidity facility provider effective January 18, 2022 with Barclays Bank PLC, for a 4-year term, to expire on January 23, 2026.

The Standby Bond Purchase Agreement with The Toronto-Dominion Bank which provides liquidity support to the \$200.0 million Water System Variable Rate Demand Revenue Bonds, 2019 Series A, Subseries A-1 and A-2, was scheduled to expire on January 25, 2022. Water successfully substituted the liquidity facility provider effective January 24, 2022 with Barclays Bank PLC, for a 4-year term, to expire on January 23, 2026.

In December 2021, Power issued \$401.7 million of revenue bonds, 2021 Series C. The net proceeds of \$507.0 million, including a \$105.3 million issue premium net of underwriter's discount, were used to refund a portion of the Power System 2018 Series B and to fund capital improvements.

In January 2021, Power issued \$375.0 million of revenue bonds, 2022 Series A. The net proceeds of \$481 million, including a \$106.1 million issue premium net of underwriter's discount, were deposited into the construction fund to be used for capital improvements.

On November 29, 2021, the U.S. Attorney's Office announced that the former special counsel (the Former Special Counsel) for the City in a lawsuit against Pricewaterhouse Coopers LLP (who had designed and implemented the Department's customer information and billing system) agreed to plead guilty to a bribery charge for accepting an illegal payment of nearly \$2.2 million for getting the former class counsel to purportedly represent his ratepayer client in a collusive lawsuit against Power. In his plea agreement, the Former Special Counsel also admitted to additional alleged bribery schemes involving the former General Manager and a former Board member in exchange for the award of a contract benefiting a business venture of such Former Special Counsel.

On December 6, 2021, the U.S. Attorney's Office announced that the former General Manager agreed to plead guilty to a bribery charge for accepting bribes from the Former Special Counsel in exchange for his official action to secure a three-year, \$30.0 million no-bid Department contract for the Former

Notes to the Basic Financial Statements

Special Counsel's company. On December 13, 2021, the U.S. Attorney's Office announced that the former chief cyber risk officer of the Department agreed to plead guilty to a felony charge of making false statements about a lucrative job offer he secretly solicited and agreed to accept in exchange for providing "guarantees" of additional Department contract money to the Former Special Counsel.

On January 10, 2022, the U.S. Attorney's Office announced that a former Los Angeles city attorney's official in charge of civil litigation agreed to plead guilty to an extortion charge for threatening to fire a plaintiffs' attorney from a lucrative special counsel job with the city unless the attorney paid a substantial extortion demand from a former employee who was threatening to expose the city's collusive litigation over its faulty water-and-power billing system. The federal investigation is ongoing and the Department cannot predict the ultimate outcome.

Based on DWP's understanding of the investigation and the current status of the lawsuits relating to the new billing system, the Department does not believe that the investigation or the billing system related lawsuits will have a material adverse effect on the Power and Water Systems' operations or financial position.

5. Sewer Enterprise Fund

Sewer is subject to several lawsuits in connection with an incident involving the Hyperion Water Reclamation Treatment Plant that occurred on July 11, 2021. The Mecklenburg v. Hyperion Water Reclamation Plant case is a class action complaint against Sewer under various tort theories. The complaint was served on August 3, 2021. Sewer is aware of two other mass torts filed against Sewer arising out of this incident, Abdelnur, Katarina et al v. City of Los Angeles and Konig, Joshua v. City of Los Angeles. Sewer has not been served with the Abdelnur and Konig complaints. None of the complaints specify the amount of damages. Sewer does not currently have an estimate of any potential liability or probability of exposure in connection with these matters.

On September 17, 2021, Sewer issued tax-exempt commercial paper notes in the amount of \$30.0 million. On December 7, 2021, Sewer issued tax-exempt commercial paper notes in the amount of \$25.0 million.

On September 23, 2021, Sewer incurred a loan (the WIFIA Loan) in the original principal amount of up to \$223.9 million from the United States Environmental Protection Agency under the Water Infrastructure Finance and Innovation Act for the Advanced Water Purification Facility which includes three component projects at Donald C. Tillman Water Reclamation Plant. The project is scheduled to be completed in September 2027 and will provide high quality recycled water for groundwater recharge. The WIFIA Loan is expected to be disbursed at substantial completion of the project. The WIFIA Loan is secured on parity with the Subordinate Bonds, and the WIFIA Loan agreement provides that terms of proposed amendments to the Senior General Resolution and Subordinate General Resolution will become effective with respect to the WIFIA Loan upon the approval of such amendments by the requisite percentage of owners of the Senior Lien Bonds or the Subordinate Bonds, as applicable.

Required Supplementary Information

CITY OF LOS ANGELES
REQUIRED SUPPLEMENTARY INFORMATION
Fiscal Year Ended June 30, 2021
(Unaudited)

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

Fiscal Year	Actuarially Determined Contribution	Actual Contributions	Contribution Deficiency / (Excess)	Covered Payroll	Contribution as Percentage of Covered Payroll ⁽¹⁾
2021	\$ 543,819	\$ 543,819	\$ --	\$ 1,603,349	33.9 %
2020	516,638	516,638	--	1,509,613	34.2 %
2019	504,877	504,877	--	1,487,978	33.9 %
2018	459,632	459,632	--	1,451,996	31.7 %
2017	454,309	454,309	--	1,397,245	32.5 %
2016	478,385	478,385	--	1,351,788	35.4 %
2015	480,332	480,332	--	1,316,969	36.5 %
2014	440,698	440,698	--	1,308,149	33.7 %
2013	375,448	375,448	--	1,277,031	29.4 %
2012	321,593	321,593	--	1,213,369	26.5 %

⁽¹⁾ Contribution rate as a percentage of covered payroll reflects discount applied when the employer prepaays its contribution. This rate has been "backed" into by dividing the actual contributions by the budgeted covered payroll.

Los Angeles City Employees' Retirement System
Benefit Pension Plan
Schedule of Employer Contributions
(in thousands)

Fiscal Year	Actuarially Determined Contribution	Actual Contributions	Contribution Deficiency / (Excess)	Covered Payroll	Contribution as Percentage of Covered Payroll
2021	\$ 554,856	\$ 554,856	\$ --	\$ 2,276,768	24.4 %
2020	553,118	553,118	--	2,271,039	24.4 %
2019	478,717	478,717	--	2,108,171	22.7 %
2018	450,195	450,195	--	2,057,565	21.9 %
2017	453,356	453,356	--	1,973,049	23.0 %
2016	440,546	440,546	--	1,876,946	23.5 %
2015	381,141	381,141	--	1,835,637	20.8 %
2014	357,649	357,649	--	1,802,931	19.8 %
2013	346,181	346,181	--	1,736,113	19.9 %
2012	308,540	308,540	--	1,715,197	18.0 %

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

Fiscal Year	Actuarially Determined Contribution	Actual Contributions	Contribution Deficiency / (Excess)	Covered Payroll	Contribution as Percentage of Covered Payroll
2021	\$ 373,374	\$ 378,990	\$ (5,616)	\$ 1,121,883	33.8 %
2020	424,375	422,017	2,358	1,130,066	37.3 %
2019	408,750	410,165	(1,415)	1,028,212	39.9 %
2018	425,512	433,413	(7,901)	953,636	45.4 %
2017	403,780	391,717	12,063	892,332	43.9 %
2016	368,600	362,360	6,240	861,819	42.0 %
2015	387,465	376,902	10,563	839,213	44.9 %
2014	387,824	384,266	3,558	819,924	46.9 %
2013	376,668	368,426	8,242	817,421	45.1 %
2012	336,875	321,689	15,186	805,607	39.9 %

CITY OF LOS ANGELES
REQUIRED SUPPLEMENTARY INFORMATION
Fiscal Year Ended June 30, 2021
(unaudited)

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

	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>
TOTAL PENSION LIABILITY			
Service Cost	\$ 410,559	\$ 402,708	\$ 390,743
Interest	1,654,964	1,572,220	1,502,656
Benefit Payments, including Refunds of Member Contributions	(1,121,252)	(1,070,456)	(994,800)
Difference of Expected and Actual Experience	(23,348)	81,465	21,700
Assumption Changes	48,286	357,369	--
Benefit Changes	--	(79,650)	--
Other	--	--	2,505
Net Change in Total Pension Liability	969,209	1,263,656	922,804
Total Pension Liability at Beginning of Year	<u>23,000,505</u>	<u>21,736,849</u>	<u>20,814,045</u>
Total Pension Liability at End of Year (a)	<u>\$ 23,969,714</u>	<u>\$ 23,000,505</u>	<u>\$ 21,736,849</u>
FIDUCIARY NET POSITION			
Employer Contributions	\$ 516,638	\$ 504,877	\$ 459,632
Member Contributions	153,787	147,753	145,112
Net Investment Income	606,244	1,218,138	1,892,870
Benefit Payments, Including Refunds of Member Contributions	(1,121,252)	(1,070,456)	(994,800)
Administrative Expenses	(20,685)	(20,244)	(19,908)
Other	--	--	2,505
Net Change	134,732	780,068	1,485,411
Fiduciary Net Position at Beginning of Year	<u>21,262,201</u>	<u>20,482,133</u>	<u>18,996,722</u>
Fiduciary Net Position at End of Year (b) ⁽¹⁾	<u>\$ 21,396,933</u>	<u>\$ 21,262,201</u>	<u>\$ 20,482,133</u>
Net Pension Liability (a) - (b)	<u>\$ 2,572,781</u>	<u>\$ 1,738,304</u>	<u>\$ 1,254,716</u>
Fiduciary Net Position as a Percentage of the Total Pension Liability	89.27 %	92.44 %	94.23 %
Covered Payroll	\$ 1,509,613	\$ 1,487,978	\$ 1,451,996
Net Pension Liability as a Percentage of Covered Payroll	170.43 %	116.82 %	86.41 %

⁽¹⁾ Fiduciary Net Position - The fiduciary net position is calculated based on financial information available to the actuary for the presentation of the actuarial valuation and does not include subsequent adjustments.

* Based on measurement periods

Details of changes in assumption can be obtained from the actuarial valuation reports.

The schedules for the Pensions plan are intended to show information for 10 years. However, the schedules do not have an entire 10-year trend, and therefore, City presented information only for those years in which data is available. Additional years will be displayed in the future as they become available.

CITY OF LOS ANGELES
REQUIRED SUPPLEMENTARY INFORMATION
Fiscal Year Ended June 30, 2021
(unaudited)

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

	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>	<u>June 30, 2014</u>
TOTAL PENSION LIABILITY				
Service Cost	\$ 367,600	\$ 365,956	\$ 368,700	\$ 368,018
Interest	1,436,068	1,399,576	1,384,527	1,392,552
Benefit Payments, including Refunds of Member Contributions	(930,078)	(990,363)	(918,909)	(858,986)
Difference of Expected and Actual Experience	(320,404)	(595,188)	(310,882)	(234,638)
Assumption Changes	695,450	--	--	(69,482)
Benefit Changes	--	--	--	--
Other	--	--	--	--
Net Change in Total Pension Liability	1,248,636	179,981	523,436	597,464
Total Pension Liability at Beginning of Year	<u>19,565,409</u>	<u>19,385,428</u>	<u>18,861,992</u>	<u>18,264,528</u>
Total Pension Liability at End of Year (a)	<u>\$ 20,814,045</u>	<u>\$ 19,565,409</u>	<u>\$ 19,385,428</u>	<u>\$ 18,861,992</u>
FIDUCIARY NET POSITION				
Employer Contributions	\$ 454,309	\$ 478,385	\$ 480,332	\$ 440,698
Member Contributions	128,900	129,734	126,771	124,395
Net Investment Income	2,260,130	159,313	686,470	2,617,090
Benefit Payments, Including Refunds of Member Contributions	(930,078)	(990,363)	(918,909)	(858,986)
Administrative Expenses	(20,816)	(19,346)	(17,815)	(13,865)
Other	--	--	--	--
Net Change	1,892,445	(242,277)	356,849	2,309,332
Fiduciary Net Position at Beginning of Year	<u>17,104,277</u>	<u>17,346,554</u>	<u>16,989,705</u>	<u>14,680,373</u>
Fiduciary Net Position at End of Year (b) ⁽¹⁾	<u>\$ 18,996,722</u>	<u>\$ 17,104,277</u>	<u>\$ 17,346,554</u>	<u>\$ 16,989,705</u>
Net Pension Liability (a) - (b)	<u>\$ 1,817,323</u>	<u>\$ 2,461,132</u>	<u>\$ 2,038,874</u>	<u>\$ 1,872,287</u>
Fiduciary Net Position as a Percentage of the Total Pension Liability	91.27 %	87.42 %	89.48 %	90.07 %
Covered Payroll	\$ 1,397,245	\$ 1,351,788	\$ 1,316,969	\$ 1,308,149
Net Pension Liability as a Percentage of Covered Payroll	130.06 %	182.06 %	154.82 %	143.12 %

CITY OF LOS ANGELES
REQUIRED SUPPLEMENTARY INFORMATION
Fiscal Year Ended June 30, 2021
(unaudited)

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

	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>
TOTAL PENSION LIABILITY			
Service Cost ⁽²⁾	\$ 374,967	\$ 370,409	\$ 352,283
Interest	1,499,208	1,439,661	1,332,878
Changes of Benefit Terms	--	--	25,173
Benefit Payments, Including Refunds of Member Contributions	(979,305)	(915,192)	(851,885)
Difference of Expected and Actual Experience	308,184	(46,035)	144,224
Assumption Changes	<u>530,720</u>	<u>--</u>	<u>483,717</u>
Net Change in Total Pension Liability	1,733,774	848,843	1,486,390
Total Pension Liability at Beginning of Year	<u>20,793,421</u>	<u>19,944,578</u>	<u>18,458,188</u>
Total Pension Liability at End of Year (a)	<u><u>\$ 22,527,195</u></u>	<u><u>\$ 20,793,421</u></u>	<u><u>\$ 19,944,578</u></u>
FIDUCIARY NET POSITION			
Employer Contributions	\$ 553,118	\$ 478,717	\$ 450,195
Member Contributions	259,817	237,087	230,757
Net Investment Income ⁽⁴⁾	306,712	799,351	1,243,817
Benefit Payments, Including Refunds of Member Contributions	(979,305)	(915,192)	(851,885)
Administrative Expenses	(23,531)	(19,600)	(17,699)
Other (Transfer to Larger Annuity Reserve) ⁽³⁾	<u>--</u>	<u>--</u>	<u>(471)</u>
Net Change	116,811	580,363	1,054,714
Fiduciary Net Position at Beginning of Year	<u>14,815,593</u>	<u>14,235,230</u>	<u>13,180,516</u>
Fiduciary Net Position at End of Year (b)	<u><u>\$ 14,932,404</u></u>	<u><u>\$ 14,815,593</u></u>	<u><u>\$ 14,235,230</u></u>
Net Pension Liability (a) - (b)	<u><u>\$ 7,594,791</u></u>	<u><u>\$ 5,977,828</u></u>	<u><u>\$ 5,709,348</u></u>
Fiduciary Net Position as a Percentage of the Total Pension Liability	66.29 %	71.25 %	71.37 %
Covered Payroll	\$ 2,271,039	\$ 2,108,171	\$ 2,057,565
Net Pension Liability as a Percentage of Covered Payroll	334.42 %	283.56 %	277.48 %

⁽¹⁾ In calculating the Plan's net pension liability, the total pension liability and the Plan fiduciary net position exclude amounts associated with Family Death, and Larger Annuity Benefits.

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

⁽³⁾ On July 1, 2015, LACERS segregated members' voluntary larger annuity contributions into the (non-pension related) Reserve for Larger Annuity Contributions pursuant to a suggestion made by the actuarial consultant. The Reserve balance for Larger Annuity Contributions as of June 30, 2015 was \$5.2 million. On July 1, 2017, the System reallocated \$0.47 million of interest from the Reserve for Mandatory Member Contributions into the Reserve for Voluntary Member Contributions.

⁽⁴⁾ Building Lease and Other Income were included in the Net investment income (loss) starting in fiscal year 2020. Investment related administrative expenses is part of Administrative expenses and excluded from Net investment Income.

* Based on measurement periods

The schedules for the LACERS plan are intended to show information for 10 years. However, the schedules do not have an entire 10-year trend, and therefore, City presented information only for those years in which data is available. Additional years will be displayed in the future as they become available.

CITY OF LOS ANGELES
REQUIRED SUPPLEMENTARY INFORMATION
Fiscal Year Ended June 30, 2021
(unaudited)

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

	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>	<u>June 30, 2014</u>
TOTAL PENSION LIABILITY				
Service Cost ⁽²⁾	\$ 340,759	\$ 322,574	\$ 322,380	\$ 317,185
Interest	1,302,278	1,263,556	1,215,151	1,149,966
Changes of Benefit Terms	--	--	--	--
Benefit Payments, Including Refunds of Member Contributions	(804,089)	(770,317)	(740,567)	(721,153)
Difference of Expected and Actual Experience	(146,474)	(300,813)	(135,821)	(164,247)
Assumption Changes	340,718	--	--	785,439
Net Change in Total Pension Liability	1,033,192	515,000	661,143	1,367,190
Total Pension Liability at Beginning of Year	17,424,996	16,909,996	16,248,853	14,881,663
Total Pension Liability at End of Year (a)	<u>\$ 18,458,188</u>	<u>\$ 17,424,996</u>	<u>\$ 16,909,996</u>	<u>\$ 16,248,853</u>
FIDUCIARY NET POSITION				
Employer Contributions	\$ 453,356	\$ 440,546	\$ 381,141	\$ 357,649
Member Contributions	221,829	206,377	202,463	203,975
Net Investment Income ⁽⁴⁾	1,517,545	29,358	306,980	1,810,782
Benefit Payments, Including Refunds of Member Contributions	(804,089)	(770,318)	(740,567)	(721,153)
Administrative Expenses	(17,454)	(17,204)	(15,860)	(12,372)
Other (Transfer to Larger Annuity Reserve) ⁽³⁾	--	--	(4,666)	(2,288)
Net Change	1,371,187	(111,241)	129,491	1,636,593
Fiduciary Net Position at Beginning of Year	11,809,329	11,920,570	11,791,079	10,154,486
Fiduciary Net Position at End of Year (b)	<u>\$ 13,180,516</u>	<u>\$ 11,809,329</u>	<u>\$ 11,920,570</u>	<u>\$ 11,791,079</u>
Net Pension Liability (a) - (b)	<u>\$ 5,277,672</u>	<u>\$ 5,615,667</u>	<u>\$ 4,989,426</u>	<u>\$ 4,457,774</u>
Fiduciary Net Position as a Percentage of the Total Pension Liability	71.41 %	67.77 %	70.49 %	72.57 %
Covered Payroll	\$ 1,973,049	\$ 1,876,946	\$ 1,835,637	\$ 1,802,931
Net Pension Liability as a Percentage of Covered Payroll	267.49 %	299.19 %	271.81 %	247.25 %

CITY OF LOS ANGELES
REQUIRED SUPPLEMENTARY INFORMATION
Fiscal Year Ended June 30, 2021
(unaudited)

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

	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>
TOTAL PENSION LIABILITY			
Service Cost	\$ 263,473	\$ 243,263	\$ 228,621
Interest	963,032	952,071	913,798
Benefit Payments, Including Refunds of Member Contributions	(635,652)	(597,563)	(563,213)
Change of Benefit Terms	--	--	(59,019)
Differences between Expected and Actual Experience	62,540	17,807	10,254
Assumption Changes	--	8,836	--
Net Change in Total Pension Liability	653,393	624,414	530,441
Total Pension Liability at Beginning of Year	<u>13,811,956</u>	<u>13,187,542</u>	<u>12,657,101</u>
Total Pension Liability at End of Year (a)	<u>\$ 14,465,349</u>	<u>\$ 13,811,956</u>	<u>\$ 13,187,542</u>
FIDUCIARY NET POSITION			
Employer Contributions	\$ 427,655	\$ 416,180	\$ 439,299
Member Contributions	120,299	104,742	93,659
Net Investment Income	459,024	791,832	998,777
Benefit Payments, Including Refunds of Member Contributions	(635,652)	(597,563)	(563,213)
Administrative Expenses	(4,705)	(5,189)	(5,336)
Net Change	366,621	710,002	963,186
Fiduciary Net Position at Beginning of Year	<u>12,987,087</u>	<u>12,277,085</u>	<u>11,313,899</u>
Fiduciary Net Position at End of Year (b)	<u>\$ 13,353,708</u>	<u>\$ 12,987,087</u>	<u>\$ 12,277,085</u>
Net Pension Liability (a) - (b)	<u>\$ 1,111,641</u>	<u>\$ 824,869</u>	<u>\$ 910,457</u>
Fiduciary Net Position as a Percentage of the Total Pension Liability	92.32 %	94.03 %	93.10 %
Covered Payroll	\$ 1,130,066	\$ 1,028,212	\$ 953,636
Net Pension Liability as a Percentage of Covered Payroll	98.37 %	80.22 %	95.47 %

* Based on measurement periods

Details of changes in assumption can be obtained from the actuarial valuation reports.

The schedules for the DWP plans are intended to show information for 10 years. However, the schedules do not have an entire 10-year trend, and therefore, City presented information only for those years in which data is available. Additional years will be displayed in the future as they become available.

CITY OF LOS ANGELES
REQUIRED SUPPLEMENTARY INFORMATION
Fiscal Year Ended June 30, 2021
(unaudited)

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

	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>	<u>June 30, 2014</u>
TOTAL PENSION LIABILITY				
Service Cost	\$ 217,277	\$ 209,832	\$ 214,735	\$ 193,661
Interest	887,133	837,977	821,048	779,397
Benefit Payments, Including Refunds of Member Contributions	(540,361)	(510,485)	(485,967)	(463,597)
Change of Benefit Terms	--	--	(144,008)	--
Differences between Expected and Actual Experience	(196,177)	(189,469)	(162,913)	(154,222)
Assumption Changes	<u>--</u>	<u>722,928</u>	<u>--</u>	<u>525,444</u>
Net Change in Total Pension Liability	367,872	1,070,783	242,895	880,683
Total Pension Liability at Beginning of Year	<u>12,289,229</u>	<u>11,218,446</u>	<u>10,975,551</u>	<u>10,094,868</u>
Total Pension Liability at End of Year (a)	<u>\$ 12,657,101</u>	<u>\$ 12,289,229</u>	<u>\$ 11,218,446</u>	<u>\$ 10,975,551</u>
FIDUCIARY NET POSITION				
Employer Contributions	\$ 397,748	\$ 368,259	\$ 382,232	\$ 389,138
Member Contributions	83,239	75,069	68,552	72,300
Net Investment Income	1,280,806	95,808	410,778	1,405,686
Benefit Payments, Including Refunds of Member Contributions	(540,361)	(510,485)	(485,967)	(463,597)
Administrative Expenses	<u>(5,376)</u>	<u>(5,108)</u>	<u>(4,612)</u>	<u>(4,221)</u>
Net Change	1,216,056	23,543	370,983	1,399,306
Fiduciary Net Position at Beginning of Year	<u>10,097,843</u>	<u>10,074,300</u>	<u>9,703,317</u>	<u>8,304,011</u>
Fiduciary Net Position at End of Year (b)	<u>\$ 11,313,899</u>	<u>\$ 10,097,843</u>	<u>\$ 10,074,300</u>	<u>\$ 9,703,317</u>
Net Pension Liability (a) - (b)	<u>\$ 1,343,202</u>	<u>\$ 2,191,386</u>	<u>\$ 1,144,146</u>	<u>\$ 1,272,234</u>
Fiduciary Net Position as a Percentage of the Total Pension Liability	89.39 %	82.17 %	89.80 %	88.41 %
Covered Payroll	\$ 892,332	\$ 861,819	\$ 839,213	\$ 819,924
Net Pension Liability as a Percentage of Covered Payroll	150.53 %	254.27 %	136.34 %	155.16 %

CITY OF LOS ANGELES
REQUIRED SUPPLEMENTARY INFORMATION
Fiscal Year Ended June 30, 2021
(Unaudited)

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

Fiscal Year	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency / (Excess)	Covered Payroll⁽²⁾	Contribution as Percentage of Covered Payroll
2021	\$ 200,425	\$ 200,425	\$ --	\$ 1,603,349	12.5 %
2020	193,213	193,213	--	1,509,613	12.8 %
2019	188,020 ⁽¹⁾	188,020 ⁽¹⁾	--	1,487,978	12.6 %
2018	178,462	178,462	--	1,451,996	12.3 %
2017	165,170	165,170	--	1,397,245	11.8 %
2016	150,315	150,315	--	1,351,788	11.1 %
2015	148,477	148,477	--	1,316,969	11.3 %
2014	138,107	138,107	--	1,308,149	10.6 %
2013	132,939	132,939	--	1,277,031	10.4 %
2012	122,972	122,972	--	1,213,396	10.1 %

⁽¹⁾ Excludes the transfer of employer contributions for all new Airport Police members from the Los Angeles City Employees' Retirement System (LACERS) who elected to join the Pension Plan in Tier 6.

⁽²⁾ Covered payroll represents payroll in which contributions to the Pension Plan are based.

Los Angeles City Employees' Retirement System
Other Postemployment Benefit Plan
Schedule of Employer Contributions
(in thousands)

Fiscal Year	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency / (Excess)	Covered Payroll	Contribution as Percentage of Covered Payroll
2021	\$ 103,454	\$ 103,454	\$ --	\$ 2,276,768	4.5 %
2020	112,136	112,136	--	2,271,039	4.9 %
2019	107,927	107,927	--	2,108,171	5.1 %
2018	100,909	100,909	--	2,057,565	4.9 %
2017	97,457	97,457	--	1,973,049	4.9 %
2016	105,983	105,983	--	1,876,946	5.7 %
2015	100,467	100,467	--	1,835,637	5.5 %
2014	97,841	97,841	--	1,802,931	5.4 %
2013	72,916	72,916	--	1,736,113	4.2 %
2012	115,209	115,209	--	1,715,197	6.7 %

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

Fiscal Year	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency / (Excess)	Covered Payroll	Contribution as Percentage of Covered Payroll
2021	\$ 63,165	\$ 109,282	\$ (46,117)	\$ 1,121,883	9.7 %
2020	95,375	109,401	(14,026)	1,130,066	9.7 %
2019	80,851	101,595	(20,744)	1,028,212	9.9 %
2018	85,339	95,234	(9,895)	953,636	10.0 %
2017	93,920	90,310	3,610	892,332	10.1 %
2016	61,971	79,896	(17,925)	861,819	9.3 %
2015	70,748	78,497	(7,749)	839,213	9.4 %
2014	58,453	74,106	(15,653)	819,924	9.0 %
2013	36,907	67,563	(30,656)	817,421	8.3 %
2012	40,095	101,721	(61,626)	805,607	12.6 %

CITY OF LOS ANGELES
REQUIRED SUPPLEMENTARY INFORMATION
Fiscal Year Ended June 30, 2021
(Unaudited)

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

Fiscal Year	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency / (Excess)	Covered Payroll	Contribution as Percentage of Covered Payroll
2021	\$ 12,565	\$ 12,899	\$ (334)	\$ 1,121,883	1.1 %
2020	13,335	13,300	35	1,130,066	1.2 %
2019	7,260	7,260	--	1,028,212	0.7 %
2018	7,137	7,137	--	953,636	0.7 %

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

CITY OF LOS ANGELES
REQUIRED SUPPLEMENTARY INFORMATION
Fiscal Year Ended June 30, 2021
(unaudited)

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

	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>
TOTAL OPEB LIABILITY				
Service Cost	\$ 79,394	\$ 74,090	\$ 69,940	\$ 65,407
Interest	263,088	260,513	243,769	231,285
Benefit Payments	(143,600)	(137,874)	(130,722)	(122,561)
Changes of Benefit Terms	--	--	--	--
Differences Between Expected and Actual Experience	(190,525)	(249,568)	(16,532)	(144,022)
Assumption Changes	80,297	85,911	63,332	248,048
Other	<u>--</u>	<u>--</u>	<u>517</u>	<u>--</u>
Net Change in Total OPEB Liability	88,654	33,072	230,304	278,157
Total OPEB Liability at Beginning of Year	<u>3,621,204</u>	<u>3,588,132</u>	<u>3,357,827</u>	<u>3,079,670</u>
Total OPEB Liability - Ending (a)	<u>\$ 3,709,858</u>	<u>\$ 3,621,204</u>	<u>\$ 3,588,131</u>	<u>\$ 3,357,827</u>
FIDUCIARY NET POSITION				
Employer Contributions	\$ 193,213	\$ 188,020	\$ 178,462	\$ 165,170
Member Contributions	--	--	--	--
Net Investment Income	58,101	111,188	166,040	189,420
Benefit Payments	(143,600)	(137,874)	(130,722)	(122,562)
Administrative Expenses	(1,982)	(1,856)	(1,745)	(1,747)
Other	<u>--</u>	<u>--</u>	<u>(517)</u>	<u>--</u>
Net Change (Gain)	105,732	159,478	212,552	230,281
Fiduciary Net Position at Beginning of Year	<u>2,037,716</u>	<u>1,878,238</u>	<u>1,665,686</u>	<u>1,435,404</u>
Fiduciary Net Position at End of Year (b) ⁽¹⁾	<u>\$ 2,143,448</u>	<u>\$ 2,037,716</u>	<u>\$ 1,878,238</u>	<u>\$ 1,665,685</u>
Net OPEB Liability - Ending (a) - (b)	<u>\$ 1,566,410</u>	<u>\$ 1,583,488</u>	<u>\$ 1,709,893</u>	<u>\$ 1,692,142</u>
Fiduciary Net Position as a Percentage of the Total OPEB Liability	57.78 %	56.27 %	52.35 %	49.61 %
Covered Payroll	\$ 1,509,613	\$ 1,487,978	\$ 1,451,996	\$ 1,397,245
Net OPEB Liability as a Percentage of Covered Payroll	103.76 %	106.42 %	117.76 %	121.11 %

⁽¹⁾ Fiduciary Net Position - The fiduciary net position is calculated based on financial information available to the actuary for the presentation of the actuarial valuation and does not include subsequent adjustments. Employer contributions excludes the transfer of employer contributions.

The schedules for the Pensions OPEB Plan are intended to show information for 10 years. However, the schedules do not have an entire 10-year trend, and therefore, City presented information only for those years in which data is available. Additional years will be displayed in the future as they become available.

CITY OF LOS ANGELES
REQUIRED SUPPLEMENTARY INFORMATION
Fiscal Year Ended June 30, 2021
(unaudited)

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

	<u>June 30, 2020⁽¹⁾</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>
TOTAL OPEB LIABILITY				
Service Cost	\$ 76,423	\$ 74,478	\$ 74,611	\$ 68,385
Interest	242,666	236,678	218,686	210,170
Benefit Payments ⁽²⁾	(127,214)	(133,571)	(128,081)	(119,616)
Changes of Benefit Terms	--	--	948	--
Differences Between Expected and Actual Experience ⁽³⁾	(135,720)	(134,053)	(7,321)	19,666
Assumption Changes	96,076	33,940	92,178	33,512
Other	--	--	--	--
Net Change in Total OPEB Liability	152,231	77,472	251,021	212,117
Total OPEB Liability at Beginning of Year	<u>3,334,299</u>	<u>3,256,827</u>	<u>3,005,806</u>	<u>2,793,689</u>
Total OPEB Liability - Ending (a)	<u>\$ 3,486,530</u>	<u>\$ 3,334,299</u>	<u>\$ 3,256,827</u>	<u>\$ 3,005,806</u>
FIDUCIARY NET POSITION				
Employer Contributions	\$ 112,136	\$ 107,927	\$ 100,909	\$ 97,457
Member Contributions	--	--	--	--
Net Investment Income	60,899	166,470	269,380	330,708
Benefit Payments ⁽²⁾	(127,214)	(133,571)	(128,081)	(119,616)
Administrative Expenses	(6,715)	(5,099)	(4,699)	(4,564)
Other	--	--	--	--
Net Change (Gain)	39,106	135,727	237,509	303,985
Fiduciary Net Position at Beginning of Year	<u>2,812,098</u>	<u>2,676,371</u>	<u>2,438,862</u>	<u>2,134,877</u>
Fiduciary Net Position at End of Year (b)	<u>\$ 2,851,204</u>	<u>\$ 2,812,098</u>	<u>\$ 2,676,371</u>	<u>\$ 2,438,862</u>
Net OPEB Liability - Ending (a) - (b)	<u>\$ 635,326</u>	<u>\$ 522,201</u>	<u>\$ 580,456</u>	<u>\$ 566,944</u>
Fiduciary Net Position as a Percentage of the Total OPEB Liability	81.78 %	84.34 %	82.18 %	81.14 %
Covered Payroll	\$ 2,271,039	\$ 2,108,171	\$ 2,057,565	\$ 1,973,049
Net OPEB Liability as a Percentage of Covered Payroll	27.98 %	24.77 %	28.21 %	28.73 %

⁽¹⁾ After the GASB Statement No. 74 valuation report was issued for the fiscal year June 30, 2017, the LACERS' consulting actuary reclassified \$12.5 million of OPEB liability from the Changes of Assumption (revised from \$46.0 million to \$33.5 million) to the Differences Between Expected and Actual Experience (revised from \$7.2 million to \$19.7 million). However, this reclassification did not affect the recommended employer contribution rates or results of the OPEB valuation in total.

⁽²⁾Benefit payments associated with the self-funded insurance premium and Member's health insurance premium reserve that were reported as both additions and deductions in fiduciary net position beginning fiscal year 2019 were excluded from the above schedule.

⁽³⁾Building Lease and Other Income were included in the Net investment income (loss) starting in fiscal year 2020. Investment related administrative expenses is part of Administrative expenses and excluded from Net investment Income.

The schedules for the LACERS OPEB Plan are intended to show information for 10 years. However, the schedules do not have an entire 10-year trend, and therefore, City presented information only for those years in which data is available. Additional years will be displayed in the future as they become available.

CITY OF LOS ANGELES
REQUIRED SUPPLEMENTARY INFORMATION
Fiscal Year Ended June 30, 2021
(unaudited)

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

	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>
TOTAL OPEB LIABILITY				
Service Cost	\$ 52,964	\$ 46,188	\$ 49,191	\$ 49,295
Interest	187,719	178,690	170,306	169,518
Benefit Payments	(109,401)	(101,595)	(95,234)	(90,310)
Changes of Benefit Terms	--	--	(286)	--
Differences Between Expected and Actual Experience	(288,180)	(40,432)	(6,956)	(44,554)
Assumption Changes	<u>(36,325)</u>	<u>131,290</u>	<u>4,799</u>	<u>(70,508)</u>
Net Change in Total OPEB Liability	(193,223)	214,141	121,820	13,441
Total OPEB Liability at Beginning of Year	<u>2,683,446</u>	<u>2,469,304</u>	<u>2,347,484</u>	<u>2,334,043</u>
Total OPEB Liability - Ending (a)	<u>\$ 2,490,223</u>	<u>\$ 2,683,445</u>	<u>\$ 2,469,304</u>	<u>\$ 2,347,484</u>
FIDUCIARY NET POSITION				
Employer Contributions	\$ 110,445	\$ 102,631	\$ 95,919	\$ 91,024
Member Contributions	--	--	--	--
Net Investment Income	83,021	134,707	173,674	218,836
Benefit Payments	(109,401)	(101,595)	(95,234)	(90,310)
Administrative Expenses	<u>(887)</u>	<u>(883)</u>	<u>(549)</u>	<u>(585)</u>
Net Change (Gain)	83,178	134,860	173,810	218,965
Fiduciary Net Position at Beginning of Year	<u>2,220,551</u>	<u>2,085,691</u>	<u>1,911,881</u>	<u>1,692,916</u>
Fiduciary Net Position at End of Year (b) ⁽¹⁾	<u>\$ 2,303,729</u>	<u>\$ 2,220,551</u>	<u>\$ 2,085,691</u>	<u>\$ 1,911,881</u>
Net OPEB Liability - Ending (a) - (b)	<u>\$ 186,494</u>	<u>\$ 462,894</u>	<u>\$ 383,613</u>	<u>\$ 435,603</u>
Fiduciary Net Position as a Percentage of the Total OPEB Liability	92.51 %	82.75 %	84.46 %	81.44 %
Covered Payroll	\$ 1,130,066	\$ 1,028,212	\$ 953,636	\$ 892,332
Net OPEB Liability as a Percentage of Covered Payroll	16.50 %	45.02 %	40.23 %	48.82 %

⁽¹⁾ Fiduciary Net Position - The fiduciary net position is calculated based on financial information available to the actuary for the presentation of the actuarial valuation and does not include subsequent adjustments. Employer contributions excludes the transfer of employer contributions.

The schedules for the DWP OPEB Plan are intended to show information for 10 years. However, the schedules do not have an entire 10-year trend, and therefore, City presented information only for those years in which data is available. Additional years will be displayed in the future as they become available.

CITY OF LOS ANGELES
REQUIRED SUPPLEMENTARY INFORMATION
Fiscal Year Ended June 30, 2021
(unaudited)

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

	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>
TOTAL OPEB LIABILITY				
Service Cost	\$ 4,717	\$ 4,780	\$ 3,875	\$ 3,657
Interest	4,725	5,059	5,141	5,095
Benefit Payments	(7,923)	(8,232)	(7,602)	(7,968)
Changes of Benefit Terms	--	--	91	--
Differences Between Expected and Actual Experience	(2,040)	485	(4,444)	125
Assumption Changes	--	(11,704)	--	--
Net Change in Total OPEB Liability	(521)	(9,612)	(2,939)	909
Total OPEB Liability at Beginning of Year	<u>134,258</u>	<u>143,870</u>	<u>146,809</u>	<u>145,900</u>
Total OPEB Liability - Ending (a)	<u>\$ 133,737</u>	<u>\$ 134,258</u>	<u>\$ 143,870</u>	<u>\$ 146,809</u>
FIDUCIARY NET POSITION				
Employer Contributions	\$ 14,909	\$ 8,778	\$ 8,101	\$ 8,207
Member Contributions	385	358	347	337
Net Investment Income	2,793	2,293	(120)	(57)
Benefit Payments	(7,923)	(8,232)	(7,602)	(7,968)
Administrative Expenses	<u>(1,606)</u>	<u>(1,600)</u>	<u>(1,100)</u>	<u>(1,119)</u>
Net Change (Gain)	8,558	1,597	(374)	(600)
Fiduciary Net Position at Beginning of Year	<u>28,807</u>	<u>27,210</u>	<u>27,584</u>	<u>28,185</u>
Fiduciary Net Position at End of Year (b) ⁽¹⁾	<u>\$ 37,365</u>	<u>\$ 28,807</u>	<u>\$ 27,210</u>	<u>\$ 27,585</u>
Net OPEB Liability - Ending (a) - (b)	<u>\$ 96,372</u>	<u>\$ 105,451</u>	<u>\$ 116,660</u>	<u>\$ 119,224</u>
Fiduciary Net Position as a Percentage of the Total OPEB Liability	27.94 %	21.46 %	18.91 %	18.79 %
Covered Payroll	\$ 1,130,066	\$ 1,028,212	\$ 953,636	\$ 892,332
Net OPEB Liability as a Percentage of Covered Payroll	8.53 %	10.26 %	12.23 %	13.36 %

⁽¹⁾ Fiduciary Net Position - The fiduciary net position is calculated based on financial information available to the actuary for the presentation of the actuarial valuation and does not include subsequent adjustments. Employer contributions excludes the transfer of employer contributions.

The schedules for the DWP OPEB Plan are intended to show information for 10 years. However, the schedules do not have an entire 10-year trend, and therefore, City presented information only for those years in which data is available. Additional years will be displayed in the future as they become available.

CITY OF LOS ANGELES
REQUIRED SUPPLEMENTARY INFORMATION
Fiscal Year Ended June 30, 2021
(Unaudited)

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

	Los Angeles Fire and Police Pension System	Los Angeles City Employees' Retirement System	Water and Power Employees' Retirement Plan
Valuation Date	Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported.	Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which the contributions are reported.	Actuarially determined contribution rates are calculated as of June 30, one year prior to the end of the fiscal year in which contributions are reported.
Actuarial Cost Method	Entry age actuarial cost method	Entry age actuarial cost method	Entry age actuarial cost method
Amortization Method	For Tier 1, level dollar amortization is used with last period ending on June 30, 2037. For Tiers 2, 3, and 4, level percent of payroll amortization with multiple layers is used as a percent of total valuation payroll from the respective employer (i.e., City or Harbor Port Police). For Tiers 5 and 6, level percent of payroll with multiple layers is used as a percent of combined payroll for these tiers from the respective employer (i.e., City or Harbor Port Police, or Airport).	Level Percent of Payroll	Level dollar amortization
Amortization Period	Actuarial gains/losses are amortized over 20 years. Assumption changes are amortized over 20 years. Plan changes are amortized over 15 years.	Multiple layers, closed amortization periods. Actuarial gains/losses are amortized over 15 years. Assumption or method changes are amortized over 20 years. Plan changes, including the 2009 ERIP, are amortized over 15 years. Future ERIPs will be amortized over 5 years. Any actuarial surplus is amortized over 30 years. The existing layers on June 30, 2012, except those arising from the 2009 ERIP and the two GASB 25/27 layers, were combined and amortized over 30 years.	The July 1, 2004 Unfunded Actuarial Accrued Liability is amortized over a 15-year period commencing July 1, 2004. Any subsequent changes in Unfunded Actuarial Liability are amortized over separate 15-year periods effective with that valuation.
Asset Valuation Method	The fair value of assets less unrecognized returns. Unrecognized return is equal to the difference between the actual and the expected return on fair value basis, and is recognized over a seven-year period. The actuarial value of assets is further adjusted, if necessary, to be within 40% of the fair value of assets.	Fair value of assets less unrecognized returns in each of the last 7 years. Unrecognized return is equal to the difference between the actual market return and the expected return on the fair value, and is recognized over a 7-year period. The actuarial value of assets cannot be less than 60% or greater than 140% of the fair value of assets.	The fair value of assets less unrecognized returns in each of the last 5 years. Unrecognized return is equal to the difference between the actual market returns and the expected returns on a fair value basis, and is recognized over a five-year period.
Actuarial Assumptions:			
Investment Rate of Return	7.25%	7.00%	7.00%
Inflation Rate	3.00%	2.75%	2.75%
Real Across-the-Board Salary Increase	0.50%	0.50%	-NA-
Project Salary Increase	Ranges from 4.30% to 12.00% based on service.	Ranges from 4.25% to 9.95% based on years of service.	4.50% to 10.25%
Cost of Living Adjustment	3.00% of retirement income for all Tiers.	2.75% for Tier 1 and 2.00% for Tier 3	2.75% (actual increases are contingent upon CPI increases with a 3.00% maximum for Tier 1, 2.00% maximum for Tier 2).
Mortality Rates:			
Healthy	Pub-2010 Safety Healthy Retiree Amount-Weighted Above-Median Mortality Table multiplied by 105% for males and 100% for females, projected generationally with the two-dimensional mortality improvement scale MP-2019.	Pub-2010 General Health Retiree Amount-Weighted Above-Median Mortality Tables with rates increased by 10% for males, projected generationally with the two-dimensional mortality improvement scale MP-2019.	Pub-2010 General Healthy Retiree Amount-Weighted Above Median Mortality Table (separate tables for males and females) times 105% for males and 100% for females, projected generationally with the two-dimensional mortality improvement scale MP-2018.
Disabled	Pub-2010 Safety Disabled Retiree Amount-Weighted Mortality Table projected generationally with the two-dimensional mortality improvement scale MP-2019.	Pub-2010 Non-Safety Disabled Retiree Amount-Weighted Mortality Tables with rates increased by 10% for males and decreased by 5% for females, projected generationally with the two-dimensional mortality improvement scale MP-2019.	Pub-2010 General Healthy Retiree Amount-Weighted Above Median Mortality Table (separate tables for males and females) times 105% for males and 100% for females, projected generationally with the two-dimensional mortality improvement scale MP-2018.
Beneficiary	Pub-2010 General Healthy Retiree Amount-Weighted Above-Median Mortality Table multiplied by 105%, projected generationally with the two-dimensional mortality improvement scale MP-2019.	Pub-2010 Contingent Survivor Amount-Weighted Above-Median Mortality Tables with rates increased by 10% for males and females, projected generationally with the two-dimensional mortality improvement scale MP-2019.	Pub-2010 General Healthy Retiree Amount-Weighted Above-Median Mortality Table (separate tables for males and females), projected generationally with the two dimensional mortality improvement scale MP-2018.

CITY OF LOS ANGELES
REQUIRED SUPPLEMENTARY INFORMATION
Fiscal Year Ended June 30, 2021
(Unaudited)

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

Los Angeles Fire and Police Pension System		Los Angeles City Employees' Retirement System	Water and Power Employee Retirement Plan	
			Retiree Health Benefits	Death Benefit
Valuation Date	Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported.	Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which the contributions are reported.	Actuarially determined contribution rates are calculated as of June 30, one year prior to the end of the fiscal year in which contributions are reported.	Actuarially determined contribution rates are calculated as of June 30, one year prior to the end of the fiscal year in which contributions are reported.
Actuarial Cost Method	Entry age actuarial cost method	Entry age actuarial cost method	Entry Age, Level Percent of Pay	Entry age actuarial cost method
Amortization Method	For Tier 1, level dollar amortization is used with last period ending on June 30, 2037. For Tiers 2, 3, and 4, level percent of payroll amortization with multiple layers is used as a percent of total valuation payroll from the respective employer (i.e., City or Harbor Port Police). For Tiers 5 and 6, level percent of payroll with multiple layers is used as a percent of combined payroll for these tiers from the respective employer (i.e., City or Harbor Port Police).	Level of Percent of Payroll	Single Closed amortization period, level percent of pay	Level dollar amortization
Amortization Period	Actuarial gains/losses are amortized over 20 years. Assumption changes are amortized over 20 years. Plan changes are amortized over 15 years.	Multiple layers - closed amortization period. The unfunded actuarial accrued liability as of June 30, 2020 is amortized over a fixed period of 21 years beginning June 30, 2021. Actuarial gains/losses are amortized over 15 years. Non-health related assumptions or method changes are amortized over 20 years. Health related assumptions or method changes are amortized over 15 years. Plan changes, including the 2009 Early Retirement Incentive Program (ERIP), are amortized over 15 years. Future ERIPs will be amortized over 5 years. Any actuarial surplus is amortized over 30 years. The existing layers on June 30, 2012, except those arising from the 2009 ERIP and the two GASB 25/27 layers, were combined and amortized over 30 years.	16 years remaining as of June 30, 2019	The July 1, 2019 Unfunded Actuarial Accrued Liability is amortized over a fifteen-year period commencing July 1, 2019 (fully amortized as of July 1, 2034). Any subsequent changes in Surplus or Unfunded Actuarial Accrued Liability are amortized over separate fifteen-year periods. All amortization amounts are determined in equal dollar amounts over the amortization period.
Asset Valuation Method	The fair value of assets less unrecognized returns. Unrecognized return is equal to the difference between the actual and the expected return on fair value basis, and is recognized over a seven-year period. The actuarial value of assets is further adjusted, if necessary, to be within 40% of the fair value of assets.	Fair value of assets less unrecognized returns in each of the last 7 years. Unrecognized return is equal to the difference between the actual and the expected return on the fair value basis, and is recognized over a 7-year period. The actuarial value of assets cannot be less than 60% or greater than 140% of the fair value of assets.	The fair value of assets less unrecognized returns in each of the last five years. Unrecognized return is equal to the difference between the actual market returns and the expected returns on a fair value basis, and is recognized over a five-year period. Prior to the July 1, 2020 valuation, as directed by the Retirement Office, the actuarial value of assets was reduced by 1% as an amount classified as a non-valuation reserve to develop the net actuarial value of assets.	The fair value of assets less unrecognized returns in each of the last five years. Unrecognized return is equal to the difference between the actual and expected returns on a fair value basis and is recognized over a five-year period. Prior to the July 1, 2020 valuation, as directed by the Retirement Office, the actuarial value of assets was reduced by 1% as an amount classified as a non-valuation reserve to develop the net actuarial value of assets.
Actuarial Assumptions:				
Investment Rate of Return	7.25%	7.00%	7.00%	3.50%
Inflation Rate	3.00%	2.75%	2.75%	2.75%
Real Across-the-Board Salary Increase	0.50%	0.50%	N/A	N/A
Project Salary Increase	Ranges from 4.30% to 12.00% based on years of service	Ranges from 4.25% to 9.95% based on years of service	4.50% to 10.25%	4.5% to 10.25%
Cost of Living Adjustment	N/A	N/A	Contingent upon Consumer Price Index (CPI) increases with a 3.00% maximum for Tier 1, 2.00% maximum for Tier 2 members.	Contingent upon Consumer Price Index (CPI) increases with a 3.00% maximum for Tier 1, 2.00% maximum for Tier 2 members.
Mortality Rates:				
Healthy	Pub-2010 Safety Healthy Retiree Headcount-Weighted Above-Median Mortality Table multiplied by 105% for males and 100% for females, projected generationally with the two-dimensional mortality improvement scale MP-2019.	Pub-2010 General Healthy Retiree Headcount-Weighted Above-Median Mortality Tables with rates increased by 10% for males, projected generationally with the two-dimensional mortality improvement scale MP-2019	Pub-2010 General Healthy Retiree Headcount-Weighted Above-Median Mortality Table times 105% for males and 100% for females, projected generationally with the two-dimensional mortality improvement scale MP-2018.	Pub-2010 General Healthy Retiree Amount-Weighted Above Median Mortality Table (separate tables for males and females) times 105% for males and 100% for females, projected generationally with the two-dimensional mortality improvement scale MP-2018.
Disabled	Pub-2010 Safety Disabled Retiree Headcount-Weighted Mortality Table projected generationally with the two-dimensional mortality improvement scale MP-2019.	Pub-2010 Non-Safety Disabled Retiree Headcount-Weighted Mortality Tables with rates increased by 10% for males and decreased by 5% for females, projected generationally with the two-dimensional mortality improvement scale MP-2019.	Same as above	Same as above
Beneficiary	Pub-2010 General Healthy Retiree Headcount-Weighted Above-Median Mortality Table multiplied by 105%, projected generationally with the two dimensional mortality improvement scale MP-2019.	Pub-2010 Contingent Survivor Headcount-Weighted Above-Median Mortality Tables with rates increased by 10% for males and females, projected generationally with the two-dimensional mortality improvement scale MP-2019.	Pub-2010 General Healthy Retiree Headcount-Weighted Above-Median Mortality Table, projected generationally with the two-dimensional mortality improvement scale MP-2018.	Pub-2010 General Healthy Retiree Amount-Weighted Above-Median Mortality Table, projected generationally with the two-dimensional mortality improvement scale MP-2018.

CITY OF LOS ANGELES
REQUIRED SUPPLEMENTARY INFORMATION
Fiscal Year Ended June 30, 2021
(Unaudited)

Condition Rating for City Bridges
As of December 31, 2019

Bridge Type	No. of Bridges	Rating				
		A = 90% - 100% (Very Good)	B = 80% - 89% (Good to Fair)	C = 70% - 79% (Fair to Poor)	D = 50% - 69% (Very Poor)	F = Below 50% (Failure)
Vehicular	424	170	110	102	41	1
Pedestrian	69	5	59	4	1	--
Tunnel	16	5	7	4	--	--
Bikeway	3	1	2	--	--	--
Total	512	181	178	110	42	1
Percentage	100.0 %	35.3 %	34.8 %	21.5 %	8.2 %	0.2 %

Condition Rating for City Bridges
As of July 1, 2016

Bridge Type	No. of Bridges	Rating				
		A = 90% - 100% (Very Good)	B = 80% - 89% (Good to Fair)	C = 70% - 79% (Fair to Poor)	D = 50% - 69% (Very Poor)	F = Below 50% (Failure)
Vehicular	427	176	100	118	31	2
Pedestrian	69	4	62	3	--	--
Tunnel	16	5	7	4	--	--
Bikeway	3	2	1	--	--	--
Total	515	187	170	125	31	2
Percentage	100.0 %	36.3 %	33.0 %	24.3 %	6.0 %	0.4 %

Condition Rating for City Bridges
As of July 1, 2013

Bridge Type	No. of Bridges	Rating				
		A = 90% - 100% (Very Good)	B = 80% - 89% (Good to Fair)	C = 70% - 79% (Fair to Poor)	D = 50% - 69% (Very Poor)	F = Below 50% (Failure)
Vehicular	428	202	83	111	31	1
Pedestrian	67	7	57	3	--	--
Tunnel	17	6	8	3	--	--
Bikeway	2	1	1	--	--	--
Total	514	216	149	117	31	1
Percentage	100.0 %	42.0 %	29.0 %	22.8 %	6.0 %	0.2 %

CITY OF LOS ANGELES
REQUIRED SUPPLEMENTARY INFORMATION
Fiscal Year Ended June 30, 2021
(Unaudited)

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

	Fiscal Year Ended June 30				
	2017	2018	2019	2020	2021
Needed	\$ 2,933	\$ 1,583	\$ 1,317	\$ 1,601	\$ 1,429
Actual	2,324	2,456	994	1,130	794

The Bridges and Tunnel System is a comprehensive bridge database system that enables the City to track the entire bridge inventory, inspection data, repair records, structural condition of various bridge elements, bridge sufficiency rating, cost data, traffic data, and geometric data. The Sufficiency Rating given to each bridge is in accordance with national standards developed by the Federal Highway Administration. The Sufficiency Rating ranges from 0% to 100% and is composed of the following elements: Structural Safety and Adequacy ($S_1=55\%$), Serviceability and Functional Obsolescence ($S_2=30\%$), Essentiality for Public Use ($S_3=15\%$), and Special Reductions ($S_4=\text{up to a maximum of } 13\%$). The Special Reductions is provided for long detour distance, traffic safety features, and structure type. The Sufficiency Rating is computed by summing the four elements ($SR = S_1 + S_2 + S_3 - S_4$).

Once every three years, the Bureau of Engineering (BOE) submits a report on the condition of the City's bridges, establishing the City's compliance (or lack thereof) with the City Council's adopted policy on maintaining the condition of the City's bridge inventory. The City's policy is to maintain the bridges such that at least 70% of the bridges are rated "B" or better, and that no bridge shall be rated less than "D".

According to the applicable GAAP guidelines and GASB guidance, compliance with the policy (and therefore ability to use the modified approach to capital asset accounting) should be judged based on the three most recent reports. It should also be noted that the guidance repeatedly states the requirement as "approximately at (or above)" the policy standard.

The 2019 report states that 70.1% of the bridges are rated "B" or better, and one bridge is rated "F".

The 2016 report rated 69.3% of the bridges "B" or better, with two bridges rated "F".

The 2013 report rated 71.0% of the bridges "B" or better, with one bridge rated "F".

Clearly, the City has maintained the bridge inventory "approximately at (or above)" the 70% "B" or better policy standard over the past three evaluations.

Over the past three evaluations, a total of 4 bridges have received a grade of "F" once. In 2013, the 6th Street Viaduct, which was about to be demolished, was graded "F". Subsequently, due to changes in California Department of Transportation (CalTrans) evaluation standards, the rating was increased to "C". In 2016, two bridges were rated "F" due to the same CalTrans standards changes. Subsequent inspections under the new standard resulted in higher ratings for these two bridges as well. In the most recent report, the bridge rated "F" sustained fire damage that requires significant repair, though it is not in imminent danger of collapse. BOE has developed a mitigation plan, and the plan's implementation is in progress based on the funding status.

The letter grades are not provided by CalTrans – only the numerical scores. The letter grades are provided by the Bureau of Engineering for consistency with national standards and practice. As such, a rating by CalTrans under 50 does not necessarily indicate a "failed" bridge which should not be used. Given that the letter grades (and how they correspond to CalTrans' numerical ratings) are determined by the City, but CalTrans occasionally changes their rating methodology, the City will work to bring these standards together to generate a more meaningful rating.

Over the past three assessments, none of the four bridges to be rated "F" were so rated in more than one report, and all four ratings were due to extraordinary circumstances (changing standards and an unanticipated fire). The GASB Implementation Guidance regarding capital infrastructure reporting clearly indicates that individual changes or incidents that are reported in a single evaluation should not alone create policy non-compliance.

Based on our understanding of the BOE report, and the guidance currently available to us, it is our conclusion that the City is in compliance with the adopted policy and therefore the application of the modified approach under GAAP is appropriate.

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Combining and Individual Fund Financial Statements and Schedules

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

The other governmental funds combining balance sheet and other governmental funds combining statement of revenues, expenditures and changes in fund balances provide the detail for the combined amounts presented in the financial statements. Subcombining statements are presented to provide the detail for the Nonmajor Special Revenue Funds, Nonmajor Debt Service Funds, and Nonmajor Capital Projects Funds. In addition, combining budgetary comparison schedules are presented for each of the Nonmajor Budgeted Funds.

The combining statements for the fiduciary funds are also presented for the Pension and Other Postemployment Benefits Trust Funds, and Custodial Funds to provide the detail for the combined amounts presented in the statement of fiduciary net position and statement of changes in fiduciary net position of the basic financial statements.

CITY OF LOS ANGELES

**Combining Balance Sheet
Other Governmental Funds
June 30, 2021**

(amounts expressed in thousands)

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Other Governmental Funds
ASSETS				
Cash and Pooled Investments	\$ 3,717,982	\$ 157,673	\$ 305,685	\$ 4,181,340
Taxes Receivable (Net of Allowance for Uncollectibles of \$533)	1,322	15,318	--	16,640
Accounts Receivable (Net of Allowance for Uncollectibles of \$11,266)	123,168	--	842	124,010
Special Assessments Receivable	8,159	--	1,365	9,524
Investment Income Receivable	7,958	255	734	8,947
Intergovernmental Receivable	275,901	--	4,565	280,466
Loans Receivable (Net of Allowance for Uncollectibles of \$1,233,136)	2,077,863	--	--	2,077,863
Due from Other Funds	101,078	--	3,641	104,719
Inventories	10,671	--	--	10,671
Prepaid Items and Other Assets	8,802	--	--	8,802
Advances to Other Funds	107,460	--	--	107,460
Restricted Assets	10,462	--	--	10,462
Properties Held for Housing Development	110,304	--	--	110,304
TOTAL ASSETS	\$ 6,561,130	\$ 173,246	\$ 316,832	\$ 7,051,208
LIABILITIES				
Accounts, Contracts and Retainage Payable	\$ 199,272	\$ --	\$ 7,034	\$ 206,306
Obligations Under Securities Lending Transactions	24,560	1,015	2,178	27,753
Accrued Salaries and Overtime Payable	12,682	--	--	12,682
Intergovernmental Payable	3,067	--	--	3,067
Due to Other Funds	112,580	--	4,947	117,527
Unearned Revenue	225,534	--	--	225,534
Deposits and Advances	228,913	--	4	228,917
Interest Payable	--	268	--	268
Advances from Other Funds	156,200	6,520	3,000	165,720
Other Liabilities	58,531	2,185	4,686	65,402
Liability for Excess CRA Bond Proceeds	46,299	--	--	46,299
TOTAL LIABILITIES	1,067,638	9,988	21,849	1,099,475
DEFERRED INFLOWS OF RESOURCES				
Property Tax	40	11,967	--	12,007
Taxes Other than Property	8	--	--	8
Receivables from Other Government Agencies	190,442	--	4,995	195,437
Interest Receivable on Loans and Others	641,381	82	1,031	642,494
TOTAL DEFERRED INFLOWS OF RESOURCES	831,871	12,049	6,026	849,946
FUND BALANCES				
Nonspendable	19,473	--	--	19,473
Restricted	3,132,325	155,535	288,957	3,576,817
Committed	1,563,121	--	--	1,563,121
Assigned	2,938	--	--	2,938
Unassigned	(56,236)	(4,326)	--	(60,562)
TOTAL FUND BALANCES	4,661,621	151,209	288,957	5,101,787
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 6,561,130	\$ 173,246	\$ 316,832	\$ 7,051,208

CITY OF LOS ANGELES

**Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Other Governmental Funds
For the Fiscal Year Ended June 30, 2021
(amounts expressed in thousands)**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Other Governmental Funds
REVENUES				
Property Taxes	\$ 28,135	\$ 121,236	\$ --	\$ 149,371
Other Taxes	54,973	--	2,937	57,910
Licenses and Permits	60,259	--	12	60,271
Intergovernmental	1,988,406	--	20,776	2,009,182
Charges for Services	905,802	--	622	906,424
Services to Enterprise Funds	7,672	--	--	7,672
Fines	4,348	--	--	4,348
Special Assessments	107,613	--	24,879	132,492
Investment Earnings	43,097	1,283	3,928	48,308
Change in Fair Value of Investments	(70,208)	(2,737)	(6,304)	(79,249)
Program Income	34,818	--	--	34,818
Other	88,142	--	19	88,161
TOTAL REVENUES	3,253,057	119,782	46,869	3,419,708
EXPENDITURES				
Current:				
General Government	74,829	283	--	75,112
Protection of Persons and Property	523,797	--	--	523,797
Public Works	296,920	--	--	296,920
Health and Sanitation	456,247	--	--	456,247
Transportation	372,483	--	--	372,483
Cultural and Recreational Services	549,191	--	--	549,191
Community Development	745,695	--	--	745,695
Capital Outlay	331,651	--	80,133	411,784
Debt Service:				
Principal	33,025	135,297	--	168,322
Interest	601	34,656	--	35,257
TOTAL EXPENDITURES	3,384,439	170,236	80,133	3,634,808
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(131,382)	(50,454)	(33,264)	(215,100)
OTHER FINANCING SOURCES (USES)				
Transfers In	664,684	39,613	3,326	707,623
Transfers Out	(495,076)	(4)	(4,994)	(500,074)
TOTAL OTHER FINANCING SOURCES (USES)	169,608	39,609	(1,668)	207,549
NET CHANGE IN FUND BALANCES	38,226	(10,845)	(34,932)	(7,551)
FUND BALANCES, JULY 1	4,623,395	162,054	323,889	5,109,338
FUND BALANCES, JUNE 30	\$ 4,661,621	\$ 151,209	\$ 288,957	\$ 5,101,787

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General Fund

The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in other funds. General Fund revenues are derived from such sources as Taxes, Licenses and Permits, Intergovernmental Revenues, Charges for Services, Fines, Special Assessments, Interest and Others. Expenditures are expended for function of General Government, Protection of Persons and Property, Public Works, Health and Sanitation, Transportation, Cultural and Recreational Services, Community Development, Capital Outlay, and Debt Service.

CITY OF LOS ANGELES

Supplemental Schedule of Budget Appropriations,
Expenditures and Other Financing Uses by Function
Budget and Actual (Non-GAAP Budgetary Basis)

General Fund

For the Fiscal Year Ended June 30, 2021

(amounts expressed in thousands)

	Original Adopted Budget	Additional Appropriations and Transfers	Final Budget	Expenditures	Encumbrances June 30, 2021	Total Actual	Variance with Final Budget Positive (Negative)
GENERAL GOVERNMENT							
Cannabis Regulation	\$ 4,509	\$ (166)	\$ 4,343	\$ 3,173	\$ 366	\$ 3,539	\$ 804
City Administrative Officer	15,451	7,640	23,091	16,512	724	17,236	5,855
City Attorney	137,150	12,749	149,899	143,008	5,864	148,872	1,027
City Clerk	10,848	7,097	17,945	16,099	1,483	17,582	363
Civil, Human Rights	418	912	1,330	322	220	542	788
Controller	16,485	1,769	18,254	16,942	1,127	18,069	185
Council	31,864	23,824	55,688	36,900	1,688	38,588	17,100
Employee Relations Board	433	(16)	417	355	28	383	34
Ethics Commission	3,599	(108)	3,491	3,241	182	3,423	68
Finance	37,863	324	38,187	34,675	2,907	37,582	605
General Services	256,963	148,112	405,075	315,892	41,770	357,662	47,413
Information Technology							
Agency	97,377	(1,564)	95,813	72,531	20,690	93,221	2,592
Mayor	8,560	50,688	59,248	38,917	11,959	50,876	8,372
Neighborhood							
Empowerment	2,829	333	3,162	2,601	492	3,093	69
Personnel	62,876	15,754	78,630	67,050	8,767	75,817	2,813
Public Accountability	3,116	(135)	2,981	825	593	1,418	1,563
Non-departmental							
Capital Finance							
Administration	3,864	--	3,864	3,747	115	3,862	2
General City Purposes	175,800	8,513	184,313	65,818	14,735	80,553	103,760
Human Resources							
Benefits	800,594	(18,135)	782,459	768,676	13,605	782,281	178
Liability Claims	87,922	448	88,370	82,667	--	82,667	5,703
Unappropriated Balance	89,870	90,270	180,140	--	--	--	180,140
Water and Electricity	35,914	300	36,214	28,019	8,195	36,214	--
TOTAL GENERAL GOVERNMENT	1,884,305	348,609	2,232,914	1,717,970	135,510	1,853,480	379,434
PROTECTION OF PERSONS AND PROPERTY							
Animal Services	23,209	1,897	25,106	24,027	844	24,871	235
Building and Safety	129,380	(2,228)	127,152	107,389	3,551	110,940	16,212
Emergency Management	3,397	78	3,475	3,250	77	3,327	148
Fire	732,243	79,167	811,410	774,983	30,350	805,333	6,077
Police	1,857,331	(125,466)	1,731,865	1,624,360	76,354	1,700,714	31,151
TOTAL PROTECTION OF PERSONS AND PROPERTY	2,745,560	(46,552)	2,699,008	2,534,009	111,176	2,645,185	53,823
PUBLIC WORKS							
Board of Public Works	22,403	17,219	39,622	25,846	10,885	36,731	2,891
Bureau of Contract							
Administration	41,856	(780)	41,076	36,800	1,544	38,344	2,732
Bureau of Engineering	92,240	11,226	103,466	98,868	3,310	102,178	1,288
Bureau of Street Lightning	39,725	4,599	44,324	39,126	2,572	41,698	2,626
Bureau of Street Services	167,606	41,167	208,773	171,469	27,218	198,687	10,086
Non-departmental							
Water and Electricity	6,765	(300)	6,465	2,838	3,314	6,152	313
TOTAL PUBLIC WORKS	370,595	73,131	443,726	374,947	48,843	423,790	19,936
HEALTH AND SANITATION							
Public Works - Bureau of							
Sanitation	334,252	1,296	335,548	299,756	20,065	319,821	15,727

Continued...

CITY OF LOS ANGELES

**Supplemental Schedule of Budget Appropriations,
Expenditures and Other Financing Uses by Function
Budget and Actual (Non-GAAP Budgetary Basis) - (Continued)
General Fund
For the Fiscal Year Ended June 30, 2021
(amounts expressed in thousands)**

	Original Adopted Budget	Additional Appropriations and Transfers	Final Budget	Expenditures	Encumbrances June 30, 2021	Total Actual	Variance with Final Budget Positive (Negative)
TRANSPORTATION	\$ 180,373	\$ 348	\$ 180,721	\$ 154,358	\$ 11,064	\$ 165,422	\$ 15,299
CULTURAL AND RECREATIONAL SERVICES							
Convention Center	1,619	(38)	1,581	1,351	48	1,399	182
Cultural Affairs	16,328	(27)	16,301	9,981	3,276	13,257	3,044
El Pueblo De Los Angeles Historical Monument	1,625	252	1,877	1,514	63	1,577	300
Zoo	22,707	1,293	24,000	21,957	1,225	23,182	818
Non-departmental Water and Electricity	4,978	--	4,978	2,957	2,021	4,978	--
TOTAL CULTURAL AND RECREATIONAL SERVICES	47,257	1,480	48,737	37,760	6,633	44,393	4,344
COMMUNITY DEVELOPMENT							
Aging	6,475	49,918	56,393	51,464	3,294	54,758	1,635
Economic and Workforce Environment	23,035	(2,615)	20,420	13,567	1,259	14,826	5,594
Disability	4,510	865	5,375	4,125	1,161	5,286	89
Housing and Community Investment	81,138	3,471	84,609	69,955	7,765	77,720	6,889
Planning	52,893	(1,309)	51,584	43,665	3,566	47,231	4,353
TOTAL COMMUNITY DEVELOPMENT	168,051	50,330	218,381	182,776	17,045	199,821	18,560
PENSION AND RETIREMENT CONTRIBUTIONS							
Non-Departmental General City Purposes	2,716	(1,138)	1,578	1,291	54	1,345	233
CAPITAL OUTLAY							
Non-Departmental Capital Improvement Projects	91,552	(1,337)	90,215	12,419	10,515	22,934	67,281
TRANSFERS TO OTHER FUNDS							
Non-Departmental Capital Financing Administration	236,141	(42,239)	193,902	183,901	--	183,901	10,001
General	1,867,449	110,605	1,978,054	1,978,048	--	1,978,048	6
TOTAL TRANSFERS TO OTHER FUNDS	2,103,590	68,366	2,171,956	2,161,949	--	2,161,949	10,007
GRAND TOTAL	\$ 7,928,251	\$ 494,533	\$ 8,422,784	\$ 7,477,235	\$ 360,905	\$ 7,838,140	\$ 584,644

CITY OF LOS ANGELES

Supplemental Schedule of Budget Appropriations,
Expenditures and Other Financing Uses by Function and Object
Budget and Actual (Non-GAAP Budgetary Basis)
General Fund
For the Fiscal Year Ended June 30, 2021
(amounts expressed in thousands)

	Original Adopted Budget	Additional Appropriations and Transfers	Final Budget	Expenditures	Encumbrances June 30, 2021	Total Actual	Variance with Final Budget Positive (Negative)
GENERAL GOVERNMENT							
CANNABIS REGULATION							
Salaries	\$ 3,240	\$ 4	\$ 3,244	\$ 2,471	\$ 81	\$ 2,552	\$ 692
Expenses	1,269	(170)	1,099	702	285	987	112
Subtotal	4,509	(166)	4,343	3,173	366	3,539	804
CITY ADMINISTRATIVE							
OFFICER							
Salaries	14,740	915	15,655	15,005	467	15,472	183
Expenses	711	6,725	7,436	1,507	257	1,764	5,672
Subtotal	15,451	7,640	23,091	16,512	724	17,236	5,855
CITY ATTORNEY							
Salaries	129,113	11,843	140,956	135,853	4,130	139,983	973
Expenses	8,037	906	8,943	7,155	1,734	8,889	54
Subtotal	137,150	12,749	149,899	143,008	5,864	148,872	1,027
CITY CLERK							
Salaries	10,164	2,157	12,321	11,689	334	12,023	298
Expenses	684	4,940	5,624	4,410	1,149	5,559	65
Subtotal	10,848	7,097	17,945	16,099	1,483	17,582	363
CIVIL, HUMAN RIGHTS							
Salaries	354	262	616	285	32	317	299
Expenses	14	426	440	37	81	118	322
Equipment	50	224	274	--	107	107	167
Subtotal	418	912	1,330	322	220	542	788
CONTROLLER							
Salaries	15,561	1,678	17,239	16,482	576	17,058	181
Expenses	924	91	1,015	460	551	1,011	4
Subtotal	16,485	1,769	18,254	16,942	1,127	18,069	185
COUNCIL							
Salaries	30,956	18,893	49,849	34,251	987	35,238	14,611
Expenses	908	4,931	5,839	2,649	701	3,350	2,489
Subtotal	31,864	23,824	55,688	36,900	1,688	38,588	17,100
EMPLOYEE RELATIONS							
BOARD							
Salaries	353	20	373	345	18	363	10
Expenses	80	(36)	44	10	10	20	24
Subtotal	433	(16)	417	355	28	383	34
ETHICS COMMISSION							
Salaries	3,191	91	3,282	3,119	99	3,218	64
Expenses	408	(199)	209	122	83	205	4
Subtotal	3,599	(108)	3,491	3,241	182	3,423	68
FINANCE							
Salaries	29,525	451	29,976	28,781	856	29,637	339
Expenses	8,338	(127)	8,211	5,894	2,051	7,945	266
Subtotal	37,863	324	38,187	34,675	2,907	37,582	605
GENERAL SERVICES							
Salaries	117,437	45,776	163,213	136,237	3,645	139,882	23,331
Expenses	135,632	102,173	237,805	176,263	37,632	213,895	23,910
Equipment	400	--	400	164	101	265	135
Special	3,494	163	3,657	3,228	392	3,620	37
Subtotal	256,963	148,112	405,075	315,892	41,770	357,662	47,413

Continued...

CITY OF LOS ANGELES

Supplemental Schedule of Budget Appropriations,
Expenditures and Other Financing Uses by Function and Object
Budget and Actual (Non-GAAP Budgetary Basis) - (Continued)

General Fund

For the Fiscal Year Ended June 30, 2021

(amounts expressed in thousands)

	Original Adopted Budget	Additional Appropriations and Transfers	Final Budget	Expenditures	Encumbrances June 30, 2021	Total Actual	Variance with Final Budget Positive (Negative)
INFORMATION							
TECHNOLOGY AGENCY							
Salaries	\$ 45,314	\$ 2,075	\$ 47,389	\$ 45,106	\$ 1,239	\$ 46,345	\$ 1,044
Expenses	31,347	(1,663)	29,684	17,644	11,691	29,335	349
Equipment	153	(148)	5	--	--	--	5
Special	20,563	(1,828)	18,735	9,781	7,760	17,541	1,194
Subtotal	97,377	(1,564)	95,813	72,531	20,690	93,221	2,592
MAYOR							
Salaries	8,171	15,888	24,059	19,835	573	20,408	3,651
Expenses	389	34,800	35,189	19,082	11,386	30,468	4,721
Subtotal	8,560	50,688	59,248	38,917	11,959	50,876	8,372
NEIGHBORHOOD EMPOWERMENT							
Salaries	2,592	(90)	2,502	2,407	75	2,482	20
Expenses	223	425	648	187	412	599	49
Special	14	(2)	12	7	5	12	--
Subtotal	2,829	333	3,162	2,601	492	3,093	69
PERSONNEL							
Salaries	51,651	5,436	57,087	54,708	1,550	56,258	829
Expenses	9,402	10,194	19,596	11,890	6,956	18,846	750
Special	1,823	124	1,947	452	261	713	1,234
Subtotal	62,876	15,754	78,630	67,050	8,767	75,817	2,813
PUBLIC ACCOUNTABILITY							
Salaries	1,432	(125)	1,307	812	24	836	471
Expenses	1,684	(10)	1,674	13	569	582	1,092
Subtotal	3,116	(135)	2,981	825	593	1,418	1,563
NON-DEPARTMENTAL							
Capital Finance	3,864	--	3,864	3,747	115	3,862	2
Administration							
General City Purposes	175,800	8,513	184,313	65,818	14,735	80,553	103,760
Human Resources Benefits	800,594	(18,135)	782,459	768,676	13,605	782,281	178
Liability Claims	87,922	448	88,370	82,667	--	82,667	5,703
Unappropriated Balance	89,870	90,270	180,140	--	--	--	180,140
Water and Electricity	35,914	300	36,214	28,019	8,195	36,214	--
Subtotal	1,193,964	81,396	1,275,360	948,927	36,650	985,577	289,783
TOTAL GENERAL GOVERNMENT	1,884,305	348,609	2,232,914	1,717,970	135,510	1,853,480	379,434
PROTECTION OF PERSONS AND PROPERTY							
ANIMAL SERVICES							
Salaries	21,274	2,149	23,423	22,562	629	23,191	232
Expenses	1,935	(252)	1,683	1,465	215	1,680	3
Subtotal	23,209	1,897	25,106	24,027	844	24,871	235
BUILDING AND SAFETY							
Salaries	126,905	(2,396)	124,509	105,493	3,305	108,798	15,711
Expenses	2,475	168	2,643	1,896	246	2,142	501
Subtotal	129,380	(2,228)	127,152	107,389	3,551	110,940	16,212

Continued...

CITY OF LOS ANGELES

Supplemental Schedule of Budget Appropriations,
Expenditures and Other Financing Uses by Function and Object
Budget and Actual (Non-GAAP Budgetary Basis) - (Continued)

General Fund

For the Fiscal Year Ended June 30, 2021

(amounts expressed in thousands)

	Original Adopted Budget	Additional Appropriations and Transfers	Final Budget	Expenditures	Encumbrances June 30, 2021	Total Actual	Variance with Final Budget Positive (Negative)
EMERGENCY MANAGEMENT							
Salaries	\$ 3,326	\$ 115	\$ 3,441	\$ 3,223	\$ 71	\$ 3,294	\$ 147
Expenses	71	(37)	34	27	6	33	1
Subtotal	3,397	78	3,475	3,250	77	3,327	148
FIRE							
Salaries	694,154	49,068	743,222	719,956	20,269	740,225	2,997
Expenses	38,089	30,099	68,188	55,027	10,081	65,108	3,080
Subtotal	732,243	79,167	811,410	774,983	30,350	805,333	6,077
POLICE							
Salaries	1,749,252	(112,189)	1,637,063	1,564,668	47,022	1,611,690	25,373
Expenses	97,176	(8,295)	88,881	58,793	24,691	83,484	5,397
Equipment	10,903	(4,982)	5,921	899	4,641	5,540	381
Subtotal	1,857,331	(125,466)	1,731,865	1,624,360	76,354	1,700,714	31,151
TOTAL PROTECTION OF PERSONS AND PROPERTY	2,745,560	(46,552)	2,699,008	2,534,009	111,176	2,645,185	53,823
PUBLIC WORKS BOARD OF PUBLIC WORKS							
Salaries	8,947	1,624	10,571	10,060	285	10,345	226
Expenses	13,456	15,595	29,051	15,786	10,600	26,386	2,665
Subtotal	22,403	17,219	39,622	25,846	10,885	36,731	2,891
BUREAU OF CONTRACT ADMINISTRATION							
Salaries	39,029	(707)	38,322	35,440	1,004	36,444	1,878
Expenses	2,827	(73)	2,754	1,360	540	1,900	854
Subtotal	41,856	(780)	41,076	36,800	1,544	38,344	2,732
BUREAU OF ENGINEERING							
Salaries	88,603	11,246	99,849	96,381	2,705	99,086	763
Expenses	3,637	(20)	3,617	2,487	605	3,092	525
Subtotal	92,240	11,226	103,466	98,868	3,310	102,178	1,288
BUREAU OF STREET LIGHTING							
Salaries	31,564	6,367	37,931	35,587	953	36,540	1,391
Expenses	3,276	214	3,490	2,554	694	3,248	242
Equipment	1	--	1	--	--	--	1
Special	4,884	(1,982)	2,902	985	925	1,910	992
Subtotal	39,725	4,599	44,324	39,126	2,572	41,698	2,626
BUREAU OF STREET SERVICES							
Salaries	94,695	21,824	116,519	108,472	3,047	111,519	5,000
Expenses	72,911	19,343	92,254	62,997	24,171	87,168	5,086
Subtotal	167,606	41,167	208,773	171,469	27,218	198,687	10,086
NON-DEPARTMENTAL							
Water and Electricity	6,765	(300)	6,465	2,838	3,314	6,152	313
TOTAL PUBLIC WORKS	370,595	73,131	443,726	374,947	48,843	423,790	19,936

Continued...

CITY OF LOS ANGELES

Supplemental Schedule of Budget Appropriations,
Expenditures and Other Financing Uses by Function and Object
Budget and Actual (Non-GAAP Budgetary Basis) - (Continued)

General Fund

For the Fiscal Year Ended June 30, 2021

(amounts expressed in thousands)

	Original Adopted Budget	Additional Appropriations and Transfers	Final Budget	Expenditures	Encumbrances June 30, 2021	Total Actual	Variance with Final Budget Positive (Negative)
HEALTH AND SANITATION							
PUBLIC WORKS - BUREAU OF SANITATION							
Salaries	\$ 302,012	\$ (841)	\$ 301,171	\$ 278,502	\$ 8,568	\$ 287,070	\$ 14,101
Expenses	32,240	2,137	34,377	21,254	11,497	32,751	1,626
TOTAL HEALTH AND SANITATION	<u>334,252</u>	<u>1,296</u>	<u>335,548</u>	<u>299,756</u>	<u>20,065</u>	<u>319,821</u>	<u>15,727</u>
TRANSPORTATION							
Salaries	156,448	(723)	155,725	137,471	3,977	141,448	14,277
Expenses	23,925	1,071	24,996	16,887	7,087	23,974	1,022
TOTAL TRANSPORTATION	<u>180,373</u>	<u>348</u>	<u>180,721</u>	<u>154,358</u>	<u>11,064</u>	<u>165,422</u>	<u>15,299</u>
CULTURAL AND RECREATIONAL SERVICES CONVENTION CENTER							
Salaries	1,547	(50)	1,497	1,315	33	1,348	149
Expenses	72	12	84	36	15	51	33
Subtotal	<u>1,619</u>	<u>(38)</u>	<u>1,581</u>	<u>1,351</u>	<u>48</u>	<u>1,399</u>	<u>182</u>
CULTURAL AFFAIRS							
Salaries	7,880	--	7,880	7,037	187	7,224	656
Expenses	1,055	(9)	1,046	419	306	725	321
Special	7,393	(18)	7,375	2,525	2,783	5,308	2,067
Subtotal	<u>16,328</u>	<u>(27)</u>	<u>16,301</u>	<u>9,981</u>	<u>3,276</u>	<u>13,257</u>	<u>3,044</u>
EL PUEBLO DE LOS ANGELES HISTORICAL MONUMENT							
Salaries	1,024	319	1,343	1,132	31	1,163	180
Expenses	601	(67)	534	382	32	414	120
Subtotal	<u>1,625</u>	<u>252</u>	<u>1,877</u>	<u>1,514</u>	<u>63</u>	<u>1,577</u>	<u>300</u>
ZOO							
Salaries	19,129	1,329	20,458	19,505	531	20,036	422
Expenses	3,578	(36)	3,542	2,452	694	3,146	396
Subtotal	<u>22,707</u>	<u>1,293</u>	<u>24,000</u>	<u>21,957</u>	<u>1,225</u>	<u>23,182</u>	<u>818</u>
NON-DEPARTMENTAL							
Water and Electricity	4,978	--	4,978	2,957	2,021	4,978	--
TOTAL CULTURAL AND RECREATIONAL SERVICES	<u>47,257</u>	<u>1,480</u>	<u>48,737</u>	<u>37,760</u>	<u>6,633</u>	<u>44,393</u>	<u>4,344</u>
COMMUNITY DEVELOPMENT AGING							
Salaries	4,156	221	4,377	3,599	95	3,694	683
Expenses	2,319	49,697	52,016	47,865	3,199	51,064	952
Subtotal	<u>6,475</u>	<u>49,918</u>	<u>56,393</u>	<u>51,464</u>	<u>3,294</u>	<u>54,758</u>	<u>1,635</u>
ECONOMIC AND WORKFORCE DEVELOPMENT							
Salaries	15,246	1,950	17,196	11,908	332	12,240	4,956
Expenses	7,789	(4,565)	3,224	1,659	927	2,586	638
Subtotal	<u>23,035</u>	<u>(2,615)</u>	<u>20,420</u>	<u>13,567</u>	<u>1,259</u>	<u>14,826</u>	<u>5,594</u>

Continued...

CITY OF LOS ANGELES

**Supplemental Schedule of Budget Appropriations,
Expenditures and Other Financing Uses by Function and Object
Budget and Actual (Non-GAAP Budgetary Basis) - (Continued)**

General Fund

For the Fiscal Year Ended June 30, 2021

(amounts expressed in thousands)

	Original Adopted Budget	Additional Appropriations and Transfers	Final Budget	Expenditures	Encumbrances June 30, 2021	Total Actual	Variance with Final Budget Positive (Negative)
DISABILITY							
Salaries	\$ 2,617	\$ 138	\$ 2,755	\$ 2,663	\$ 78	\$ 2,741	\$ 14
Expenses	1,800	735	2,535	1,395	1,073	2,468	67
Special	93	(8)	85	67	10	77	8
Subtotal	<u>4,510</u>	<u>865</u>	<u>5,375</u>	<u>4,125</u>	<u>1,161</u>	<u>5,286</u>	<u>89</u>
HOUSING AND COMMUNITY INVESTMENT							
Salaries	65,766	51	65,817	60,781	1,886	62,667	3,150
Expenses	15,372	3,420	18,792	9,174	5,879	15,053	3,739
Subtotal	<u>81,138</u>	<u>3,471</u>	<u>84,609</u>	<u>69,955</u>	<u>7,765</u>	<u>77,720</u>	<u>6,889</u>
PLANNING							
Salaries	41,988	(81)	41,907	39,462	1,207	40,669	1,238
Expenses	10,453	(1,228)	9,225	4,069	2,041	6,110	3,115
Equipment	452	--	452	134	318	452	--
Subtotal	<u>52,893</u>	<u>(1,309)</u>	<u>51,584</u>	<u>43,665</u>	<u>3,566</u>	<u>47,231</u>	<u>4,353</u>
TOTAL COMMUNITY DEVELOPMENT	<u>168,051</u>	<u>50,330</u>	<u>218,381</u>	<u>182,776</u>	<u>17,045</u>	<u>199,821</u>	<u>18,560</u>
PENSION AND RETIREMENT CONTRIBUTION							
Non-Departmental	<u>2,716</u>	<u>(1,138)</u>	<u>1,578</u>	<u>1,291</u>	<u>54</u>	<u>1,345</u>	<u>233</u>
CAPITAL OUTLAY							
Non-Departmental	<u>91,552</u>	<u>(1,337)</u>	<u>90,215</u>	<u>12,419</u>	<u>10,515</u>	<u>22,934</u>	<u>67,281</u>
TRANSFERS TO OTHER FUNDS							
Non-Departmental	<u>2,103,590</u>	<u>68,366</u>	<u>2,171,956</u>	<u>2,161,949</u>	<u>--</u>	<u>2,161,949</u>	<u>10,007</u>
GRAND TOTAL	<u>\$ 7,928,251</u>	<u>\$ 494,533</u>	<u>\$ 8,422,784</u>	<u>\$ 7,477,235</u>	<u>\$ 360,905</u>	<u>\$ 7,838,140</u>	<u>\$ 584,644</u>

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Special Revenue Funds

Special Revenue Funds are used to account for revenues derived from specific taxes, governmental grants, or other revenue sources that are designated to finance particular functions and activities of the City.

SPECIAL REVENUE FUNDS

Special Revenue funds are used to account for revenues derived from specific taxes, governmental grants, or other revenue sources that are designated to finance particular functions and activities of the City. Only one fund is reported as a major fund and is presented in the basic financial statements. Nineteen funds are separately identified in the Nonmajor Special Revenue funds combining schedules and they account for 71.1% of the combined revenues of the Nonmajor Special Revenue funds. Three groupings of numerous smaller funds are reported for other grants, other special revenue, and allocations from other governmental agencies funds.

Building and Safety Permit Fund - Accounts for the fees collected for plan check, permitting, and inspection of new construction in the City; testing of construction materials and methods; and examining the licensing of welders, equipment operators, and registered deputy building inspector.

Citywide Recycling Trust Fund – Accounts for compliance fees collected from private solid waste haulers. Monies deposited in the fund are used to pay for industrial, commercial, and multi-family recycling programs that include program administration, public education, technical assistance to private businesses, research, market development, development of material recovery/diversion facilities, and other programs designed to increase solid waste diversion rates.

Proposition C Anti-Gridlock Transit Improvement Fund – Accounts for the City's 20.0% share of the additional one-half cent sales tax within the County of Los Angeles to improve transit service and operations, reduce traffic congestion, improve air quality and the condition of streets and freeways utilized by public transit, and reduce foreign fuel dependence.

Special Parking Revenue Fund – Accounts for all monies collected from parking meters in the City, except those monies from meters located in established vehicle parking districts. Monies in this fund may be used for the purchase, installation and maintenance of parking meters; the policing of parking meters and parking meter spaces; the collection of monies deposited in parking meters; the purchase, improvement, and operation of off-street parking facilities; the painting and marking of streets and curbs for the direction of traffic and parking of vehicles; and the installation of traffic signs, signals and other traffic control devices.

Stormwater Pollution Abatement Fund – Accounts for the charge on all properties in the City in order to treat and abate stormwater. The charge is based on stormwater runoff and pollutant loading associated with property size and land use.

Street Lighting Maintenance Assessment Fund – Accounts for revenues received for maintenance and operation of the majority of the streetlights in the City. Revenues are derived from benefit assessments to properties that comprise the Los Angeles City Lighting District. Expenditures include payments of electricity bills, replacement and modernization of older lighting systems, all repairs, engineering and administrative costs, purchase of supplies and equipment, and other items associated with the operation and maintenance of the street lighting system.

Proposition A Local Transit Assistance Fund - Accounts for the utilization of the one-half cent sales tax revenues for the planning, administration, and operation of Citywide public transportation programs. Funds are used to (a) improve and expand existing public transit Countywide, including reduction of transit fares, (b) construct and operate a rail rapid transit system, and (c) more effectively use State and Federal funds, benefit assessments, and fares. The City receives an allocation from a 25 percent share of the revenue collected, based on the City's percentage share of the population of Los Angeles County. Thirty-five percent of the proceeds are allocated to the Los Angeles County Transportation Commission for construction and operation of a rail system and 40 percent is allocated to the Commission for public transit purposes.

Low and Moderate Income Housing Fund – Accounts for housing assets and functions transferred from the former Community Redevelopment Agency when the City elected to be the successor agency for the low and moderate income housing functions.

Proposition HHH - Loans Program Fund - Accounts for funds received from the sale of General Obligation Bonds Series 2017-A and 2018-A as authorized by over two-thirds of all qualified voters for the purpose of providing safe, clean affordable housing for homeless and for those in danger of becoming homeless, such as battered women and their children, veterans, seniors, foster youth, and the disabled; and provide facilities to increase access to mental health care, drug and alcohol treatment and other services.

Measure R Local Return Funds – Accounts for an additional one-half cent sales tax for a period of 30 years. Monies in this fund shall be used to: expand the Metro rail system; make street improvements; enhance safety and improve the flow of traffic; and, make public transportation more convenient and affordable.

Special Revenue Funds

Recreation and Parks Fund – Accounts for activities of parks, playgrounds, swimming pools, public golf courses, recreation centers, recreation camps and educational facilities, structures of historic significance, and all recreation activities at such facilities.

Solid Waste Resources Fund– Accounts for the solid waste collection, transfer, recycling, recovery of waste resources, and disposal fee imposed on all single dwellings in the City and on multiple (up to four) unit dwellings for which the City provides refuse collection services. The fees collected are to cover costs associated with the City's solid waste collection, recycling and disposal activities.

Special Gas Tax Street Improvement Fund – Accounts for the revenues received from the State for the City's share of the gasoline tax and Traffic Congestion Relief Fund to be used for preservation, maintenance, and rehabilitation of local streets and road system. The fund also accounts for federal grants from the Surface Transportation Program to finance the upgrade of the most heavily traveled highways.

Covid-19 Federal Relief Fund - Accounts for receipts, retention and disbursement of the Federal Coronavirus Relief Funds. The monies received shall be spent at the direction of the Ad Hoc Committee on Covid-19 Recovery and Neighborhood Investment that is established to oversee the economic recovery from the Covid-19 public health crisis.

Community Development Trust Fund – Accounts for the Block Grant funds allocated by the United States Department of Housing and Urban Development (HUD) for the development of viable urban communities, including: decent housing and suitable living environment; expanding economic opportunities, principally for persons of low and moderate income; and physical improvements to communities accompanied by supportive social services.

Section 108 Loan Guarantee Program Fund – Accounts for loan guarantee funds from United States Department of Housing and Urban Development (HUD) for housing, commercial and industrial development projects.

Home Investment Partnership Program Fund – Accounts for the grants received from HUD to expand the supply of decent, safe, sanitary and affordable housing with the primary focus on rental housing, and to strengthen the abilities of state and local governments to provide housing to persons principally of low and very low income.

Transportation Grants Fund – Accounts for grant funds from the Metropolitan Transit Authority to implement the Transportation Improvement Program Call for Projects (TIP).

Workforce Innovation Opportunity Act Fund – Accounts for the grants received from the United States Department of Labor for the purpose of providing employment and training opportunities for the disadvantaged residents and dislocated workers of the City.

Other Nonmajor Grant Funds – Account for various grants received from the Federal and State governments used for a specific purpose, activity or facility. This group represents 8.4% of the combined revenues of the Nonmajor Special Revenue funds. Included in this group are eight annually budgeted funds: Disaster Assistance, Community Services Block Grant, Forfeited Assets Trust of Police Department, Household Hazardous Waste, Housing Opportunities for Persons with AIDS, Mobile Source Air Pollution Reduction, Older Americans Act, and Supplemental Law Enforcement Services.

Other Nonmajor Special Revenue Funds – Account for the activities of non-grant Special Revenue funds that represent 17.0% of the combined revenues of the Nonmajor Special Revenue funds. Included in this group are 19 annually budgeted funds: Arts and Cultural Facilities and Services, Arts Development Fee, City Employees Ridesharing, City of Los Angeles Affordable Housing, El Pueblo de Los Angeles Historical Monument, Local Public Safety, Los Angeles Convention and Visitors Bureau, Multi-Family Bulky Item Fee, Municipal Housing Finance, Planning Case Processing Special Fund, Rent Stabilization, Street Damage Restoration Fee, Code Enforcement Trust Fund, Telecommunications Liquidated Damages and Lost Franchise Fees, Traffic Safety, Zoo, Sidewalk Repair Fund, Code Compliance and Cannabis Regulation.

Special Revenue Funds

Allocations From Other Governmental Agencies - Account for funds received by the City from various sources used for engineering design, fire protection, acquiring rights if any, construction and for various other programs. This group represents 3.5% of the combined revenues of the Nonmajor Special Revenue funds. Included in this group are 33 partially budgeted funds: Animal Sterilization Fund, ATSAC Trust Fund, Business Improvement Trust Fund, City Attorney Consumer Protection Fund, City Planning System Development Fund, Coastal Transportation Corridor Trust Fund, CRA Non-Housing Bond Proceeds Fund, DOT Expedited Fee Trust Fund, Federal Emergency Shelter Grant Fund, Foreclosure Registry Program Fund, Housing Impact Trust Fund, Housing Production Revolving Fund, Innovation Fund, LA Performance Partnership Pilot Fund, LA Regional Agency Trust Fund, Low and Moderate Income Housing Fund, Medical Intergovernmental Transfer Program Fund, Off-Site Sign Periodic Inspection Fee Fund, Permit Parking Program Revenue Fund, Pershing Square Special Trust Fund, Planning Long-Range Planning Fund, Repair and Demolition Fund, Short-term Enforcement Trust Fund, Sidewalk and Park Vending Trust Fund, Street Banners Revenue Trust Fund, LA County Youth Job Program Fund, Traffic Safety Education Program Fund, Transportation Regulation and Enforcement Fund, Used Oil Collection Trust Fund, Ventura/Cahuenga Corridor Plan Fund, Warner Center Mobility Trust Fund, Warner Center Transportation Trust Fund, and West LA Transportation Improvement and Mitigation Fund.

CITY OF LOS ANGELES

**Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2021
(amounts expressed in thousands)**

	Building and Safety Permit	Citywide Recycling Trust	Proposition C Anti-Gridlock Transit Improvement	Special Parking Revenue
ASSETS				
Cash and Pooled Investments	\$ 305,907	\$ 28,199	\$ 33,006	\$ 57,536
Taxes Receivable	--	--	--	--
Accounts Receivable (Net of Allowance for Uncollectibles of \$11,266)	2,674	4,368	2,913	225
Special Assessments Receivable	1,214	--	--	--
Investment Income Receivable	732	66	48	135
Intergovernmental Receivable	--	--	17,215	--
Loans Receivable (Net of Allowance for Uncollectibles of \$1,233,136)	--	--	--	--
Due from Other Funds	7,679	7,256	6,977	1
Inventories	--	--	--	--
Prepaid Items and Other Assets	--	--	--	--
Advances to Other Funds	75,000	--	--	250
Restricted Assets	--	--	--	--
Properties Held for Housing Development	--	--	--	--
TOTAL ASSETS	\$ 393,206	\$ 39,889	\$ 60,159	\$ 58,147
LIABILITIES				
Accounts, Contracts and Retainage Payable	\$ 3,080	\$ --	\$ 310	\$ 2,778
Obligations Under Securities Lending Transactions	2,279	210	246	429
Accrued Salaries and Overtime Payable	2,920	--	--	--
Intergovernmental Payable	2	--	--	--
Due to Other Funds	287	7	--	74
Unearned Revenue	2,196	--	--	8,764
Deposits and Advances	315	--	--	253
Advances from Other Funds	--	--	--	18,499
Other Liabilities	4,903	452	529	922
Liability for Excess CRA Bond Proceeds	--	--	--	--
TOTAL LIABILITIES	15,982	669	1,085	31,719
DEFERRED INFLOWS OF RESOURCES				
Property Tax	--	--	--	--
Taxes Other than Property	--	--	--	--
Receivables from Other Government Agencies	--	--	4,940	--
Interest Receivable on Loans and Others	2,819	21	2,858	168
TOTAL DEFERRED INFLOWS OF RESOURCES	2,819	21	7,798	168
FUND BALANCES				
Nonspendable	--	--	--	--
Restricted	--	39,199	51,276	--
Committed	374,405	--	--	26,260
Assigned	--	--	--	--
Unassigned	--	--	--	--
TOTAL FUND BALANCES	374,405	39,199	51,276	26,260
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 393,206	\$ 39,889	\$ 60,159	\$ 58,147

Continued...

CITY OF LOS ANGELES

Combining Balance Sheet - (Continued)
Nonmajor Special Revenue Funds
June 30, 2021
(amounts expressed in thousands)

	Stormwater Pollution Abatement	Street Lighting Maintenance Assessment	Proposition A Local Transit Assistance	Low and Moderate Income Housing	Proposition HHH - Loans Program
ASSETS					
Cash and Pooled Investments	\$ 20,514	\$ 10,327	\$ 270,256	\$ 51,628	\$ 111,833
Taxes Receivable	--	--	--	--	--
Accounts Receivable					
(Net of Allowance for Uncollectibles of \$11,266)	1,303	4,193	4,000	--	--
Special Assessments Receivable	1,675	2,822	--	--	--
Investment Income Receivable	54	--	651	141	296
Intergovernmental Receivable	472	14	22,841	--	--
Loans Receivable					
(Net of Allowance for Uncollectibles of \$1,233,136)	--	--	--	619,514	153,707
Due from Other Funds	784	4,592	413	9	--
Inventories	--	2,001	--	--	--
Prepaid Items and Other Assets	--	--	--	--	--
Advances to Other Funds	--	--	--	--	--
Restricted Assets	--	--	--	9,857	--
Properties Held for Housing Development	--	--	--	110,304	--
TOTAL ASSETS	\$ 24,802	\$ 23,949	\$ 298,161	\$ 791,453	\$ 265,836
LIABILITIES					
Accounts, Contracts and Retainage Payable	\$ 3,558	\$ 569	\$ 33,626	\$ 97	\$ --
Obligations Under Securities Lending Transactions	153	--	2,013	458	801
Accrued Salaries and Overtime Payable	--	--	9	52	--
Intergovernmental Payable	--	--	--	--	--
Due to Other Funds	--	2	169	31	--
Unearned Revenue	384	--	9,726	--	--
Deposits and Advances	--	32	--	873	--
Advances from Other Funds	3,772	11,576	--	--	--
Other Liabilities	329	--	4,332	6,254	1,721
Liability for Excess CRA Bond Proceeds	--	--	--	--	--
TOTAL LIABILITIES	8,196	12,179	49,875	7,765	2,522
DEFERRED INFLOWS OF RESOURCES					
Property Tax	--	--	--	--	--
Taxes Other than Property	--	--	--	--	--
Receivables from Other Government Agencies	1,460	18	2,296	--	--
Interest Receivable on Loans and Others	987	4,778	207	200,558	4,243
TOTAL DEFERRED INFLOWS OF RESOURCES	2,447	4,796	2,503	200,558	4,243
FUND BALANCES					
Nonspendable	--	2,001	--	--	--
Restricted	14,159	4,973	245,783	583,130	259,071
Committed	--	--	--	--	--
Assigned	--	--	--	--	--
Unassigned	--	--	--	--	--
TOTAL FUND BALANCES	14,159	6,974	245,783	583,130	259,071
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 24,802	\$ 23,949	\$ 298,161	\$ 791,453	\$ 265,836

Continued...

CITY OF LOS ANGELES

**Combining Balance Sheet - (Continued)
Nonmajor Special Revenue Funds
June 30, 2021
(amounts expressed in thousands)**

	Measure R Local Return	Recreation and Parks	Solid Waste Resources	Special Gas Tax Street Improvement	Covid-19 Federal Relief
ASSETS					
Cash and Pooled Investments	\$ 107,000	\$ 433,763	\$ 97,617	\$ 165,350	\$ 25,758
Taxes Receivable	--	--	--	--	--
Accounts Receivable (Net of Allowance for Uncollectibles of \$11,266)	386	5	1,308	1,191	--
Special Assessments Receivable	--	--	--	--	--
Investment Income Receivable	291	947	248	408	329
Intergovernmental Receivable	22,581	--	--	--	--
Loans Receivable (Net of Allowance for Uncollectibles of \$1,233,136)	--	--	--	--	--
Due from Other Funds	11,332	495	7,811	13,748	19
Inventories	--	--	--	--	--
Prepaid Items and Other Assets	--	--	--	--	--
Advances to Other Funds	--	--	--	--	--
Restricted Assets	--	--	--	--	--
Properties Held for Housing Development	--	--	--	--	--
TOTAL ASSETS	\$ 141,590	\$ 435,210	\$ 106,984	\$ 180,697	\$ 26,106
LIABILITIES					
Accounts, Contracts and Retainage Payable	\$ 3,338	\$ 14,078	\$ 15,136	\$ 3,751	\$ 2,848
Obligations Under Securities Lending Transactions	797	3,231	727	1,232	192
Accrued Salaries and Overtime Payable	--	5,534	--	--	--
Intergovernmental Payable	2	51	--	--	--
Due to Other Funds	4,664	1,081	36	130	--
Unearned Revenue	--	167	--	--	16,419
Deposits and Advances	--	2,027	--	--	--
Advances from Other Funds	--	--	--	--	--
Other Liabilities	1,715	6,952	1,564	2,650	413
Liability for Excess CRA Bond Proceeds	--	--	--	--	--
TOTAL LIABILITIES	10,516	33,121	17,463	7,763	19,872
DEFERRED INFLOWS OF RESOURCES					
Property Tax	--	--	--	--	--
Taxes Other than Property	--	--	--	--	--
Receivables from Other Government Agencies	254	--	149	902	--
Interest Receivable on Loans and Others	93	302	1,585	129	104
TOTAL DEFERRED INFLOWS OF RESOURCES	347	302	1,734	1,031	104
FUND BALANCES					
Nonspendable	--	--	--	--	--
Restricted	130,727	401,787	24,777	10,785	6,130
Committed	--	--	63,010	161,118	--
Assigned	--	--	--	--	--
Unassigned	--	--	--	--	--
TOTAL FUND BALANCES	130,727	401,787	87,787	171,903	6,130
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 141,590	\$ 435,210	\$ 106,984	\$ 180,697	\$ 26,106

Continued...

CITY OF LOS ANGELES

Combining Balance Sheet - (Continued)
Nonmajor Special Revenue Funds
June 30, 2021
(amounts expressed in thousands)

	Grant Funds				
	Community Development Trust	Section 108 Loan Guarantee Program	Home Investment Partnership Program	Transportation Grants	Workforce Innovation Opportunity Act
ASSETS					
Cash and Pooled Investments	\$ 8,816	\$ 21,219	\$ 48,999	\$ 66,110	\$ 1,800
Taxes Receivable	--	--	--	--	--
Accounts Receivable					
(Net of Allowance for Uncollectibles of \$11,266)	--	--	--	11,847	--
Special Assessments Receivable	--	--	--	--	--
Investment Income Receivable	18	--	108	166	8
Intergovernmental Receivable	1,866	--	--	3,599	8,803
Loans Receivable					
(Net of Allowance for Uncollectibles of \$1,233,136)	302,534	52,110	667,015	--	--
Due from Other Funds	21	--	6	279	1
Inventories	--	--	--	--	--
Prepaid Items and Other Assets	2,660	--	5,820	--	252
Advances to Other Funds	--	--	--	--	--
Restricted Assets	--	--	--	--	--
Properties Held for Housing Development	--	--	--	--	--
TOTAL ASSETS	\$ 315,915	\$ 73,329	\$ 721,948	\$ 82,001	\$ 10,864
LIABILITIES					
Accounts, Contracts and Retainage Payable	\$ 3,841	\$ --	\$ 135	\$ 8,924	\$ 9,183
Obligations Under Securities Lending Transactions	66	1	365	492	13
Accrued Salaries and Overtime Payable	279	--	76	--	--
Intergovernmental Payable	265	--	4	--	252
Due to Other Funds	8,145	6	108	15,967	3,642
Unearned Revenue	--	--	--	--	--
Deposits and Advances	39	397	45	2,654	--
Advances from Other Funds	--	--	--	--	--
Other Liabilities	150	3	785	1,060	29
Liability for Excess CRA Bond Proceeds	--	--	--	--	--
TOTAL LIABILITIES	12,785	407	1,518	29,097	13,119
DEFERRED INFLOWS OF RESOURCES					
Property Tax	--	--	--	--	--
Taxes Other than Property	--	--	--	--	--
Receivables from Other Government Agencies	--	--	--	10,014	2,961
Interest Receivable on Loans and Others	98,578	--	186,523	168	3
TOTAL DEFERRED INFLOWS OF RESOURCES	98,578	--	186,523	10,182	2,964
FUND BALANCES					
Nonspendable	2,660	--	5,820	--	252
Restricted	201,892	72,922	528,087	42,722	1,124
Committed	--	--	--	--	--
Assigned	--	--	--	--	--
Unassigned	--	--	--	--	(6,595)
TOTAL FUND BALANCES	204,552	72,922	533,907	42,722	(5,219)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 315,915	\$ 73,329	\$ 721,948	\$ 82,001	\$ 10,864

Continued...

CITY OF LOS ANGELES

**Combining Balance Sheet - (Continued)
Nonmajor Special Revenue Funds
June 30, 2021
(amounts expressed in thousands)**

	<u>Grant Funds</u>		<u>Other Nonmajor Special Revenue Funds</u>	<u>Allocations from Other Governmental Agencies</u>	<u>Total</u>
	<u>Other Nonmajor Grant Funds</u>				
ASSETS					
Cash and Pooled Investments	\$ 493,947	\$	1,114,922	\$ 243,475	\$ 3,717,982
Taxes Receivable	--		1,322	--	1,322
Accounts Receivable (Net of Allowance for Uncollectibles of \$11,266)	9,001		66,363	13,391	123,168
Special Assessments Receivable	--		2,443	5	8,159
Investment Income Receivable	875		1,900	537	7,958
Intergovernmental Receivable	180,433		13,706	4,371	275,901
Loans Receivable (Net of Allowance for Uncollectibles of \$1,233,136)	103,392		167,790	11,801	2,077,863
Due from Other Funds	11,471		23,353	4,831	101,078
Inventories	--		8,670	--	10,671
Prepaid Items and Other Assets	--		70	--	8,802
Advances to Other Funds	--		32,171	39	107,460
Restricted Assets	--		605	--	10,462
Properties Held for Housing Development	--		--	--	110,304
TOTAL ASSETS	<u>\$ 799,119</u>	\$	<u>1,433,315</u>	\$ <u>278,450</u>	<u>\$ 6,561,130</u>
LIABILITIES					
Accounts, Contracts and Retainage Payable	\$ 55,616	\$	32,277	\$ 6,127	\$ 199,272
Obligations Under Securities Lending Transactions	3,252		5,945	1,658	24,560
Accrued Salaries and Overtime Payable	163		3,304	345	12,682
Intergovernmental Payable	1,114		1,039	338	3,067
Due to Other Funds	50,557		26,113	1,561	112,580
Unearned Revenue	184,490		3,388	--	225,534
Deposits and Advances	48		221,635	595	228,913
Advances from Other Funds	90,651		31,498	204	156,200
Other Liabilities	6,996		12,793	3,979	58,531
Liability for Excess CRA Bond Proceeds	--		--	46,299	46,299
TOTAL LIABILITIES	<u>392,887</u>		<u>337,992</u>	<u>61,106</u>	<u>1,067,638</u>
DEFERRED INFLOWS OF RESOURCES					
Property Tax	--		36	4	40
Taxes Other than Property	--		8	--	8
Receivables from Other Government Agencies	160,527		6,020	901	190,442
Interest Receivable on Loans and Others	20,218		100,911	16,128	641,381
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>180,745</u>		<u>106,975</u>	<u>17,033</u>	<u>831,871</u>
FUND BALANCES					
Nonspendable	--		8,740	--	19,473
Restricted	256,286		161,071	96,424	3,132,325
Committed	12,812		821,629	103,887	1,563,121
Assigned	--		2,938	--	2,938
Unassigned	(43,611)		(6,030)	--	(56,236)
TOTAL FUND BALANCES	<u>225,487</u>		<u>988,348</u>	<u>200,311</u>	<u>4,661,621</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 799,119</u>	\$	<u>1,433,315</u>	\$ <u>278,450</u>	<u>\$ 6,561,130</u>

CITY OF LOS ANGELES

**Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2021
(amounts expressed in thousands)**

	Building and Safety Permit	Citywide Recycling Trust	Proposition C Anti-Gridlock Transit Improvement	Special Parking Revenue
REVENUES				
Property Taxes	\$ --	\$ --	\$ --	\$ --
Other Taxes	--	21,593	--	--
Licenses and Permits	43,003	--	--	--
Intergovernmental	--	--	71,300	--
Charges for Services	119,907	--	17,676	40,608
Services to Enterprise Funds	1,229	--	--	--
Fines	--	--	--	--
Special Assessments	86	--	--	--
Investment Earnings	4,352	432	835	626
Change in Fair Value of Investments	(4,444)	(734)	(325)	(102)
Program Income	--	--	--	--
Other	1,461	25	22	16,324
TOTAL REVENUES	165,594	21,316	89,508	57,456
EXPENDITURES				
Current				
General Government	--	--	--	--
Protection of Persons and Property	173,306	--	--	--
Public Works	--	--	--	--
Health and Sanitation	--	27,562	--	--
Transportation	--	--	75,256	25,274
Cultural and Recreational Services	--	--	--	--
Community Development	--	--	--	--
Capital Outlay	4,481	--	264	547
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
TOTAL EXPENDITURES	177,787	27,562	75,520	25,821
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(12,193)	(6,246)	13,988	31,635
OTHER FINANCING SOURCES (USES)				
Transfers In	21	1,442	685	--
Transfers Out	(129)	(767)	--	(218)
TOTAL OTHER FINANCING SOURCES (USES)	(108)	675	685	(218)
NET CHANGE IN FUND BALANCES	(12,301)	(5,571)	14,673	31,417
FUND BALANCES, JULY 1	386,706	44,770	36,603	(5,157)
FUND BALANCES, JUNE 30	\$ 374,405	\$ 39,199	\$ 51,276	\$ 26,260

Continued...

CITY OF LOS ANGELES

**Combining Statement of Revenues, Expenditures
and Changes in Fund Balances - (Continued)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2021
(amounts expressed in thousands)**

	Stormwater Pollution Abatement	Street Lighting Maintenance Assessment	Proposition A Local Transit Assistance	Low and Moderate Income Housing	Proposition HHH - Loans Program
REVENUES					
Property Taxes	\$ --	\$ --	\$ --	\$ --	\$ --
Other Taxes	--	--	--	--	--
Licenses and Permits	--	1,294	--	--	--
Intergovernmental	4,259	4,655	163,897	--	--
Charges for Services	34,531	20,265	604	--	--
Services to Enterprise Funds	--	--	--	--	--
Fines	30	--	--	--	--
Special Assessments	--	45,981	--	--	--
Investment Earnings	312	--	3,390	778	1,926
Change in Fair Value of Investments	(541)	--	(4,468)	(1,368)	(4,117)
Program Income	--	--	--	3,570	386
Other	9,489	720	845	61	--
TOTAL REVENUES	48,080	72,915	164,268	3,041	(1,805)
EXPENDITURES					
Current					
General Government	--	--	--	--	--
Protection of Persons and Property	--	--	--	--	--
Public Works	--	70,089	--	--	--
Health and Sanitation	40,408	--	--	--	--
Transportation	--	--	139,555	--	--
Cultural and Recreational Services	--	--	--	--	--
Community Development	--	--	--	8,801	32,744
Capital Outlay	2,177	1,940	21,768	--	--
Debt Service					
Principal	--	--	--	--	--
Interest	--	--	--	--	--
TOTAL EXPENDITURES	42,585	72,029	161,323	8,801	32,744
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	5,495	886	2,945	(5,760)	(34,549)
OTHER FINANCING SOURCES (USES)					
Transfers In	--	1,000	--	--	4,794
Transfers Out	(800)	(45)	(2,395)	(51)	(126)
TOTAL OTHER FINANCING SOURCES (USES)	(800)	955	(2,395)	(51)	4,668
NET CHANGE IN FUND BALANCES	4,695	1,841	550	(5,811)	(29,881)
FUND BALANCES, JULY 1	9,464	5,133	245,233	588,941	288,952
FUND BALANCES, JUNE 30	\$ 14,159	\$ 6,974	\$ 245,783	\$ 583,130	\$ 259,071

Continued...

CITY OF LOS ANGELES

**Combining Statement of Revenues, Expenditures
and Changes in Fund Balances - (Continued)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2021
(amounts expressed in thousands)**

	Measure R Local Return	Recreation and Parks	Solid Waste Resources	Special Gas Tax Street Improvement	Covid-19 Federal Relief
REVENUES					
Property Taxes	\$ --	\$ --	\$ --	\$ --	\$ --
Other Taxes	--	--	--	--	--
Licenses and Permits	--	878	--	--	--
Intergovernmental	113,878	--	2,847	170,078	868,747
Charges for Services	--	121,896	278,831	--	--
Services to Enterprise Funds	--	--	4,735	--	--
Fines	--	--	--	--	--
Special Assessments	--	--	--	--	--
Investment Earnings	1,361	4,791	1,726	1,939	4,268
Change in Fair Value of Investments	(1,632)	(6,264)	(3,953)	(2,066)	(20,137)
Program Income	--	--	--	--	--
Other	64	1,619	6,969	48	10
TOTAL REVENUES	113,671	122,920	291,155	169,999	852,888
EXPENDITURES					
Current					
General Government	--	--	--	--	16,000
Protection of Persons and Property	--	--	--	--	88,585
Public Works	--	--	--	119,282	10,082
Health and Sanitation	--	--	352,794	--	6,743
Transportation	93,263	--	--	--	11,427
Cultural and Recreational Services	--	293,695	--	--	22,685
Community Development	--	--	--	--	169,188
Capital Outlay	6,381	24,845	10,680	17,931	142,633
Debt Service					
Principal	--	--	--	--	--
Interest	--	--	--	--	--
TOTAL EXPENDITURES	99,644	318,540	363,474	137,213	467,343
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	14,027	(195,620)	(72,319)	32,786	385,545
OTHER FINANCING SOURCES (USES)					
Transfers In	2,554	241,599	6,955	77	--
Transfers Out	(516)	--	(27,603)	(925)	(401,405)
TOTAL OTHER FINANCING SOURCES (USES)	2,038	241,599	(20,648)	(848)	(401,405)
NET CHANGE IN FUND BALANCES	16,065	45,979	(92,967)	31,938	(15,860)
FUND BALANCES, JULY 1	114,662	355,808	180,754	139,965	21,990
FUND BALANCES, JUNE 30	\$ 130,727	\$ 401,787	\$ 87,787	\$ 171,903	\$ 6,130

Continued...

CITY OF LOS ANGELES

**Combining Statement of Revenues, Expenditures
and Changes in Fund Balances - (Continued)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2021
(amounts expressed in thousands)**

	Grant Funds				
	Community Development Trust	Section 108 Loan Guarantee Program	Home Investment Partnership Program	Transportation Grants	Workforce Innovation Opportunity Act
REVENUES					
Property Taxes	\$ --	\$ --	\$ --	\$ --	\$ --
Other Taxes	--	--	--	--	--
Licenses and Permits	--	--	--	--	--
Intergovernmental	38,240	--	9,363	25,458	36,245
Charges for Services	--	--	--	4,695	--
Services to Enterprise Funds	--	--	--	--	--
Fines	--	--	--	--	--
Special Assessments	--	--	--	--	--
Investment Earnings	36	16	504	327	31
Change in Fair Value of Investments	11	(3)	(575)	(1,238)	(32)
Program Income	16,284	595	10,940	--	--
Other	24	--	5	--	20
TOTAL REVENUES	54,595	608	20,237	29,242	36,264
EXPENDITURES					
Current					
General Government	--	--	--	--	--
Protection of Persons and Property	--	--	--	--	--
Public Works	--	--	--	--	--
Health and Sanitation	--	--	--	--	--
Transportation	--	--	--	11,591	--
Cultural and Recreational Services	--	--	--	--	--
Community Development	60,853	--	10,306	--	36,400
Capital Outlay	--	--	--	22,023	--
Debt Service					
Principal	--	33,025	--	--	--
Interest	--	601	--	--	--
TOTAL EXPENDITURES	60,853	33,626	10,306	33,614	36,400
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(6,258)	(33,018)	9,931	(4,372)	(136)
OTHER FINANCING SOURCES (USES)					
Transfers In	5,459	1,274	15	218	42
Transfers Out	(3)	--	(13)	(685)	--
TOTAL OTHER FINANCING SOURCES (USES)	5,456	1,274	2	(467)	42
NET CHANGE IN FUND BALANCES	(802)	(31,744)	9,933	(4,839)	(94)
FUND BALANCES, JULY 1	205,354	104,666	523,974	47,561	(5,125)
FUND BALANCES, JUNE 30	\$ 204,552	\$ 72,922	\$ 533,907	\$ 42,722	\$ (5,219)

Continued...

CITY OF LOS ANGELES

**Combining Statement of Revenues, Expenditures
and Changes in Fund Balances - (Continued)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2021
(amounts expressed in thousands)**

	<u>Grant Funds</u>	<u>Other Nonmajor Special Revenue Funds</u>	<u>Allocations from Other Governmental Agencies</u>	<u>Total</u>
REVENUES				
Property Taxes	\$ --	\$ 27,469	\$ 666	\$ 28,135
Other Taxes	--	33,380	--	54,973
Licenses and Permits	--	10,494	4,590	60,259
Intergovernmental	255,962	158,374	65,103	1,988,406
Charges for Services	5,377	223,053	38,359	905,802
Services to Enterprise Funds	--	1,439	269	7,672
Fines	--	2,165	2,153	4,348
Special Assessments	--	57,497	4,049	107,613
Investment Earnings	3,609	9,070	2,768	43,097
Change in Fair Value of Investments	(3,982)	(10,337)	(3,901)	(70,208)
Program Income	1,405	1,500	138	34,818
Other	10,323	39,874	239	88,142
TOTAL REVENUES	<u>272,694</u>	<u>553,978</u>	<u>114,433</u>	<u>3,253,057</u>
EXPENDITURES				
Current				
General Government	33,506	25,323	--	74,829
Protection of Persons and Property	94,877	142,380	24,649	523,797
Public Works	5,107	92,271	89	296,920
Health and Sanitation	6,654	20,906	1,180	456,247
Transportation	3,380	3,464	9,273	372,483
Cultural and Recreational Services	414	232,397	--	549,191
Community Development	156,812	188,877	81,714	745,695
Capital Outlay	43,248	31,044	1,689	331,651
Debt Service				
Principal	--	--	--	33,025
Interest	--	--	--	601
TOTAL EXPENDITURES	<u>343,998</u>	<u>736,662</u>	<u>118,594</u>	<u>3,384,439</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(71,304)</u>	<u>(182,684)</u>	<u>(4,161)</u>	<u>(131,382)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	21,072	373,319	4,158	664,684
Transfers Out	(29,528)	(29,793)	(74)	(495,076)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(8,456)</u>	<u>343,526</u>	<u>4,084</u>	<u>169,608</u>
NET CHANGE IN FUND BALANCES	<u>(79,760)</u>	<u>160,842</u>	<u>(77)</u>	<u>38,226</u>
FUND BALANCES, JULY 1	<u>305,247</u>	<u>827,506</u>	<u>200,388</u>	<u>4,623,395</u>
FUND BALANCES, JUNE 30	<u>\$ 225,487</u>	<u>\$ 988,348</u>	<u>\$ 200,311</u>	<u>\$ 4,661,621</u>

CITY OF LOS ANGELES

**Combining Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2021
(amounts expressed in thousands)**

	Building and Safety Permit			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES AND OTHER FINANCING SOURCES				
Revenues				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses, Permits and Fines	57,234	57,234	42,968	(14,266)
Intergovernmental	--	--	--	--
Charges for Services	144,227	144,227	121,165	(23,062)
Services to Enterprise Funds	1,200	1,200	670	(530)
Special Assessments	--	--	--	--
Interest	3,600	3,600	4,472	872
Program Income	--	--	--	--
Other	--	--	--	--
Total Revenues	206,261	206,261	169,275	(36,986)
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
TOTAL REVENUES AND OTHER FINANCING SOURCES	206,261	206,261	169,275	(36,986)
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	962,115	258,499	57,755	200,744
Public Works	--	--	--	--
Health and Sanitation	--	--	--	--
Transportation	--	--	--	--
Cultural and Recreational Services	--	--	--	--
Community Development	--	--	--	--
Capital Outlay	57,789	37,602	14,184	23,418
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	1,019,904	296,101	71,939	224,162
Other Financing Uses				
Transfers to Other Funds	185,692	131,129	111,364	19,765
TOTAL EXPENDITURES AND OTHER FINANCING USES	1,205,596	427,230	183,303	243,927
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(999,335)	(220,969)	(14,028)	206,941
FUND BALANCES (DEFICIT), JULY 1	303,528	303,528	365,486	61,958
Appropriation of Fund Balances and Carryforward Appropriations	695,807	(83,073)	--	83,073
Encumbrances Lapsed	--	514	514	--
FUND BALANCES (DEFICIT), JUNE 30	\$ --	\$ --	\$ 351,972	\$ 351,972

Continued...

CITY OF LOS ANGELES

**Combining Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Special Revenue Funds - (Continued)
For the Fiscal Year Ended June 30, 2021
(amounts expressed in thousands)**

	Citywide Recycling Trust			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES AND OTHER FINANCING SOURCES				
Revenues				
Taxes	\$ 30,150	\$ 25,650	\$ 24,545	\$ (1,105)
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	--	--	--	--
Charges for Services	--	--	--	--
Services to Enterprise Funds	--	--	--	--
Special Assessments	--	--	--	--
Interest	750	750	473	(277)
Program Income	--	--	--	--
Other	--	--	--	--
Total Revenues	30,900	26,400	25,018	(1,382)
Other Financing Sources				
Transfers from Other Funds	1,442	1,442	1,442	--
TOTAL REVENUES AND OTHER FINANCING SOURCES	32,342	27,842	26,460	(1,382)
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	--	--	--	--
Public Works	--	--	--	--
Health and Sanitation	91,371	55,036	18,350	36,686
Transportation	--	--	--	--
Cultural and Recreational Services	--	--	--	--
Community Development	--	--	--	--
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	91,371	55,036	18,350	36,686
Other Financing Uses				
Transfers to Other Funds	22,161	21,732	15,383	6,349
TOTAL EXPENDITURES AND OTHER FINANCING USES	113,532	76,768	33,733	43,035
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(81,190)	(48,926)	(7,273)	41,653
FUND BALANCES (DEFICIT), JULY 1	28,134	28,134	33,630	5,496
Appropriation of Fund Balances and Carryforward Appropriations	53,056	20,792	--	(20,792)
FUND BALANCES (DEFICIT), JUNE 30	\$ --	\$ --	\$ 26,357	\$ 26,357

Continued...

CITY OF LOS ANGELES

**Combining Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Special Revenue Funds - (Continued)
For the Fiscal Year Ended June 30, 2021
(amounts expressed in thousands)**

	Proposition C Anti-Gridlock Transit Improvement			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES AND OTHER FINANCING SOURCES				
Revenues				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	64,602	64,602	68,440	3,838
Charges for Services	16,255	16,255	15,279	(976)
Services to Enterprise Funds	--	--	--	--
Special Assessments	--	--	--	--
Interest	1,189	1,189	833	(356)
Program Income	--	--	--	--
Other	--	--	--	--
Total Revenues	82,046	82,046	84,552	2,506
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
TOTAL REVENUES AND OTHER FINANCING SOURCES	82,046	82,046	84,552	2,506
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	--	--	--	--
Public Works	--	--	--	--
Health and Sanitation	--	--	--	--
Transportation	47,725	37,165	15,201	21,964
Cultural and Recreational Services	--	--	--	--
Community Development	--	--	--	--
Capital Outlay	1,337	1,338	6	1,332
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	49,062	38,503	15,207	23,296
Other Financing Uses				
Transfers to Other Funds	68,394	61,965	58,850	3,115
TOTAL EXPENDITURES AND OTHER FINANCING USES	117,456	100,468	74,057	26,411
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(35,410)	(18,422)	10,495	28,917
FUND BALANCES (DEFICIT), JULY 1	17,384	17,384	19,706	2,322
Appropriation of Fund Balances and Carryforward Appropriations	18,026	904	--	(904)
Encumbrances Lapsed	--	134	134	--
FUND BALANCES (DEFICIT), JUNE 30	\$ --	\$ --	\$ 30,335	\$ 30,335

Continued...

CITY OF LOS ANGELES

**Combining Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Special Revenue Funds - (Continued)
For the Fiscal Year Ended June 30, 2021
(amounts expressed in thousands)**

	Special Parking Revenue			
	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Positive (Negative)
REVENUES AND OTHER FINANCING SOURCES				
Revenues				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	--	--	--	--
Charges for Services	82,612	60,427	61,045	618
Services to Enterprise Funds	--	--	--	--
Special Assessments	--	--	--	--
Interest	767	767	676	(91)
Program Income	--	--	--	--
Other	110	110	100	(10)
Total Revenues	83,489	61,304	61,821	517
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
TOTAL REVENUES AND OTHER FINANCING SOURCES	83,489	61,304	61,821	517
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	--	--	--	--
Public Works	--	--	--	--
Health and Sanitation	--	--	--	--
Transportation	88,865	68,035	26,844	41,191
Cultural and Recreational Services	--	--	--	--
Community Development	--	--	--	--
Capital Outlay	9,969	9,971	531	9,440
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	98,834	78,006	27,375	50,631
Other Financing Uses				
Transfers to Other Funds	37,387	37,618	5,253	32,365
TOTAL EXPENDITURES AND OTHER FINANCING USES	136,221	115,624	32,628	82,996
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(52,732)	(54,320)	29,193	83,513
FUND BALANCES (DEFICIT), JULY 1	191	191	11,615	11,424
Appropriation of Fund Balances and Carryforward Appropriations	52,541	54,024	--	(54,024)
Encumbrances Lapsed	--	105	105	--
FUND BALANCES (DEFICIT), JUNE 30	\$ --	\$ --	\$ 40,913	\$ 40,913

Continued...

CITY OF LOS ANGELES

**Combining Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Special Revenue Funds - (Continued)
For the Fiscal Year Ended June 30, 2021
(amounts expressed in thousands)**

	Stormwater Pollution Abatement			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES AND OTHER FINANCING SOURCES				
Revenues				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	33,192	33,192	40,015	6,823
Charges for Services	32,350	32,794	34,707	1,913
Services to Enterprise Funds	--	--	--	--
Special Assessments	--	--	--	--
Interest	300	300	469	169
Program Income	--	--	--	--
Other	--	--	--	--
Total Revenues	65,842	66,286	75,191	8,905
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
TOTAL REVENUES AND OTHER FINANCING SOURCES	65,842	66,286	75,191	8,905
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	--	--	--	--
Public Works	--	--	--	--
Health and Sanitation	66,292	82,452	16,433	66,019
Transportation	--	--	--	--
Cultural and Recreational Services	--	--	--	--
Community Development	--	--	--	--
Capital Outlay	8,185	8,192	3,824	4,368
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	74,477	90,644	20,257	70,387
Other Financing Uses				
Transfers to Other Funds	28,644	29,374	25,589	3,785
TOTAL EXPENDITURES AND OTHER FINANCING USES	103,121	120,018	45,846	74,172
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(37,279)	(53,732)	29,345	83,077
FUND BALANCES (DEFICIT), JULY 1	2,957	2,957	5,649	2,692
Appropriation of Fund Balances and Carryforward Appropriations	34,322	50,743	--	(50,743)
Encumbrances Lapsed	--	32	32	--
FUND BALANCES (DEFICIT), JUNE 30	\$ --	\$ --	\$ 35,026	\$ 35,026

Continued...

CITY OF LOS ANGELES

**Combining Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Special Revenue Funds - (Continued)
For the Fiscal Year Ended June 30, 2021
(amounts expressed in thousands)**

	Street Lighting Maintenance Assessment			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES AND OTHER FINANCING SOURCES				
Revenues				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses, Permits and Fines	--	--	1,294	1,294
Intergovernmental	229	229	3,816	3,587
Charges for Services	22,582	22,582	20,272	(2,310)
Services to Enterprise Funds	--	--	--	--
Special Assessments	49,316	49,316	43,789	(5,527)
Interest	--	--	--	--
Program Income	--	--	--	--
Other	3,125	3,125	721	(2,404)
Total Revenues	75,252	75,252	69,892	(5,360)
Other Financing Sources				
Transfers from Other Funds	--	1,627	1,000	(627)
TOTAL REVENUES AND OTHER FINANCING SOURCES	75,252	76,879	70,892	(5,987)
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	--	--	--	--
Public Works	76,680	70,225	21,887	48,338
Health and Sanitation	--	--	--	--
Transportation	--	--	--	--
Cultural and Recreational Services	--	--	--	--
Community Development	--	--	--	--
Capital Outlay	1,302	3,019	2,011	1,008
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	77,982	73,244	23,898	49,346
Other Financing Uses				
Transfers to Other Funds	46,439	46,707	43,597	3,110
TOTAL EXPENDITURES AND OTHER FINANCING USES	124,421	119,951	67,495	52,456
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(49,169)	(43,072)	3,397	46,469
FUND BALANCES (DEFICIT), JULY 1	--	--	(13,918)	(13,918)
Appropriation of Fund Balances and Carryforward Appropriations	49,169	43,069	--	(43,069)
Encumbrances Lapsed	--	3	3	--
FUND BALANCES (DEFICIT), JUNE 30	\$ --	\$ --	\$ (10,518)	\$ (10,518)

Continued...

CITY OF LOS ANGELES

**Combining Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Special Revenue Funds - (Continued)
For the Fiscal Year Ended June 30, 2021
(amounts expressed in thousands)**

	Proposition A Local Transit Assistance			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES AND OTHER FINANCING SOURCES				
Revenues				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	232,073	232,073	166,475	(65,598)
Charges for Services	1,116	1,116	800	(316)
Services to Enterprise Funds	--	--	--	--
Special Assessments	--	--	--	--
Interest	4,949	4,949	3,550	(1,399)
Program Income	--	--	--	--
Other	2,839	2,839	2,037	(802)
Total Revenues	240,977	240,977	172,862	(68,115)
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
TOTAL REVENUES AND OTHER FINANCING SOURCES	240,977	240,977	172,862	(68,115)
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	--	--	--	--
Public Works	--	--	--	--
Health and Sanitation	--	--	--	--
Transportation	575,657	588,078	153,143	434,935
Cultural and Recreational Services	--	--	--	--
Community Development	--	--	--	--
Capital Outlay	10,807	10,807	8,382	2,425
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	586,464	598,885	161,525	437,360
Other Financing Uses				
Transfers to Other Funds	9,885	10,023	7,989	2,034
TOTAL EXPENDITURES AND OTHER FINANCING USES	596,349	608,908	169,514	439,394
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(355,372)	(367,931)	3,348	371,279
FUND BALANCES (DEFICIT), JULY 1	585	585	159,547	158,962
Appropriation of Fund Balances and Carryforward Appropriations	354,787	367,510	--	(367,510)
Encumbrances Lapsed	--	(164)	(164)	--
FUND BALANCES (DEFICIT), JUNE 30	\$ --	\$ --	\$ 162,731	\$ 162,731

Continued...

CITY OF LOS ANGELES

**Combining Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Special Revenue Funds - (Continued)
For the Fiscal Year Ended June 30, 2021
(amounts expressed in thousands)**

	Measure R Local Return			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES AND OTHER FINANCING SOURCES				
Revenues				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	106,010	106,010	108,282	2,272
Charges for Services	--	--	--	--
Services to Enterprise Funds	--	--	--	--
Special Assessments	--	--	--	--
Interest	1,595	1,595	1,451	(144)
Program Income	--	--	--	--
Other	--	--	--	--
Total Revenues	107,605	107,605	109,733	2,128
Other Financing Sources				
Transfers from Other Funds	--	2,616	2,554	(62)
TOTAL REVENUES AND OTHER FINANCING SOURCES	107,605	110,221	112,287	2,066
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	--	--	--	--
Public Works	--	--	--	--
Health and Sanitation	--	--	--	--
Transportation	127,272	101,289	42,017	59,272
Cultural and Recreational Services	--	--	--	--
Community Development	--	--	--	--
Capital Outlay	18,621	26,233	11,270	14,963
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	145,893	127,522	53,287	74,235
Other Financing Uses				
Transfers to Other Funds	65,174	60,818	51,457	9,361
TOTAL EXPENDITURES AND OTHER FINANCING USES	211,067	188,340	104,744	83,596
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(103,462)	(78,119)	7,543	85,662
FUND BALANCES (DEFICIT), JULY 1	18,532	18,532	77,499	58,967
Appropriation of Fund Balances and Carryforward Appropriations	84,930	57,958	--	(57,958)
Encumbrances Lapsed	--	1,629	1,629	--
FUND BALANCES (DEFICIT), JUNE 30	\$ --	\$ --	\$ 86,671	\$ 86,671

Continued...

CITY OF LOS ANGELES

**Combining Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Special Revenue Funds - (Continued)
For the Fiscal Year Ended June 30, 2021
(amounts expressed in thousands)**

	Solid Waste Resources			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES AND OTHER FINANCING SOURCES				
Revenues				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	6,025	6,025	2,704	(3,321)
Charges for Services	306,859	306,859	290,486	(16,373)
Services to Enterprise Funds	4,700	4,700	4,735	35
Special Assessments	--	--	--	--
Interest	2,225	2,225	3,436	1,211
Program Income	--	--	--	--
Other	1,356	1,356	7,004	5,648
Total Revenues	321,165	321,165	308,365	(12,800)
Other Financing Sources				
Transfers from Other Funds	3,967	3,967	7,026	3,059
TOTAL REVENUES AND OTHER FINANCING SOURCES	325,132	325,132	315,391	(9,741)
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	--	--	--	--
Public Works	--	--	--	--
Health and Sanitation	298,455	241,277	196,185	45,092
Transportation	--	--	--	--
Cultural and Recreational Services	--	--	--	--
Community Development	--	--	--	--
Capital Outlay	12,339	254	12	242
Debt Service				
Principal	21,165	21,165	21,165	--
Interest	7,531	7,531	7,531	--
Total Expenditures	339,490	270,227	224,893	45,334
Other Financing Uses				
Transfers to Other Funds	185,205	170,110	156,924	13,186
TOTAL EXPENDITURES AND OTHER FINANCING USES	524,695	440,337	381,817	58,520
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(199,563)	(115,205)	(66,426)	48,779
FUND BALANCES (DEFICIT), JULY 1	83,221	83,221	82,372	(849)
Appropriation of Fund Balances and Carryforward Appropriations	116,342	21,611	--	(21,611)
Encumbrances Lapsed	--	10,373	10,373	--
FUND BALANCES (DEFICIT), JUNE 30	\$ --	\$ --	\$ 26,319	\$ 26,319

Continued...

CITY OF LOS ANGELES

**Combining Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Special Revenue Funds - (Continued)
For the Fiscal Year Ended June 30, 2021
(amounts expressed in thousands)**

	Special Gas Tax Street Improvement			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES AND OTHER FINANCING SOURCES				
Revenues				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	165,290	165,290	169,789	4,499
Charges for Services	--	--	--	--
Services to Enterprise Funds	--	--	--	--
Special Assessments	--	--	--	--
Interest	1,450	1,450	2,011	561
Program Income	--	--	--	--
Other	35	35	48	13
Total Revenues	166,775	166,775	171,848	5,073
Other Financing Sources				
Transfers from Other Funds	50	50	77	27
TOTAL REVENUES AND OTHER FINANCING SOURCES	166,825	166,825	171,925	5,100
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	--	--	--	--
Public Works	132,229	155,926	49,478	106,448
Health and Sanitation	--	--	--	--
Transportation	--	--	--	--
Cultural and Recreational Services	--	--	--	--
Community Development	--	--	--	--
Capital Outlay	33,893	34,931	18,875	16,056
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	166,122	190,857	68,353	122,504
Other Financing Uses				
Transfers to Other Funds	60,331	76,906	69,776	7,130
TOTAL EXPENDITURES AND OTHER FINANCING USES	226,453	267,763	138,129	129,634
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(59,628)	(100,938)	33,796	134,734
FUND BALANCE (DEFICIT), JULY 1	3,684	3,684	102,652	98,968
Appropriation of Fund Balances and Carryforward Appropriations	55,944	95,220	--	(95,220)
Encumbrances Lapsed	--	2,034	2,034	--
FUND BALANCES (DEFICIT), JUNE 30	\$ --	\$ --	\$ 138,482	\$ 138,482

Continued...

CITY OF LOS ANGELES

**Combining Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Special Revenue Funds - (Continued)
For the Fiscal Year Ended June 30, 2021
(amounts expressed in thousands)**

	Community Development Trust			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES AND OTHER FINANCING SOURCES				
Revenues				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	20,444	33,067	37,815	4,748
Charges for Services	--	--	--	--
Services to Enterprise Funds	--	--	--	--
Special Assessments	--	--	--	--
Interest	--	--	37	37
Program Income	--	--	20,445	20,445
Other	--	--	25	25
Total Revenues	20,444	33,067	58,322	25,255
Other Financing Sources				
Transfers from Other Funds	--	--	5,424	5,424
TOTAL REVENUES AND OTHER FINANCING SOURCES	20,444	33,067	63,746	30,679
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	--	--	--	--
Public Works	--	--	--	--
Health and Sanitation	--	--	--	--
Transportation	--	--	--	--
Cultural and Recreational Services	--	--	--	--
Community Development	67,057	186,308	66,317	119,991
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	67,057	186,308	66,317	119,991
Other Financing Uses				
Transfers to Other Funds	29,755	35,302	15,281	20,021
TOTAL EXPENDITURES AND OTHER FINANCING USES	96,812	221,610	81,598	140,012
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(76,368)	(188,543)	(17,852)	170,691
FUND BALANCES (DEFICIT), JULY 1	--	--	(9,626)	(9,626)
Appropriation of Fund Balances and Carryforward Appropriations	76,368	187,584	--	(187,584)
Encumbrances Lapsed	--	959	959	--
FUND BALANCES (DEFICIT), JUNE 30	\$ --	\$ --	\$ (26,519)	\$ (26,519)

Continued...

CITY OF LOS ANGELES

**Combining Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Special Revenue Funds - (Continued)
For the Fiscal Year Ended June 30, 2021
(amounts expressed in thousands)**

	Home Investment Partnership Program			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES AND OTHER FINANCING SOURCES				
Revenues				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	6,824	6,824	9,374	2,550
Charges for Services	--	--	--	--
Services to Enterprise Funds	--	--	--	--
Special Assessments	--	--	--	--
Interest	--	--	515	515
Program Income	--	--	16,433	16,433
Other	--	--	5	5
Total Revenues	6,824	6,824	26,327	19,503
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
TOTAL REVENUES AND OTHER FINANCING SOURCES	6,824	6,824	26,327	19,503
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	--	--	--	--
Public Works	--	--	--	--
Health and Sanitation	--	--	--	--
Transportation	--	--	--	--
Cultural and Recreational Services	--	--	--	--
Community Development	69,474	97,748	18,585	79,163
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	69,474	97,748	18,585	79,163
Other Financing Uses				
Transfers to Other Funds	8,388	7,885	3,390	4,495
TOTAL EXPENDITURES AND OTHER FINANCING USES	77,862	105,633	21,975	83,658
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(71,038)	(98,809)	4,352	103,161
FUND BALANCES (DEFICIT), JULY 1	--	--	28,990	28,990
Appropriation of Fund Balances and Carryforward Appropriations	71,038	98,711	--	(98,711)
Encumbrances Lapsed	--	98	98	--
FUND BALANCES (DEFICIT), JUNE 30	\$ --	\$ --	\$ 33,440	\$ 33,440

Continued...

CITY OF LOS ANGELES

**Combining Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Special Revenue Funds - (Continued)
For the Fiscal Year Ended June 30, 2021
(amounts expressed in thousands)**

	Workforce Innovation Opportunity Act			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES AND OTHER FINANCING SOURCES				
Revenues				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	16,972	16,972	58	(16,914)
Charges for Services	--	--	--	--
Services to Enterprise Funds	--	--	--	--
Special Assessments	--	--	--	--
Interest	--	--	18	18
Program Income	--	--	--	--
Other	--	--	--	--
Total Revenues	16,972	16,972	76	(16,896)
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
TOTAL REVENUES AND OTHER FINANCING SOURCES	16,972	16,972	76	(16,896)
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	--	--	--	--
Public Works	--	--	--	--
Health and Sanitation	--	--	--	--
Transportation	--	--	--	--
Cultural and Recreational Services	--	--	--	--
Community Development	81,497	81,497	--	81,497
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	81,497	81,497	--	81,497
Other Financing Uses				
Transfers to Other Funds	29,174	29,174	--	29,174
TOTAL EXPENDITURES AND OTHER FINANCING USES	110,671	110,671	--	110,671
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(93,699)	(93,699)	76	93,775
FUND BALANCES (DEFICIT), JULY 1	--	--	(7,214)	(7,214)
Appropriation of Fund Balances and Carryforward Appropriations	93,699	93,699	--	(93,699)
FUND BALANCES (DEFICIT), JUNE 30	\$ --	\$ --	\$ (7,138)	\$ (7,138)

Continued...

CITY OF LOS ANGELES

**Combining Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Special Revenue Funds - (Continued)
For the Fiscal Year Ended June 30, 2021
(amounts expressed in thousands)**

	Other Nonmajor Grant Fund - Disaster Assistance			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES AND OTHER FINANCING SOURCES				
Revenues				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	26,243	26,243	36,775	10,532
Charges for Services	--	--	--	--
Services to Enterprise Funds	--	--	--	--
Special Assessments	--	--	--	--
Interest	325	325	372	47
Program Income	--	--	--	--
Other	--	--	--	--
Total Revenues	26,568	26,568	37,147	10,579
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
TOTAL REVENUES AND OTHER FINANCING SOURCES	26,568	26,568	37,147	10,579
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	326,352	43,380	30,745	12,635
Public Works	--	--	--	--
Health and Sanitation	--	--	--	--
Transportation	--	--	--	--
Cultural and Recreational Services	--	--	--	--
Community Development	--	--	--	--
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	326,352	43,380	30,745	12,635
Other Financing Uses				
Transfers to Other Funds	728	232	192	40
TOTAL EXPENDITURES AND OTHER FINANCING USES	327,080	43,612	30,937	12,675
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(300,512)	(17,044)	6,210	23,254
FUND BALANCES (DEFICIT), JULY 1	17,044	17,044	15,610	(1,434)
Appropriation of Fund Balances and Carryforward Appropriations	283,468	--	--	--
Encumbrances Lapsed	--	--	--	--
FUND BALANCES (DEFICIT), JUNE 30	\$ --	\$ --	\$ 21,820	\$ 21,820

Continued...

CITY OF LOS ANGELES

**Combining Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Special Revenue Funds - (Continued)
For the Fiscal Year Ended June 30, 2021
(amounts expressed in thousands)**

Other Nonmajor Grant Fund - Community Services Block Grant			
Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
Original	Final		
REVENUES AND OTHER FINANCING SOURCES			
Revenues			
Taxes	\$ --	\$ --	\$ --
Licenses, Permits and Fines	--	--	--
Intergovernmental	1,334	6,811	2,576
Charges for Services	--	--	--
Services to Enterprise Funds	--	--	--
Special Assessments	--	--	--
Interest	--	2	2
Program Income	--	--	--
Other	--	2	2
Total Revenues	1,334	6,811	2,580
Other Financing Sources			
Transfers from Other Funds	--	--	--
TOTAL REVENUES AND OTHER FINANCING SOURCES	1,334	6,811	2,580
EXPENDITURES AND OTHER FINANCING USES			
Expenditures			
Current			
General Government	--	--	--
Protection of Persons and Property	--	--	--
Public Works	--	--	--
Health and Sanitation	--	--	--
Transportation	--	--	--
Cultural and Recreational Services	--	--	--
Community Development	742	14,585	1,094
Capital Outlay	--	--	--
Debt Service			
Principal	--	--	--
Interest	--	--	--
Total Expenditures	742	14,585	1,094
Other Financing Uses			
Transfers to Other Funds	1,476	2,305	726
TOTAL EXPENDITURES AND OTHER FINANCING USES	2,218	16,890	1,820
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES			
	(884)	(10,079)	4,400
FUND BALANCES (DEFICIT), JULY 1	--	--	1,413
Appropriation of Fund Balances and Carryforward Appropriations	884	10,079	(10,079)
FUND BALANCES (DEFICIT), JUNE 30	\$ --	\$ --	\$ (4,266)

Continued...

CITY OF LOS ANGELES

**Combining Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Special Revenue Funds - (Continued)
For the Fiscal Year Ended June 30, 2021
(amounts expressed in thousands)**

	Other Nonmajor Grant Fund - Forfeited Assets Trust of Police Department			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES AND OTHER FINANCING SOURCES				
Revenues				
Taxes	\$	--	\$	--
Licenses, Permits and Fines		--		--
Intergovernmental		--	2,738	2,738
Charges for Services		--		--
Services to Enterprise Funds		--		--
Special Assessments		--		--
Interest		--	179	179
Program Income		--		--
Other		--		--
Total Revenues		--	2,917	2,917
Other Financing Sources				
Transfers from Other Funds		--		--
TOTAL REVENUES AND OTHER FINANCING SOURCES		--	2,917	2,917
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government		--		--
Protection of Persons and Property	12,485	11,151	3,587	7,564
Public Works		--		--
Health and Sanitation		--		--
Transportation		--		--
Cultural and Recreational Services		--		--
Community Development		--		--
Capital Outlay		--		--
Debt Service				
Principal		--		--
Interest		--		--
Total Expenditures	12,485	11,151	3,587	7,564
Other Financing Uses				
Transfers to Other Funds	116	116	25	91
TOTAL EXPENDITURES AND OTHER FINANCING USES	12,601	11,267	3,612	7,655
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES				
FUND BALANCES (DEFICIT), JULY 1	(12,601)	(11,267)	(695)	10,572
Appropriation of Fund Balances and Carryforward Appropriations	6,483	6,483	11,401	4,918
Encumbrances Lapsed	6,118	4,662	--	(4,662)
	--	122	122	--
FUND BALANCES (DEFICIT), JUNE 30	\$	--	\$	10,828
		--		10,828

Continued...

CITY OF LOS ANGELES

**Combining Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Special Revenue Funds - (Continued)
For the Fiscal Year Ended June 30, 2021
(amounts expressed in thousands)**

	Other Nonmajor Grant Fund - Household Hazardous Waste			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES AND OTHER FINANCING SOURCES				
Revenues				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	3,557	3,557	2,377	(1,180)
Charges for Services	--	--	--	--
Services to Enterprise Funds	--	--	--	--
Special Assessments	--	--	--	--
Interest	100	100	66	(34)
Program Income	--	--	--	--
Other	--	--	--	--
Total Revenues	3,657	3,657	2,443	(1,214)
Other Financing Sources				
Transfers from Other Funds	14	14	14	--
TOTAL REVENUES AND OTHER FINANCING SOURCES	3,671	3,671	2,457	(1,214)
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	--	--	--	--
Public Works	--	--	--	--
Health and Sanitation	20,160	16,333	1,966	14,367
Transportation	--	--	--	--
Cultural and Recreational Services	--	--	--	--
Community Development	--	--	--	--
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	20,160	16,333	1,966	14,367
Other Financing Uses				
Transfers to Other Funds	4,312	4,328	2,708	1,620
TOTAL EXPENDITURES AND OTHER FINANCING USES	24,472	20,661	4,674	15,987
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(20,801)	(16,990)	(2,217)	14,773
FUND BALANCES (DEFICIT), JULY 1	5,275	5,275	5,139	(136)
Appropriation of Fund Balances and Carryforward Appropriations	15,526	11,715	--	(11,715)
Encumbrances Lapsed	--	--	--	--
FUND BALANCES (DEFICIT), JUNE 30	\$ --	\$ --	\$ 2,922	\$ 2,922

Continued...

CITY OF LOS ANGELES

**Combining Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Special Revenue Funds - (Continued)
For the Fiscal Year Ended June 30, 2021
(amounts expressed in thousands)**

Other Nonmajor Grant Fund - Housing Opportunities for Persons with AIDS				
Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)	
Original	Final			
REVENUES AND OTHER FINANCING SOURCES				
Revenues				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	445	22,881	19,310	(3,571)
Charges for Services	--	--	--	--
Services to Enterprise Funds	--	--	--	--
Special Assessments	--	--	--	--
Interest	--	--	2	2
Program Income	--	--	77	77
Other	--	--	--	--
Total Revenues	445	22,881	19,389	(3,492)
Other Financing Sources				
Transfers from Other Funds	--	--	219	219
TOTAL REVENUES AND OTHER FINANCING SOURCES	445	22,881	19,608	(3,273)
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	--	--	--	--
Public Works	--	--	--	--
Health and Sanitation	--	--	--	--
Transportation	--	--	--	--
Cultural and Recreational Services	--	--	--	--
Community Development	11,043	35,232	23,694	11,538
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	11,043	35,232	23,694	11,538
Other Financing Uses				
Transfers to Other Funds	344	559	332	227
TOTAL EXPENDITURES AND OTHER FINANCING USES	11,387	35,791	24,026	11,765
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(10,942)	(12,910)	(4,418)	8,492
FUND BALANCES (DEFICIT), JULY 1	--	--	(7,923)	(7,923)
Appropriation of Fund Balances and Carryforward Appropriations	10,942	10,942	--	(10,942)
Encumbrances Lapsed	--	1,968	1,968	--
FUND BALANCES (DEFICIT), JUNE 30	\$ --	\$ --	\$ (10,373)	\$ (10,373)

Continued...

CITY OF LOS ANGELES

**Combining Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Special Revenue Funds - (Continued)
For the Fiscal Year Ended June 30, 2021
(amounts expressed in thousands)**

	Other Nonmajor Grant Fund - Mobile Source Air Pollution Reduction			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES AND OTHER FINANCING SOURCES				
Revenues				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	5,200	5,200	5,719	519
Charges for Services	--	--	--	--
Services to Enterprise Funds	--	--	--	--
Special Assessments	--	--	--	--
Interest	125	125	66	(59)
Program Income	--	--	--	--
Other	--	--	--	--
Total Revenues	5,325	5,325	5,785	460
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
TOTAL REVENUES AND OTHER FINANCING SOURCES	5,325	5,325	5,785	460
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	--	--	--	--
Public Works	--	--	--	--
Health and Sanitation	6,551	6,118	2,633	3,485
Transportation	--	--	--	--
Community Development	--	--	--	--
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	6,551	6,118	2,633	3,485
Other Financing Uses				
Transfers to Other Funds	2,540	2,323	2,116	207
TOTAL EXPENDITURES AND OTHER FINANCING USES	9,091	8,441	4,749	3,692
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(3,766)	(3,116)	1,036	4,152
FUND BALANCES (DEFICIT), JULY 1	1,011	1,011	2,777	1,766
Appropriation of Fund Balances and Carryforward Appropriations	2,755	2,104	--	(2,104)
Encumbrances Lapsed	--	1	1	--
FUND BALANCES (DEFICIT), JUNE 30	\$ --	\$ --	\$ 3,814	\$ 3,814

Continued...

CITY OF LOS ANGELES

**Combining Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Special Revenue Funds - (Continued)
For the Fiscal Year Ended June 30, 2021
(amounts expressed in thousands)**

	Other Nonmajor Grant Fund - Older Americans Act			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES AND OTHER FINANCING SOURCES				
Revenues				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	2,495	25,256	22,658	(2,598)
Charges for Services	--	--	--	--
Services to Enterprise Funds	--	--	--	--
Special Assessments	--	--	--	--
Interest	--	--	--	--
Program Income	--	--	--	--
Other	--	--	--	--
Total Revenues	2,495	25,256	22,658	(2,598)
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
TOTAL REVENUES AND OTHER FINANCING SOURCES	2,495	25,256	22,658	(2,598)
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	--	--	--	--
Public Works	--	--	--	--
Health and Sanitation	--	--	--	--
Transportation	--	--	--	--
Cultural and Recreational Services	--	--	--	--
Community Development	16,211	44,571	30,608	13,963
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	16,211	44,571	30,608	13,963
Other Financing Uses				
Transfers to Other Funds	11,606	11,811	2,263	9,548
TOTAL EXPENDITURES AND OTHER FINANCING USES	27,817	56,382	32,871	23,511
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(25,322)	(31,126)	(10,213)	20,913
FUND BALANCES (DEFICIT), JULY 1	--	--	10,519	10,519
Appropriation of Fund Balances and Carryforward Appropriations	25,322	31,005	--	(31,005)
Encumbrances Lapsed	--	121	121	--
FUND BALANCES (DEFICIT), JUNE 30	\$ --	\$ --	\$ 427	\$ 427

Continued...

CITY OF LOS ANGELES

**Combining Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Special Revenue Funds - (Continued)
For the Fiscal Year Ended June 30, 2021
(amounts expressed in thousands)**

	Other Nonmajor Grant Fund - Supplemental Law Enforcement Services			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES AND OTHER FINANCING SOURCES				
Revenues				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	8,286	8,286	9,566	1,280
Charges for Services	--	--	--	--
Services to Enterprise Funds	--	--	--	--
Special Assessments	--	--	--	--
Interest	157	157	163	6
Program Income	--	--	--	--
Other	--	--	--	--
Total Revenues	8,443	8,443	9,729	1,286
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
TOTAL REVENUES AND OTHER FINANCING SOURCES	8,443	8,443	9,729	1,286
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	3,254	3,254	--	3,254
Public Works	--	--	--	--
Health and Sanitation	--	--	--	--
Transportation	--	--	--	--
Cultural and Recreational Services	--	--	--	--
Community Development	--	--	--	--
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	3,254	3,254	--	3,254
Other Financing Uses				
Transfers to Other Funds	29,666	23,366	8,659	14,707
TOTAL EXPENDITURES AND OTHER FINANCING USES	32,920	26,620	8,659	17,961
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(24,477)	(18,177)	1,070	19,247
FUND BALANCES (DEFICIT), JULY 1	10,665	10,665	247	(10,418)
Appropriation of Fund Balances and Carryforward Appropriations	13,812	7,512	--	(7,512)
Encumbrances Lapsed	--	--	--	--
FUND BALANCES (DEFICIT), JUNE 30	\$ --	\$ --	\$ 1,317	\$ 1,317

Continued...

CITY OF LOS ANGELES

**Combining Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Special Revenue Funds - (Continued)
For the Fiscal Year Ended June 30, 2021
(amounts expressed in thousands)**

		Other Nonmajor Special Revenue Fund - Arts and Cultural Facilities and Services				
		Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)	
		Original	Final			
REVENUES AND OTHER FINANCING SOURCES						
Revenues						
Taxes	\$	--	\$	--	\$	--
Licenses, Permits and Fines		--	--	--	--	
Intergovernmental		--	--	--	--	
Charges for Services		1,034	1,034	1,398	364	
Services to Enterprise Funds		--	--	--	--	
Special Assessments		--	--	--	--	
Interest		160	160	106	(54)	
Program Income		--	--	--	--	
Other		--	--	--	--	
Total Revenues		1,194	1,194	1,504	310	
Other Financing Sources						
Transfers from Other Funds		20,830	20,830	20,746	(84)	
TOTAL REVENUES AND OTHER FINANCING SOURCES		22,024	22,024	22,250	226	
EXPENDITURES AND OTHER FINANCING USES						
Expenditures						
Current						
General Government		--	--	--	--	
Protection of Persons and Property		--	--	--	--	
Public Works		--	--	--	--	
Health and Sanitation		--	--	--	--	
Transportation		--	--	--	--	
Cultural and Recreational Services		16,790	17,316	8,020	9,296	
Community Development		--	--	--	--	
Capital Outlay		--	--	--	--	
Debt Service						
Principal		--	--	--	--	
Interest		--	--	--	--	
Total Expenditures		16,790	17,316	8,020	9,296	
Other Financing Uses						
Transfers to Other Funds		29,166	29,138	14,699	14,439	
TOTAL EXPENDITURES AND OTHER FINANCING USES		45,956	46,454	22,719	23,735	
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES						
FUND BALANCES (DEFICIT), JULY 1		(23,932)	(24,430)	(469)	23,961	
Appropriation of Fund Balances and Carryforward Appropriations		5,622	5,622	9,684	4,062	
Encumbrances Lapsed		18,310	18,692	--	(18,692)	
		--	116	116	--	
FUND BALANCES (DEFICIT), JUNE 30	\$	--	\$	--	\$	9,331

Continued...

CITY OF LOS ANGELES

**Combining Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Special Revenue Funds - (Continued)
For the Fiscal Year Ended June 30, 2021
(amounts expressed in thousands)**

Other Nonmajor Special Revenue Fund - Arts Development Fee				
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES AND OTHER FINANCING SOURCES				
Revenues				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	--	--	--	--
Charges for Services	3,000	3,000	2,362	(638)
Services to Enterprise Funds	--	--	--	--
Special Assessments	--	--	--	--
Interest	359	359	280	(79)
Program Income	--	--	--	--
Other	--	--	--	--
Total Revenues	3,359	3,359	2,642	(717)
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
TOTAL REVENUES AND OTHER FINANCING SOURCES	3,359	3,359	2,642	(717)
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	--	--	--	--
Public Works	--	--	--	--
Health and Sanitation	--	--	--	--
Transportation	--	--	--	--
Cultural and Recreational Services	36,917	41,721	2,235	39,486
Community Development	--	--	--	--
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	36,917	41,721	2,235	39,486
Other Financing Uses				
Transfers to Other Funds	44	45	35	10
TOTAL EXPENDITURES AND OTHER FINANCING USES	36,961	41,766	2,270	39,496
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(33,602)	(38,407)	372	38,779
FUND BALANCES (DEFICIT), JULY 1	1,055	1,055	20,324	19,269
Appropriation of Fund Balances and Carryforward Appropriations	32,547	37,342	--	(37,342)
Encumbrances Lapsed	--	10	10	--
FUND BALANCES (DEFICIT), JUNE 30	\$ --	\$ --	\$ 20,706	\$ 20,706

Continued...

CITY OF LOS ANGELES

**Combining Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Special Revenue Funds - (Continued)
For the Fiscal Year Ended June 30, 2021
(amounts expressed in thousands)**

Other Nonmajor Special Revenue Fund - City Employees Ridesharing				
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES AND OTHER FINANCING SOURCES				
Revenues				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	--	--	--	--
Charges for Services	--	--	--	--
Services to Enterprise Funds	--	--	--	--
Special Assessments	--	--	--	--
Interest	50	50	49	(1)
Program Income	--	--	--	--
Other	2,947	2,947	2,316	(631)
Total Revenues	2,997	2,997	2,365	(632)
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
TOTAL REVENUES AND OTHER FINANCING SOURCES	2,997	2,997	2,365	(632)
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	--	--	--	--
Public Works	--	--	--	--
Health and Sanitation	--	--	--	--
Transportation	--	--	--	--
Cultural and Recreational Services	--	--	--	--
Community Development	--	--	--	--
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	--	--	--	--
Other Financing Uses				
Transfers to Other Funds	7,632	4,787	1,621	3,166
TOTAL EXPENDITURES AND OTHER FINANCING USES	7,632	4,787	1,621	3,166
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(4,635)	(1,790)	744	2,534
FUND BALANCES (DEFICIT), JULY 1	2,575	2,575	3,541	966
Appropriation of Fund Balances and Carryforward Appropriations	2,060	(785)	--	785
Encumbrances Lapsed	--	--	--	--
FUND BALANCES (DEFICIT), JUNE 30	\$ --	\$ --	\$ 4,285	\$ 4,285

Continued...

CITY OF LOS ANGELES

**Combining Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Special Revenue Funds - (Continued)
For the Fiscal Year Ended June 30, 2021
(amounts expressed in thousands)**

Other Nonmajor Special Revenue Fund - City of Los Angeles Affordable Housing				
Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)	
Original	Final			
REVENUES AND OTHER FINANCING SOURCES				
Revenues				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	--	--	--	--
Charges for Services	100	100	11	(89)
Services to Enterprise Funds	--	--	--	--
Special Assessments	--	--	--	--
Interest	683	683	578	(105)
Program Income	1,147	1,147	1,709	562
Other	3	3	2	(1)
Total Revenues	1,933	1,933	2,300	367
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
TOTAL REVENUES AND OTHER FINANCING SOURCES	1,933	1,933	2,300	367
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	--	--	--	--
Public Works	--	--	--	--
Health and Sanitation	--	--	--	--
Transportation	--	--	--	--
Cultural and Recreational Services	--	--	--	--
Community Development	168,968	169,175	11,530	157,645
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	168,968	169,175	11,530	157,645
Other Financing Uses				
Transfers to Other Funds	1,200	1,125	607	518
TOTAL EXPENDITURES AND OTHER FINANCING USES	170,168	170,300	12,137	158,163
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES				
FUND BALANCES (DEFICIT), JULY 1	(168,235)	(168,367)	(9,837)	158,530
Appropriation of Fund Balances and Carryforward Appropriations	8,364	8,364	42,595	34,231
Encumbrances Lapsed	159,871	159,796	--	(159,796)
	--	207	207	--
FUND BALANCES (DEFICIT), JUNE 30	\$ --	\$ --	\$ 32,965	\$ 32,965

Continued...

CITY OF LOS ANGELES

**Combining Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Special Revenue Funds - (Continued)
For the Fiscal Year Ended June 30, 2021
(amounts expressed in thousands)**

Other Nonmajor Special Revenue Fund - El Pueblo de Los Angeles Historical Monument			
Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
Original	Final		
REVENUES AND OTHER FINANCING SOURCES			
Revenues			
Taxes	\$ --	\$ --	\$ --
Licenses, Permits and Fines	--	--	--
Intergovernmental	--	--	--
Charges for Services	3,823	3,823	4,605
Services to Enterprise Funds	--	--	--
Special Assessments	--	--	--
Interest	7	7	29
Program Income	--	--	--
Other	1,447	1,447	133
Total Revenues	5,277	5,277	4,767
Other Financing Sources			
Transfers from Other Funds	--	--	--
TOTAL REVENUES AND OTHER FINANCING SOURCES	5,277	5,277	4,767
EXPENDITURES AND OTHER FINANCING USES			
Expenditures			
Current			
General Government	--	--	--
Protection of Persons and Property	--	--	--
Public Works	--	--	--
Health and Sanitation	--	--	--
Transportation	--	--	--
Cultural and Recreational Services	1,506	33	--
Community Development	--	--	--
Capital Outlay	--	--	--
Debt Service			
Principal	--	--	--
Interest	--	--	--
Total Expenditures	1,506	33	--
Other Financing Uses			
Transfers to Other Funds	4,627	4,912	3,969
TOTAL EXPENDITURES AND OTHER FINANCING USES	6,133	4,945	3,969
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES			
	(856)	332	798
FUND BALANCES (DEFICIT), JULY 1	444	444	798
Appropriation of Fund Balances and Carryforward Appropriations	412	(776)	--
Encumbrances Lapsed	--	--	--
FUND BALANCES (DEFICIT), JUNE 30	\$ --	\$ --	\$ 1,596

Continued...

CITY OF LOS ANGELES

**Combining Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Special Revenue Funds - (Continued)
For the Fiscal Year Ended June 30, 2021
(amounts expressed in thousands)**

Other Nonmajor Special Revenue Fund - Local Public Safety				
Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)	
Original	Final			
REVENUES AND OTHER FINANCING SOURCES				
Revenues				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	44,046	44,046	46,288	2,242
Charges for Services	--	--	--	--
Services to Enterprise Funds	--	--	--	--
Special Assessments	--	--	--	--
Interest	--	--	--	--
Program Income	--	--	--	--
Other	--	--	--	--
Total Revenues	44,046	44,046	46,288	2,242
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
TOTAL REVENUES AND OTHER FINANCING SOURCES	44,046	44,046	46,288	2,242
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	--	--	--	--
Public Works	--	--	--	--
Health and Sanitation	--	--	--	--
Transportation	--	--	--	--
Cultural and Recreational Services	--	--	--	--
Community Development	--	--	--	--
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	--	--	--	--
Other Financing Uses				
Transfers to Other Funds	66,367	66,367	43,866	22,501
TOTAL EXPENDITURES AND OTHER FINANCING USES	66,367	66,367	43,866	22,501
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES				
FUND BALANCES (DEFICIT), JULY 1	(22,321)	(22,321)	2,422	24,743
Appropriation of Fund Balances and Carryforward Appropriations	--	--	989	989
Encumbrances Lapsed	22,321	22,321	--	(22,321)
FUND BALANCES (DEFICIT), JUNE 30	--	--	--	--
	\$ --	\$ --	\$ 3,411	\$ 3,411

Continued...

CITY OF LOS ANGELES

**Combining Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Special Revenue Funds - (Continued)
For the Fiscal Year Ended June 30, 2021
(amounts expressed in thousands)**

	Other Nonmajor Special Revenue Fund - Los Angeles Convention and Visitors Bureau			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES AND OTHER FINANCING SOURCES				
Revenues				
Taxes	\$ 18,835	\$ 18,835	\$ 8,498	\$ (10,337)
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	--	--	--	--
Charges for Services	--	--	--	--
Services to Enterprise Funds	--	--	--	--
Special Assessments	--	--	--	--
Interest	--	--	--	--
Program Income	--	--	--	--
Other	--	--	--	--
Total Revenues	18,835	18,835	8,498	(10,337)
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
TOTAL REVENUES AND OTHER FINANCING SOURCES	18,835	18,835	8,498	(10,337)
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	--	--	--	--
Public Works	--	--	--	--
Health and Sanitation	--	--	--	--
Transportation	--	--	--	--
Cultural and Recreational Services	49,159	49,159	7,135	42,024
Community Development	--	--	--	--
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	49,159	49,159	7,135	42,024
Other Financing Uses				
Transfers to Other Funds	452	452	309	143
TOTAL EXPENDITURES AND OTHER FINANCING USES	49,611	49,611	7,444	42,167
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES				
FUND BALANCES (DEFICIT), JULY 1	(30,776)	(30,776)	1,054	31,830
Appropriation of Fund Balances and Carryforward Appropriations	1,490	1,490	1,125	(365)
Encumbrances Lapsed	29,286	29,286	--	(29,286)
FUND BALANCES (DEFICIT), JUNE 30	--	--	--	--
	\$ --	\$ --	\$ 2,179	\$ 2,179

Continued...

CITY OF LOS ANGELES

**Combining Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Special Revenue Funds - (Continued)
For the Fiscal Year Ended June 30, 2021
(amounts expressed in thousands)**

				Other Nonmajor Special Revenue Fund - Multi-Family Bulky Item Fee				
				Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)	
				Original	Final			
REVENUES AND OTHER FINANCING SOURCES								
Revenues								
Taxes	\$	--	\$	--	\$	--	\$	--
Licenses, Permits and Fines		--		--		--		--
Intergovernmental		--		--		--		--
Charges for Services		7,420		7,420		6,967		(453)
Services to Enterprise Funds		--		--		--		--
Special Assessments		--		--		--		--
Interest		125		125		78		(47)
Program Income		--		--		--		--
Other		--		--		--		--
Total Revenues		7,545		7,545		7,045		(500)
Other Financing Sources								
Transfers from Other Funds		495		495		495		--
TOTAL REVENUES AND OTHER FINANCING SOURCES		8,040		8,040		7,540		(500)
EXPENDITURES AND OTHER FINANCING USES								
Expenditures								
Current								
General Government		--		--		--		--
Protection of Persons and Property		--		--		--		--
Public Works		16,754		16,754		6,175		10,579
Health and Sanitation		--		--		--		--
Transportation		--		--		--		--
Cultural and Recreational Services		--		--		--		--
Community Development		--		--		--		--
Capital Outlay		--		--		--		--
Debt Service								
Principal		--		--		--		--
Interest		--		--		--		--
Total Expenditures		16,754		16,754		6,175		10,579
Other Financing Uses								
Transfers to Other Funds		5,996		4,996		2,365		2,631
TOTAL EXPENDITURES AND OTHER FINANCING USES		22,750		21,750		8,540		13,210
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES								
FUND BALANCES (DEFICIT), JULY 1		(14,710)		(13,710)		(1,000)		12,710
Appropriation of Fund Balances and Carryforward Appropriations		7,022		7,022		7,580		558
Encumbrances Lapsed		7,688		6,688		--		(6,688)
		--		--		--		--
FUND BALANCES (DEFICIT), JUNE 30	\$	--	\$	--	\$	6,580	\$	6,580

Continued...

CITY OF LOS ANGELES

**Combining Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Special Revenue Funds - (Continued)
For the Fiscal Year Ended June 30, 2021
(amounts expressed in thousands)**

		Other Nonmajor Special Revenue Fund - Municipal Housing Finance				
		Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)	
		Original	Final			
REVENUES AND OTHER FINANCING SOURCES						
Revenues						
Taxes	\$	--	\$	--	\$	--
Licenses, Permits and Fines		--		--		--
Intergovernmental		--		--		--
Charges for Services		6,264	6,264	8,640		2,376
Services to Enterprise Funds		--	--	--		--
Special Assessments		--	--	--		--
Interest		165	165	255		90
Program Income		602	602	1,411		809
Other		--	--	--		--
Total Revenues		7,031	7,031	10,306		3,275
Other Financing Sources						
Transfers from Other Funds		--	--	--		--
TOTAL REVENUES AND OTHER FINANCING SOURCES						
		7,031	7,031	10,306		3,275
EXPENDITURES AND OTHER FINANCING USES						
Expenditures						
Current						
General Government		--	--	--		--
Protection of Persons and Property		--	--	--		--
Public Works		--	--	--		--
Health and Sanitation		--	--	--		--
Transportation		--	--	--		--
Cultural and Recreational Services		--	--	--		--
Community Development		12,552	12,539	2,976		9,563
Capital Outlay		--	--	--		--
Debt Service						
Principal		--	--	--		--
Interest		--	--	--		--
Total Expenditures		12,552	12,539	2,976		9,563
Other Financing Uses						
Transfers to Other Funds		7,347	7,045	3,657		3,388
TOTAL EXPENDITURES AND OTHER FINANCING USES						
		19,899	19,584	6,633		12,951
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES						
		(12,868)	(12,553)	3,673		16,226
FUND BALANCES (DEFICIT), JULY 1						
		6,497	6,497	13,247		6,750
Appropriation of Fund Balances and Carryforward Appropriations						
		6,371	5,913	--		(5,913)
Encumbrances Lapsed						
		--	143	143		--
FUND BALANCES (DEFICIT), JUNE 30						
	\$	--	\$	--	\$	17,063
					\$	17,063

CITY OF LOS ANGELES

**Combining Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Special Revenue Funds - (Continued)
For the Fiscal Year Ended June 30, 2021
(amounts expressed in thousands)**

	Other Nonmajor Special Revenue Fund - Planning Case Processing Special			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES AND OTHER FINANCING SOURCES				
Revenues				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	--	--	--	--
Charges for Services	31,563	31,563	21,746	(9,817)
Services to Enterprise Funds	--	--	--	--
Special Assessments	--	--	--	--
Interest	210	210	196	(14)
Program Income	--	--	--	--
Other	--	--	--	--
Total Revenues	31,773	31,773	21,942	(9,831)
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
TOTAL REVENUES AND OTHER FINANCING SOURCES	31,773	31,773	21,942	(9,831)
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	--	--	--	--
Public Works	--	--	--	--
Health and Sanitation	--	--	--	--
Transportation	--	--	--	--
Cultural and Recreational Services	--	--	--	--
Community Development	10,536	1,713	1,701	12
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	10,536	1,713	1,701	12
Other Financing Uses				
Transfers to Other Funds	25,699	22,782	21,548	1,234
TOTAL EXPENDITURES AND OTHER FINANCING USES	36,235	24,495	23,249	1,246
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES				
FUND BALANCES (DEFICIT), JULY 1	(4,462)	7,278	(1,307)	(8,585)
Appropriation of Fund Balances and Carryforward Appropriations	943	943	4,391	3,448
Encumbrances Lapsed	3,519	(8,221)	--	8,221
	--	--	--	--
FUND BALANCES (DEFICIT), JUNE 30	\$ --	\$ --	\$ 3,084	\$ 3,084

Continued...

CITY OF LOS ANGELES

**Combining Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Special Revenue Funds - (Continued)
For the Fiscal Year Ended June 30, 2021
(amounts expressed in thousands)**

Other Nonmajor Special Revenue Fund - Rent Stabilization				
Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)	
Original	Final			
REVENUES AND OTHER FINANCING SOURCES				
Revenues				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	--	--	--	--
Charges for Services	23,032	23,032	22,551	(481)
Services to Enterprise Funds	--	--	--	--
Special Assessments	--	--	--	--
Interest	--	--	270	270
Program Income	--	--	--	--
Other	40	40	16	(24)
Total Revenues	23,072	23,072	22,837	(235)
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
TOTAL REVENUES AND OTHER FINANCING SOURCES	23,072	23,072	22,837	(235)
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	--	--	--	--
Public Works	--	--	--	--
Health and Sanitation	--	--	--	--
Transportation	--	--	--	--
Cultural and Recreational Services	--	--	--	--
Community Development	42,355	26,474	7,789	18,685
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	42,355	26,474	7,789	18,685
Other Financing Uses				
Transfers to Other Funds	14,178	9,433	8,089	1,344
TOTAL EXPENDITURES AND OTHER FINANCING USES	56,533	35,907	15,878	20,029
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES				
	(33,461)	(12,835)	6,959	19,794
FUND BALANCES (DEFICIT), JULY 1	7,814	7,814	16,942	9,128
Appropriation of Fund Balances and Carryforward Appropriations	25,647	3,980	--	(3,980)
Encumbrances Lapsed	--	1,041	1,041	--
FUND BALANCES (DEFICIT), JUNE 30	\$ --	\$ --	\$ 24,942	\$ 24,942

Continued...

CITY OF LOS ANGELES

**Combining Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Special Revenue Funds - (Continued)
For the Fiscal Year Ended June 30, 2021
(amounts expressed in thousands)**

	Other Nonmajor Special Revenue Fund - Street Damage Restoration Fee			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES AND OTHER FINANCING SOURCES				
Revenues				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	--	--	--	--
Charges for Services	54,000	54,000	56,903	2,903
Services to Enterprise Funds	--	--	--	--
Special Assessments	--	--	--	--
Interest	75	75	178	103
Program Income	--	--	--	--
Other	--	--	--	--
Total Revenues	54,075	54,075	57,081	3,006
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
TOTAL REVENUES AND OTHER FINANCING SOURCES	54,075	54,075	57,081	3,006
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	--	--	--	--
Public Works	16,444	7,578	5,976	1,602
Health and Sanitation	--	--	--	--
Transportation	--	--	--	--
Cultural and Recreational Services	--	--	--	--
Community Development	--	--	--	--
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	16,444	7,578	5,976	1,602
Other Financing Uses				
Transfers to Other Funds	47,924	61,745	57,008	4,737
TOTAL EXPENDITURES AND OTHER FINANCING USES	64,368	69,323	62,984	6,339
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES				
FUND BALANCES (DEFICIT), JULY 1	(10,293)	(15,248)	(5,903)	9,345
Appropriation of Fund Balances and Carryforward Appropriations	36	36	10,146	10,110
Encumbrances Lapsed	10,257	14,678	--	(14,678)
	--	534	534	--
FUND BALANCES (DEFICIT), JUNE 30	\$ --	\$ --	\$ 4,777	\$ 4,777

Continued...

CITY OF LOS ANGELES

**Combining Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Special Revenue Funds - (Continued)
For the Fiscal Year Ended June 30, 2021
(amounts expressed in thousands)**

	Other Nonmajor Special Revenue Fund - Code Enforcement Trust			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES AND OTHER FINANCING SOURCES				
Revenues				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	--	--	--	--
Charges for Services	49,694	48,587	38,595	(9,992)
Services to Enterprise Funds	--	--	--	--
Special Assessments	--	--	--	--
Interest	593	593	308	(285)
Program Income	--	--	--	--
Other	523	523	60	(463)
Total Revenues	50,810	49,703	38,963	(10,740)
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
TOTAL REVENUES AND OTHER FINANCING SOURCES	50,810	49,703	38,963	(10,740)
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	51,901	27,759	4,671	23,088
Public Works	--	--	--	--
Health and Sanitation	--	--	--	--
Transportation	--	--	--	--
Cultural and Recreational Services	--	--	--	--
Community Development	--	--	--	--
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	51,901	27,759	4,671	23,088
Other Financing Uses				
Transfers to Other Funds	38,584	30,245	28,643	1,602
TOTAL EXPENDITURES AND OTHER FINANCING USES	90,485	58,004	33,314	24,690
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES				
FUND BALANCES (DEFICIT), JULY 1	(39,675)	(8,301)	5,649	13,950
Appropriation of Fund Balances and Carryforward Appropriations	1,268	1,268	10,691	9,423
Encumbrances Lapsed	38,407	6,061	--	(6,061)
	--	972	972	--
FUND BALANCES (DEFICIT), JUNE 30	\$ --	\$ --	\$ 17,312	\$ 17,312

Continued...

CITY OF LOS ANGELES

**Combining Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Special Revenue Funds - (Continued)
For the Fiscal Year Ended June 30, 2021
(amounts expressed in thousands)**

Other Nonmajor Special Revenue Fund - Telecommunications Liquidated Damages and Lost Franchise Fees				
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES AND OTHER FINANCING SOURCES				
Revenues				
Taxes	\$ 18,435	\$ 18,435	\$ 18,298	\$ (137)
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	--	--	--	--
Charges for Services	--	--	40	40
Services to Enterprise Funds	--	--	--	--
Special Assessments	--	--	--	--
Interest	--	--	--	--
Program Income	--	--	--	--
Other	35	35	44	9
Total Revenues	18,470	18,470	18,382	(88)
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
TOTAL REVENUES AND OTHER FINANCING SOURCES	18,470	18,470	18,382	(88)
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	39,776	38,809	7,877	30,932
Public Works	--	--	--	--
Health and Sanitation	--	--	--	--
Transportation	--	--	--	--
Cultural and Recreational Services	--	--	--	--
Community Development	--	--	--	--
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	39,776	38,809	7,877	30,932
Other Financing Uses				
Transfers to Other Funds	12,847	12,401	10,878	1,523
TOTAL EXPENDITURES AND OTHER FINANCING USES	52,623	51,210	18,755	32,455
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(34,153)	(32,740)	(373)	32,367
FUND BALANCES (DEFICIT), JULY 1	1,872	1,872	32,910	31,038
Appropriation of Fund Balances and Carryforward Appropriations	32,281	30,867	--	(30,867)
Encumbrances Lapsed	--	1	1	--
FUND BALANCES (DEFICIT), JUNE 30	\$ --	\$ --	\$ 32,538	\$ 32,538

Continued...

CITY OF LOS ANGELES

**Combining Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Special Revenue Funds - (Continued)
For the Fiscal Year Ended June 30, 2021
(amounts expressed in thousands)**

Other Nonmajor Special Revenue Fund - Traffic Safety				
Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)	
Original	Final			
REVENUES AND OTHER FINANCING SOURCES				
Revenues				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses, Permits and Fines	4,100	4,100	978	(3,122)
Intergovernmental	--	--	--	--
Charges for Services	--	--	--	--
Services to Enterprise Funds	--	--	--	--
Special Assessments	--	--	--	--
Interest	--	--	--	--
Program Income	--	--	--	--
Other	--	--	--	--
Total Revenues	4,100	4,100	978	(3,122)
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
TOTAL REVENUES AND OTHER FINANCING SOURCES	4,100	4,100	978	(3,122)
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	--	--	--	--
Public Works	--	--	--	--
Health and Sanitation	--	--	--	--
Transportation	--	--	--	--
Cultural and Recreational Services	--	--	--	--
Community Development	--	--	--	--
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	--	--	--	--
Other Financing Uses				
Transfers to Other Funds	4,100	4,100	978	3,122
TOTAL EXPENDITURES AND OTHER FINANCING USES	4,100	4,100	978	3,122
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES				
	--	--	--	--
FUND BALANCES (DEFICIT), JULY 1	--	--	--	--
Appropriation of Fund Balances and Carryforward Appropriations	--	--	--	--
Encumbrances Lapsed	--	--	--	--
FUND BALANCES (DEFICIT), JUNE 30	\$ --	\$ --	\$ --	\$ --

Continued...

CITY OF LOS ANGELES

**Combining Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Special Revenue Funds - (Continued)
For the Fiscal Year Ended June 30, 2021
(amounts expressed in thousands)**

Other Nonmajor Special Revenue Fund - Zoo				
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES AND OTHER FINANCING SOURCES				
Revenues				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	--	--	--	--
Charges for Services	7,239	7,239	10,720	3,481
Services to Enterprise Funds	--	--	--	--
Special Assessments	--	--	--	--
Interest	40	40	49	9
Program Income	--	--	--	--
Other	--	--	--	--
Total Revenues	7,279	7,279	10,769	3,490
Other Financing Sources				
Transfers from Other Funds	15,678	15,678	15,576	(102)
TOTAL REVENUES AND OTHER FINANCING SOURCES	22,957	22,957	26,345	3,388
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	--	--	--	--
Public Works	--	--	--	--
Health and Sanitation	--	--	--	--
Transportation	--	--	--	--
Cultural and Recreational Services	6,066	6,462	546	5,916
Community Development	--	--	--	--
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	6,066	6,462	546	5,916
Other Financing Uses				
Transfers to Other Funds	25,033	23,332	21,042	2,290
TOTAL EXPENDITURES AND OTHER FINANCING USES	31,099	29,794	21,588	8,206
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(8,142)	(6,837)	4,757	11,594
FUND BALANCES (DEFICIT), JULY 1	--	--	1,814	1,814
Appropriation of Fund Balances and Carryforward Appropriations	8,142	6,837	--	(6,837)
FUND BALANCES (DEFICIT), JUNE 30	\$ --	\$ --	\$ 6,571	\$ 6,571

Continued...

CITY OF LOS ANGELES

**Combining Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Special Revenue Funds - (Continued)
For the Fiscal Year Ended June 30, 2021
(amounts expressed in thousands)**

Other Nonmajor Special Revenue Fund - Sidewalk Repair				
Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)	
Original	Final			
REVENUES AND OTHER FINANCING SOURCES				
Revenues				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	--	--	--	--
Charges for Services	--	--	--	--
Services to Enterprise Funds	--	--	--	--
Special Assessments	--	--	--	--
Interest	104	104	34	(70)
Program Income	--	--	--	--
Other	--	--	--	--
Total Revenues	104	104	34	(70)
Other Financing Sources				
Transfers from Other Funds	14,572	14,572	14,572	--
TOTAL REVENUES AND OTHER FINANCING SOURCES	14,676	14,676	14,606	(70)
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	12,276	7,626	788	6,838
Public Works	--	--	--	--
Health and Sanitation	--	--	--	--
Transportation	--	--	--	--
Cultural and Recreational Services	--	--	--	--
Community Development	--	--	--	--
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	12,276	7,626	788	6,838
Other Financing Uses				
Transfers to Other Funds	14,104	15,812	12,603	3,209
TOTAL EXPENDITURES AND OTHER FINANCING USES	26,380	23,438	13,391	10,047
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(11,704)	(8,762)	1,215	9,977
FUND BALANCES (DEFICIT), JULY 1	2,548	2,548	(3,514)	(6,062)
Appropriation of Fund Balances and Carryforward Appropriations	9,156	5,171	--	(5,171)
Encumbrances Lapsed	--	1,043	1,043	--
FUND BALANCES (DEFICIT), JUNE 30	\$ --	\$ --	\$ (1,256)	\$ (1,256)

Continued...

CITY OF LOS ANGELES

**Combining Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Special Revenue Funds - (Continued)
For the Fiscal Year Ended June 30, 2021
(amounts expressed in thousands)**

	Other Nonmajor Special Revenue Fund - Code Compliance			
	Budgeted Amount		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES AND OTHER FINANCING SOURCES				
Revenues				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses and Permits	1,500	1,500	1,128	(372)
Intergovernmental	--	--	--	--
Charges for Services	--	--	--	--
Services to Enterprise Funds	--	--	--	--
Special Assessments	--	--	--	--
Interest	--	--	--	--
Program Income	--	--	--	--
Other	--	--	--	--
Total Revenues	1,500	1,500	1,128	(372)
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
TOTAL REVENUES AND OTHER FINANCING SOURCES	1,500	1,500	1,128	(372)
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current	--	--	--	--
General Government	--	--	--	--
Protection of Persons and Property	3,282	3,282	718	2,564
Public Works	--	--	--	--
Health and Sanitation	--	--	--	--
Transportation	--	--	--	--
Cultural and Recreational Services	--	--	--	--
Community Development	--	--	--	--
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	3,282	3,282	718	2,564
Other Financing Uses				
Transfers to Other Funds	862	862	716	146
TOTAL EXPENDITURES AND OTHER FINANCING USES	4,144	4,144	1,434	2,710
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(2,644)	(2,644)	(306)	2,338
FUND BALANCE, JULY 1	848	848	606	(242)
Appropriation of Fund Balances and Carryforward Appropriations	1,796	1,796	--	(1,796)
Encumbrances Lapsed	--	--	--	--
FUND BALANCES (DEFICIT), JUNE 30	\$ --	\$ --	\$ 300	\$ 300

Continued...

CITY OF LOS ANGELES

**Combining Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Special Revenue Funds - (Continued)
For the Fiscal Year Ended June 30, 2021
(amounts expressed in thousands)**

	Other Nonmajor Special Revenue Fund - Cannabis Regulation			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES AND OTHER FINANCING SOURCES				
Revenues				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses and Permits	17,040	17,040	20,392	3,352
Intergovernmental	--	--	--	--
Charges for Services	--	--	--	--
Services to Enterprise Funds	--	--	--	--
Special Assessments	--	--	--	--
Interest	125	125	177	52
Program Income	--	--	--	--
Other	--	--	--	--
Total Revenues	17,165	17,165	20,569	3,404
Other Financing Sources				
TOTAL REVENUES AND OTHER FINANCING SOURCES	17,165	17,165	20,569	3,404
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current	--	--	--	--
General Government	22,452	32,209	9,071	23,138
Protection of Persons and Property	--	--	--	--
Public Works	--	--	--	--
Health and Sanitation	--	--	--	--
Transportation	--	--	--	--
Cultural and Recreational Services	--	--	--	--
Community Development	--	--	--	--
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	22,452	32,209	9,071	23,138
Other Financing Uses				
Transfers to Other Funds	9,480	9,653	5,467	4,186
TOTAL EXPENDITURES AND OTHER FINANCING USES	31,932	41,862	14,538	27,324
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(14,767)	(24,697)	6,031	30,728
FUND BALANCE, JULY 1	907	907	4,350	3,443
Appropriation of Fund Balances and Carryforward Appropriations	13,860	23,790	--	(23,790)
Encumbrances Lapsed	--	--	--	--
FUND BALANCES (DEFICIT), JUNE 30	\$ --	\$ --	\$ 10,381	\$ 10,381

Continued...

CITY OF LOS ANGELES

**Combining Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Special Revenue Funds - (Continued)
For the Fiscal Year Ended June 30, 2021
(amounts expressed in thousands)**

	Allocations from Other Governmental Agencies			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES AND OTHER FINANCING SOURCES				
Revenues				
Taxes	\$ 524	\$ 524	\$ 697	\$ 173
Licenses, Permits and Fines	16,253	11,505	6,704	(4,801)
Intergovernmental	4,993	15,485	10,659	(4,826)
Charges for Services	32,282	26,144	19,309	(6,835)
Services to Enterprise Funds	--	--	--	--
Special Assessments	2,391	2,391	2,012	(379)
Interest	4,967	4,663	3,084	(1,579)
Program Income	6,485	6,485	5,853	(632)
Other	171	171	88	(83)
Total Revenues	68,066	67,368	48,406	(18,962)
Other Financing Sources				
Transfers from Other Funds	1,176	1,176	1,001	(175)
TOTAL REVENUES AND OTHER FINANCING SOURCES	69,242	68,544	49,407	(19,137)
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	4,119	3,558	3,295	263
Public Works	--	--	--	--
Health and Sanitation	--	--	--	--
Transportation	4,891	4,891	2,420	2,471
Cultural and Recreational Services	--	--	--	--
Community Development	17,673	9,408	8,182	1,226
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	26,683	17,857	13,897	3,960
Other Financing Uses				
Transfers to Other Funds	42,559	51,903	38,582	13,321
TOTAL EXPENDITURES AND OTHER FINANCING USES	69,242	69,760	52,479	17,281
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	--	(1,216)	(3,072)	(1,856)
FUND BALANCES (DEFICIT), JULY 1	--	--	23,091	23,091
Appropriation of Fund Balances and Carryforward Appropriations	--	1,216	--	(1,216)
Encumbrances Lapsed	--	--	--	--
FUND BALANCES (DEFICIT), JUNE 30	\$ --	\$ --	\$ 20,019	\$ 20,019

Continued...

CITY OF LOS ANGELES

**Combining Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Special Revenue Funds - (Continued)
For the Fiscal Year Ended June 30, 2021
(amounts expressed in thousands)**

Other Nonmajor General Fund - Department of Neighborhood Empowerment			
Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
Original	Final		
REVENUES AND OTHER FINANCING SOURCES			
Revenues			
Taxes	\$ --	\$ --	\$ --
Licenses, Permits and Fines	--	--	--
Intergovernmental	--	--	--
Charges for Services	--	--	--
Services to Enterprise Funds	--	--	--
Special Assessments	--	--	--
Interest	--	--	--
Program Income	--	--	--
Other	15	15	29
Total Revenues	15	15	29
Other Financing Sources			
Transfers from Other Funds	2,747	2,747	2,620
TOTAL REVENUES AND OTHER FINANCING SOURCES	2,762	2,762	2,649
EXPENDITURES AND OTHER FINANCING USES			
Expenditures			
Current			
General Government	625	584	27
Protection of Persons and Property	--	--	--
Public Works	--	--	--
Health and Sanitation	--	--	--
Transportation	--	--	--
Cultural and Recreational Services	--	--	--
Community Development	--	--	--
Capital Outlay	--	--	--
Debt Service			
Principal	--	--	--
Interest	--	--	--
Total Expenditures	625	584	27
Other Financing Uses			
Transfers to Other Funds	3,045	2,985	2,647
TOTAL EXPENDITURES AND OTHER FINANCING USES	3,670	3,569	2,674
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(908)	(807)	(25)
FUND BALANCES (DEFICIT), JULY 1	336	336	475
Appropriation of Fund Balances and Carryforward Appropriations	572	471	--
Encumbrances Lapsed	--	--	--
FUND BALANCES (DEFICIT), JUNE 30	\$ --	\$ --	\$ 450

Continued...

CITY OF LOS ANGELES

**Combining Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Special Revenue Funds - (Continued)
For the Fiscal Year Ended June 30, 2021
(amounts expressed in thousands)**

				Other Nonmajor General Fund - City Ethics Commission			
		Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)		
		Original	Final				
REVENUES AND OTHER FINANCING SOURCES							
Revenues							
Taxes	\$	--	\$ --	\$ --	\$ --		--
Licenses, Permits and Fines		--	--	--	--		--
Intergovernmental		--	--	--	--		--
Charges for Services		--	--	--	--		--
Services to Enterprise Funds		--	--	--	--		--
Special Assessments		--	--	--	--		--
Interest		--	--	--	--		--
Program Income		--	--	--	--		--
Other		--	--	--	--		--
Total Revenues		--	--	--	--		--
Other Financing Sources							
Transfers from Other Funds		3,460	3,460	3,460	--		--
TOTAL REVENUES AND OTHER FINANCING SOURCES		3,460	3,460	3,460	--		--
EXPENDITURES AND OTHER FINANCING USES							
Expenditures							
Current							
General Government		3,331	3,331	--	3,331		
Protection of Persons and Property		--	--	--	--		
Public Works		--	--	--	--		
Health and Sanitation		--	--	--	--		
Transportation		--	--	--	--		
Cultural and Recreational Services		--	--	--	--		
Community Development		--	--	--	--		
Capital Outlay		--	--	--	--		
Debt Service							
Principal		--	--	--	--		
Interest		--	--	--	--		
Total Expenditures		3,331	3,331	--	3,331		
Other Financing Uses							
Transfers to Other Funds		7,347	7,347	3,420	3,927		
TOTAL EXPENDITURES AND OTHER FINANCING USES		10,678	10,678	3,420	7,258		
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES							
		(7,218)	(7,218)	40	7,258		
FUND BALANCES (DEFICIT), JULY 1		355	355	228	(127)		
Appropriation of Fund Balances and Carryforward Appropriations		6,863	6,863	--	(6,863)		
Encumbrances Lapsed		--	--	--	--		
FUND BALANCES (DEFICIT), JUNE 30	\$	--	\$ --	\$ 268	\$ 268		

Continued...

CITY OF LOS ANGELES

**Combining Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Special Revenue Funds - (Continued)
For the Fiscal Year Ended June 30, 2021
(amounts expressed in thousands)**

	Other Nonmajor General Fund - Accessible Housing			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES AND OTHER FINANCING SOURCES				
Revenues				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	--	--	--	--
Charges for Services	--	--	--	--
Services to Enterprise Funds	--	--	--	--
Special Assessments	--	--	--	--
Interest	--	--	--	--
Program Income	--	--	--	--
Other	3	3	8	5
Total Revenues	3	3	8	5
Other Financing Sources				
Transfers from Other Funds	15,674	15,674	15,674	--
TOTAL REVENUES AND OTHER FINANCING SOURCES	15,677	15,677	15,682	5
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	--	--	--	--
Public Works	--	--	--	--
Health and Sanitation	--	--	--	--
Transportation	--	--	--	--
Cultural and Recreational Services	--	--	--	--
Community Development	14,832	16,893	13,694	3,199
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	14,832	16,893	13,694	3,199
Other Financing Uses				
Transfers to Other Funds	21,324	8,338	4,789	3,549
TOTAL EXPENDITURES AND OTHER FINANCING USES	36,156	25,231	18,483	6,748
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(20,479)	(9,554)	(2,801)	6,753
FUND BALANCES (DEFICIT), JULY 1	5,727	5,727	2,723	(3,004)
Appropriation of Fund Balances and Carryforward Appropriations	14,752	3,449	--	(3,449)
Encumbrances Lapsed	--	378	378	--
FUND BALANCES (DEFICIT), JUNE 30	\$ --	\$ --	\$ 300	\$ 300

Continued...

CITY OF LOS ANGELES

**Combining Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Special Revenue Funds - (Continued)
For the Fiscal Year Ended June 30, 2021
(amounts expressed in thousands)**

	Total Annually Budgeted Nonmajor Special Revenue Funds			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES AND OTHER FINANCING SOURCES				
Revenues				
Taxes	\$ 67,944	\$ 63,444	\$ 52,038	\$ (11,406)
Licenses, Permits and Fines	96,127	91,379	73,464	(17,915)
Intergovernmental	748,260	822,049	772,245	(49,804)
Charges for Services	825,452	796,466	737,601	(58,865)
Services to Enterprise Funds	5,900	5,900	5,405	(495)
Special Assessments	51,707	51,707	45,801	(5,906)
Interest	25,195	24,891	24,462	(429)
Program Income	8,234	8,234	45,928	37,694
Other	12,649	12,649	12,638	(11)
Total Revenues	1,841,468	1,876,719	1,769,582	(107,137)
Other Financing Sources				
Transfers from Other Funds	80,105	84,348	91,900	7,552
TOTAL REVENUES AND OTHER FINANCING SOURCES	1,921,573	1,961,067	1,861,482	(99,585)
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	26,408	36,124	9,098	27,026
Protection of Persons and Property	1,415,560	397,318	109,436	287,882
Public Works	242,107	250,483	83,516	166,967
Health and Sanitation	482,829	401,216	235,567	165,649
Transportation	844,410	799,458	239,625	559,833
Cultural and Recreational Services	110,438	114,691	17,936	96,755
Community Development	512,940	696,143	198,567	497,576
Capital Outlay	154,242	132,347	59,095	73,252
Debt Service				
Principal	21,165	21,165	21,165	--
Interest	7,531	7,531	7,531	--
Total Expenditures	3,817,630	2,856,476	981,536	1,874,940
Other Financing Uses				
Transfers to Other Funds	1,217,334	1,143,588	870,265	273,323
TOTAL EXPENDITURES AND OTHER FINANCING USES	5,034,964	4,000,064	1,851,801	2,148,263
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(3,113,391)	(2,038,997)	9,681	2,048,678
FUND BALANCES (DEFICIT), JULY 1	554,417	554,417	1,100,306	545,889
Appropriation of Fund Balances and Carryforward Appropriations	2,558,974	1,462,206	--	(1,462,206)
Encumbrances Lapsed	--	22,374	22,374	--
FUND BALANCES (DEFICIT), JUNE 30	\$ --	\$ --	\$ 1,132,361	\$ 1,132,361

CITY OF LOS ANGELES

**Reconciliation of Operations on Budgetary Basis to the GAAP Basis
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2021
(amounts expressed in thousands)**

Excess of Revenues and Other Financing Sources Over

Expenditures and Other Financing Uses - Budgetary	\$ 9,681
--	----------

Basis Difference

Adjustments for net changes to accrued assets and liabilities. The GAAP basis operating statement recognizes revenues as soon as they are both measurable and available, and expenditures generally are recorded when liability is incurred; whereas, the budget basis operating statement reflects revenues when received and expenditures when paid.	(27,836)
--	----------

Grant funded loans are recorded as expenditures when disbursed and as program income when repaid (budget), as opposed to adjustments to the loans receivable account balance (GAAP).	(1,927)
--	---------

Encumbrances, which represent commitments to acquire goods and services, are recorded as the equivalent of expenditures in the budget year incurred (budget), as opposed to a reservation of net position (GAAP).

Encumbrances reported as budgetary expenditures	249,029
Prior year encumbrances expended in current year	(171,384)

Perspective Difference

Certain Nonmajor Special Revenue Funds are not included in the legally adopted budget; while for some, the budget provides for only the portion of fund receipts that are expended for City department operations.	(18,401)
--	----------

Certain Budgeted Funds reclassified as General category:

Department of Neighborhood Empowerment	21
City Ethics Commission	(39)
Accessible Housing	(918)

Net Change in Fund Balances - Nonmajor Special Revenue Funds

<u>\$ 38,226</u>

DETAILS OF RESTATEMENT OF JULY 1 FUND BALANCES

Fund Balances, July 1, as previously reported	\$ 1,103,449
Certain funds were budgeted in prior year and others were not included in this year's budget.	(3,143)

Fund Balances, July 1, as restated	<u>\$ 1,100,306</u>
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CITY OF LOS ANGELES

Supplemental Schedule of Appropriations,
Expenditures and Other Financing Uses
Budget and Actual (Non-GAAP Budgetary Basis)
All Budgeted Special Revenue Funds
For the Fiscal Year Ended June 30, 2021
(amounts expressed in thousands)

	Original Adopted Budget	Additional Appropriations, Carryforward and Transfers	Final Budget	Expenditures	Encumbrances June 30, 2021	Total Actual	Variance with Final Budget Positive (Negative)
NONMAJOR FUNDS							
BUILDING AND SAFETY PERMIT							
Current - Special Purpose	\$ 962,115	\$ (703,616)	\$ 258,499	\$ 57,365	\$ 390	\$ 57,755	\$ 200,744
Capital Outlay	57,789	(20,187)	37,602	8,397	5,787	14,184	23,418
Transfers to Other Funds	185,692	(54,563)	131,129	111,364	--	111,364	19,765
TOTAL	1,205,596	(778,366)	427,230	177,126	6,177	183,303	243,927
CITYWIDE RECYCLING TRUST							
Current - Special Purpose	91,371	(36,335)	55,036	18,107	243	18,350	36,686
Transfers to Other Funds	22,161	(429)	21,732	15,383	--	15,383	6,349
TOTAL	113,532	(36,764)	76,768	33,490	243	33,733	43,035
PROPOSITION C ANTI-GRIDLOCK TRANSIT IMPROVEMENT							
Current - Special Purpose	47,725	(10,560)	37,165	15,036	165	15,201	21,964
Capital Outlay	1,337	1	1,338	6	--	6	1,332
Transfers to Other Funds	68,394	(6,429)	61,965	58,850	--	58,850	3,115
TOTAL	117,456	(16,988)	100,468	73,892	165	74,057	26,411
SPECIAL PARKING REVENUE							
Current - Special Purpose	88,865	(20,830)	68,035	18,282	8,562	26,844	41,191
Capital Outlay	9,969	2	9,971	472	59	531	9,440
Transfers to Other Funds	37,387	231	37,618	5,253	--	5,253	32,365
TOTAL	136,221	(20,597)	115,624	24,007	8,621	32,628	82,996
STORMWATER POLLUTION ABATEMENT							
Current - Special Purpose	66,292	16,160	82,452	15,477	956	16,433	66,019
Capital Outlay	8,185	7	8,192	2,188	1,636	3,824	4,368
Transfers to Other Funds	28,644	730	29,374	25,589	--	25,589	3,785
TOTAL	103,121	16,897	120,018	43,254	2,592	45,846	74,172
STREET LIGHTING MAINTENANCE ASSESSMENT							
Current - Special Purpose	76,680	(6,455)	70,225	19,253	2,634	21,887	48,338
Capital Outlay	1,302	1,717	3,019	1,398	613	2,011	1,008
Transfers to Other Funds	46,439	268	46,707	43,597	--	43,597	3,110
TOTAL	124,421	(4,470)	119,951	64,248	3,247	67,495	52,456
PROPOSITION A LOCAL TRANSIT ASSISTANCE							
Current - Special Purpose	575,657	12,421	588,078	80,592	72,551	153,143	434,935
Capital Outlay	10,807	--	10,807	2,022	6,360	8,382	2,425
Transfers to Other Funds	9,885	138	10,023	7,989	--	7,989	2,034
TOTAL	596,349	12,559	608,908	90,603	78,911	169,514	439,394
MEASURE R LOCAL RETURN							
Current - Special Purpose	127,272	(25,983)	101,289	35,879	6,138	42,017	59,272
Capital Outlay	18,621	7,612	26,233	5,817	5,453	11,270	14,963
Transfers to Other Funds	65,174	(4,356)	60,818	51,457	--	51,457	9,361
TOTAL	211,067	(22,727)	188,340	93,153	11,591	104,744	83,596

Continued...

CITY OF LOS ANGELES

**Supplemental Schedule of Appropriations,
Expenditures and Other Financing Uses
Budget and Actual (Non-GAAP Budgetary Basis)
All Budgeted Special Revenue Funds - (Continued)
For the Fiscal Year Ended June 30, 2021
(amounts expressed in thousands)**

	Original Adopted Budget	Additional Appropriations, Carryforward and Transfers	Final Budget	Expenditures	Encumbrances June 30, 2021	Total Actual	Variance with Final Budget Positive (Negative)
SOLID WASTE RESOURCES							
Current - Special Purpose	\$ 298,455	\$ (57,178)	\$ 241,277	\$ 164,868	\$ 31,317	\$ 196,185	\$ 45,092
Capital Outlay	12,339	(12,085)	254	1	11	12	242
Debt Service							
Principal	21,165	--	21,165	21,165	--	21,165	--
Interest	7,531	--	7,531	7,531	--	7,531	--
Transfers to Other Funds	185,205	(15,095)	170,110	156,924	--	156,924	13,186
TOTAL	524,695	(84,358)	440,337	350,489	31,328	381,817	58,520
SPECIAL GAS TAX STREET IMPROVEMENT							
Current - Special Purpose	132,229	23,697	155,926	45,421	4,057	49,478	106,448
Capital Outlay	33,893	1,038	34,931	7,331	11,544	18,875	16,056
Transfers to Other Funds	60,331	16,575	76,906	69,776	--	69,776	7,130
TOTAL	226,453	41,310	267,763	122,528	15,601	138,129	129,634
COMMUNITY DEVELOPMENT TRUST							
Current - Special Purpose	67,057	119,251	186,308	38,053	28,264	66,317	119,991
Transfers to Other Funds	29,755	5,547	35,302	15,281	--	15,281	20,021
TOTAL	96,812	124,798	221,610	53,334	28,264	81,598	140,012
HOME INVESTMENT PARTNERSHIP PROGRAM							
Current - Special Purpose	69,474	28,274	97,748	6,880	11,705	18,585	79,163
Transfers to Other Funds	8,388	(503)	7,885	3,390	--	3,390	4,495
TOTAL	77,862	27,771	105,633	10,270	11,705	21,975	83,658
WORKFORCE INNOVATION OPPORTUNITY ACT							
Current - Special Purpose	81,497	--	81,497	--	--	--	81,497
Transfers to Other Funds	29,174	--	29,174	--	--	--	29,174
TOTAL	110,671	--	110,671	--	--	--	110,671
DISASTER ASSISTANCE							
Current - Special Purpose	326,352	(282,972)	43,380	30,745	--	30,745	12,635
Transfers to Other Funds	728	(496)	232	192	--	192	40
TOTAL	327,080	(283,468)	43,612	30,937	--	30,937	12,675
COMMUNITY SERVICES BLOCK GRANT							
Current - Special Purpose	742	13,843	14,585	6,164	7,327	13,491	1,094
Transfers to Other Funds	1,476	829	2,305	1,579	--	1,579	726
TOTAL	2,218	14,672	16,890	7,743	7,327	15,070	1,820
FORFEITED ASSETS TRUST OF POLICE DEPARTMENT							
Current - Special Purpose	12,485	(1,334)	11,151	2,900	687	3,587	7,564
Transfers to Other Funds	116	--	116	25	--	25	91
TOTAL	12,601	(1,334)	11,267	2,925	687	3,612	7,655
HOUSEHOLD HAZARDOUS WASTE							
Current - Special Purpose	20,160	(3,827)	16,333	904	1,062	1,966	14,367
Transfers to Other Funds	4,312	16	4,328	2,708	--	2,708	1,620
TOTAL	24,472	(3,811)	20,661	3,612	1,062	4,674	15,987

Continued...

CITY OF LOS ANGELES

**Supplemental Schedule of Appropriations,
Expenditures and Other Financing Uses
Budget and Actual (Non-GAAP Budgetary Basis)
All Budgeted Special Revenue Funds - (Continued)
For the Fiscal Year Ended June 30, 2021
(amounts expressed in thousands)**

	Original Adopted Budget	Additional Appropriations, Carryforward and Transfers	Final Budget	Expenditures	Encumbrances June 30, 2021	Total Actual	Variance with Final Budget Positive (Negative)
HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS							
Current - Special Purpose	\$ 11,043	\$ 24,189	\$ 35,232	\$ 13,155	\$ 10,539	\$ 23,694	\$ 11,538
Transfers to Other Funds	344	215	559	332	--	332	227
TOTAL	11,387	24,404	35,791	13,487	10,539	24,026	11,765
MOBILE SOURCE AIR POLLUTION REDUCTION							
Current - Special Purpose	6,551	(433)	6,118	2,474	159	2,633	3,485
Transfers to Other Funds	2,540	(217)	2,323	2,116	--	2,116	207
TOTAL	9,091	(650)	8,441	4,590	159	4,749	3,692
OLDER AMERICANS ACT							
Current - Special Purpose	16,211	28,360	44,571	19,920	10,688	30,608	13,963
Transfers to Other Funds	11,606	205	11,811	2,263	--	2,263	9,548
TOTAL	27,817	28,565	56,382	22,183	10,688	32,871	23,511
SUPPLEMENTAL LAW ENFORCEMENT SERVICES							
Current - Special Purpose	3,254	--	3,254	--	--	--	3,254
Transfers to Other Funds	29,666	(6,300)	23,366	8,659	--	8,659	14,707
TOTAL	32,920	(6,300)	26,620	8,659	--	8,659	17,961
ARTS AND CULTURAL FACILITIES AND SERVICES							
Current - Special Purpose	16,790	526	17,316	7,844	176	8,020	9,296
Transfers to Other Funds	29,166	(28)	29,138	14,699	--	14,699	14,439
TOTAL	45,956	498	46,454	22,543	176	22,719	23,735
ARTS DEVELOPMENT FEE							
Current - Special Purpose	36,917	4,804	41,721	1,678	557	2,235	39,486
Transfers to Other Funds	44	1	45	35	--	35	10
TOTAL	36,961	4,805	41,766	1,713	557	2,270	39,496
CITY EMPLOYEES RIDESHARING							
Transfers to Other Funds	7,632	(2,845)	4,787	1,621	--	1,621	3,166
CITY OF LOS ANGELES AFFORDABLE HOUSING							
Current - Special Purpose	168,968	207	169,175	5,697	5,833	11,530	157,645
Transfers to Other Funds	1,200	(75)	1,125	607	--	607	518
TOTAL	170,168	132	170,300	6,304	5,833	12,137	158,163
EL PUEBLO DE LOS ANGELES HISTORICAL MONUMENT							
Current - Special Purpose	1,506	(1,473)	33	--	--	--	33
Transfers to Other Funds	4,627	285	4,912	3,969	--	3,969	943
TOTAL	6,133	(1,188)	4,945	3,969	--	3,969	976
LOCAL PUBLIC SAFETY							
Transfers to Other Funds	66,367	--	66,367	43,866	--	43,866	22,501

Continued...

CITY OF LOS ANGELES

**Supplemental Schedule of Appropriations,
Expenditures and Other Financing Uses
Budget and Actual (Non-GAAP Budgetary Basis)
All Budgeted Special Revenue Funds - (Continued)
For the Fiscal Year Ended June 30, 2021
(amounts expressed in thousands)**

	<u>Original Adopted Budget</u>	<u>Additional Appropriations, Carryforward and Transfers</u>	<u>Final Budget</u>	<u>Expenditures</u>	<u>Encumbrances June 30, 2021</u>	<u>Total Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
LOS ANGELES CONVENTION AND VISITORS BUREAU							
Current - Special Purpose	\$ 49,159	\$ --	\$ 49,159	\$ 7,135	\$ --	\$ 7,135	\$ 42,024
Transfers to Other Funds	452	--	452	309	--	309	143
TOTAL	<u>49,611</u>	<u>--</u>	<u>49,611</u>	<u>7,444</u>	<u>--</u>	<u>7,444</u>	<u>42,167</u>
MULTI-FAMILY BULK ITEM FEE							
Current - Special Purpose	16,754	--	16,754	6,175	--	6,175	10,579
Transfers to Other Funds	5,996	(1,000)	4,996	2,365	--	2,365	2,631
TOTAL	<u>22,750</u>	<u>(1,000)</u>	<u>21,750</u>	<u>8,540</u>	<u>--</u>	<u>8,540</u>	<u>13,210</u>
MUNICIPAL HOUSING FINANCE							
Current - Special Purpose	12,552	(13)	12,539	2,574	402	2,976	9,563
Transfers to Other Funds	7,347	(302)	7,045	3,657	--	3,657	3,388
TOTAL	<u>19,899</u>	<u>(315)</u>	<u>19,584</u>	<u>6,231</u>	<u>402</u>	<u>6,633</u>	<u>12,951</u>
PLANNING CASE PROCESSING SPECIAL							
Current - Special Purpose	10,536	(8,823)	1,713	1,701	--	1,701	12
Transfers to Other Funds	25,699	(2,917)	22,782	21,548	--	21,548	1,234
TOTAL	<u>36,235</u>	<u>(11,740)</u>	<u>24,495</u>	<u>23,249</u>	<u>--</u>	<u>23,249</u>	<u>1,246</u>
RENT STABILIZATION							
Current - Special Purpose	42,355	(15,881)	26,474	6,143	1,646	7,789	18,685
Transfers to Other Funds	14,178	(4,745)	9,433	8,089	--	8,089	1,344
TOTAL	<u>56,533</u>	<u>(20,626)</u>	<u>35,907</u>	<u>14,232</u>	<u>1,646</u>	<u>15,878</u>	<u>20,029</u>
STREET DAMAGE RESTORATION FEE							
Current - Special Purpose	16,444	(8,866)	7,578	5,442	534	5,976	1,602
Transfers to Other Funds	47,924	13,821	61,745	57,008	--	57,008	4,737
TOTAL	<u>64,368</u>	<u>4,955</u>	<u>69,323</u>	<u>62,450</u>	<u>534</u>	<u>62,984</u>	<u>6,339</u>
CODE ENFORCEMENT TRUST							
Current - Special Purpose	51,901	(24,142)	27,759	3,282	1,389	4,671	23,088
Transfers to Other Funds	38,584	(8,339)	30,245	28,643	--	28,643	1,602
TOTAL	<u>90,485</u>	<u>(32,481)</u>	<u>58,004</u>	<u>31,925</u>	<u>1,389</u>	<u>33,314</u>	<u>24,690</u>
TELECOMMUNICATIONS LIQUIDATED DAMAGES AND LOST FRANCHISE FEES							
Current - Special Purpose	39,776	(967)	38,809	6,781	1,096	7,877	30,932
Transfers to Other Funds	12,847	(446)	12,401	10,878	--	10,878	1,523
TOTAL	<u>52,623</u>	<u>(1,413)</u>	<u>51,210</u>	<u>17,659</u>	<u>1,096</u>	<u>18,755</u>	<u>32,455</u>
TRAFFIC SAFETY							
Transfers to Other Funds	4,100	--	4,100	978	--	978	3,122

Continued...

CITY OF LOS ANGELES

**Supplemental Schedule of Appropriations,
Expenditures and Other Financing Uses
Budget and Actual (Non-GAAP Budgetary Basis)
All Budgeted Special Revenue Funds - (Continued)
For the Fiscal Year Ended June 30, 2021
(amounts expressed in thousands)**

	Original Adopted Budget	Additional Appropriations, Carryforward and Transfers	Final Budget	Expenditures	Encumbrances June 30, 2021	Total Actual	Variance with Final Budget Positive (Negative)
ZOO							
Current - Special Purpose	\$ 6,066	\$ 396	\$ 6,462	\$ 284	\$ 262	\$ 546	\$ 5,916
Transfers to Other Funds	25,033	(1,701)	23,332	21,042	--	21,042	2,290
TOTAL	31,099	(1,305)	29,794	21,326	262	21,588	8,206
SIDEWALK REPAIR							
Current - Special Purpose	12,276	(4,650)	7,626	451	337	788	6,838
Transfers to Other Funds	14,104	1,708	15,812	12,603	--	12,603	3,209
TOTAL	26,380	(2,942)	23,438	13,054	337	13,391	10,047
CODE COMPLIANCE							
Current - Special Purpose	3,282	--	3,282	629	89	718	2,564
Transfers to Other Funds	862	--	862	716	--	716	146
TOTAL	4,144	--	4,144	1,345	89	1,434	2,710
CANNABIS REGULATION							
Current - Special Purpose	22,452	9,757	32,209	7,227	1,844	9,071	23,138
Transfers to Other Funds	9,480	173	9,653	5,467	--	5,467	4,186
TOTAL	31,932	9,930	41,862	12,694	1,844	14,538	27,324
ALLOCATIONS FROM OTHER GOVERNMENTAL AGENCIES							
Current - Special Purpose	26,683	(8,826)	17,857	13,897	--	13,897	3,960
Transfers to Other Funds	42,559	9,344	51,903	38,582	--	38,582	13,321
TOTAL	69,242	518	69,760	52,479	--	52,479	17,281
TOTAL BUDGETED SPECIAL REVENUE FUNDS	\$ 4,984,460	\$ (1,023,874)	\$ 3,960,586	\$ 1,584,152	\$ 243,072	\$ 1,827,224	\$ 2,133,362
ALL ANNUALLY BUDGETED SPECIAL REVENUE FUNDS							
Current - Special Purpose	\$ 3,615,904	\$ (941,279)	\$ 2,674,625	\$ 668,415	\$ 211,609	\$ 880,024	\$ 1,794,601
Capital Outlay	154,242	(21,895)	132,347	27,632	31,463	59,095	73,252
Debt Service							
Principal	21,165	--	21,165	21,165	--	21,165	--
Interest	7,531	--	7,531	7,531	--	7,531	--
Transfers to Other Funds	1,185,618	(60,700)	1,124,918	859,409	--	859,409	265,509
TOTAL	\$ 4,984,460	\$ (1,023,874)	\$ 3,960,586	\$ 1,584,152	\$ 243,072	\$ 1,827,224	\$ 2,133,362
NONMAJOR GENERAL FUNDS							
DEPARTMENT OF NEIGHBORHOOD EMPOWERMENT							
Current - Special Purpose	\$ 625	\$ (41)	\$ 584	\$ 22	\$ 5	\$ 27	\$ 557
Transfers to Other Funds	3,045	(60)	2,985	2,647	--	2,647	338
TOTAL	3,670	(101)	3,569	2,669	5	2,674	895
CITY ETHICS COMMISSION							
Current - Special Purpose	3,331	--	3,331	--	--	--	3,331
Transfers to Other Funds	7,347	--	7,347	3,420	--	3,420	3,927
TOTAL	10,678	--	10,678	3,420	--	3,420	7,258

Continued...

CITY OF LOS ANGELES

**Supplemental Schedule of Appropriations,
Expenditures and Other Financing Uses
Budget and Actual (Non-GAAP Budgetary Basis)
All Budgeted Special Revenue Funds - (Continued)
For the Fiscal Year Ended June 30, 2021
(amounts expressed in thousands)**

	Original Adopted Budget	Additional Appropriations, Carryforward and Transfers	Final Budget	Expenditures	Encumbrances June 30, 2021	Total Actual	Variance with Final Budget Positive (Negative)
ACCESSIBLE HOUSING							
Current - Special Purpose	\$ 14,832	\$ 2,061	\$ 16,893	\$ 7,742	\$ 5,952	\$ 13,694	\$ 3,199
Transfers to Other Funds	21,324	(12,986)	8,338	4,789	--	4,789	3,549
TOTAL	<u>36,156</u>	<u>(10,925)</u>	<u>25,231</u>	<u>12,531</u>	<u>5,952</u>	<u>18,483</u>	<u>6,748</u>
TOTAL BUDGETED GENERAL FUND	<u>\$ 50,504</u>	<u>\$ (11,026)</u>	<u>\$ 39,478</u>	<u>\$ 18,620</u>	<u>\$ 5,957</u>	<u>\$ 24,577</u>	<u>\$ 14,901</u>
ALL ANNUALLY BUDGETED GENERAL FUNDS							
Current - Special Purpose	\$ 18,788	\$ 2,020	\$ 20,808	\$ 7,764	\$ 5,957	\$ 13,721	\$ 7,087
Transfers to Other Funds	31,716	(13,046)	18,670	10,856	--	10,856	7,814
TOTAL	<u>\$ 50,504</u>	<u>\$ (11,026)</u>	<u>\$ 39,478</u>	<u>\$ 18,620</u>	<u>\$ 5,957</u>	<u>\$ 24,577</u>	<u>\$ 14,901</u>
GRAND TOTAL	<u>\$ 5,034,964</u>	<u>\$ (1,034,900)</u>	<u>\$ 4,000,064</u>	<u>\$ 1,602,772</u>	<u>\$ 249,029</u>	<u>\$ 1,851,801</u>	<u>\$ 2,148,263</u>

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Debt Service Funds

Debt Service Funds are used to account for the payment of maturing principal and interest on the City's general obligation and revenue bonds, and certificates of participation.

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CITY OF LOS ANGELES

**Combining Balance Sheet
Nonmajor Debt Service Funds
June 30, 2021
(amounts expressed in thousands)**

	General Obligation Bonds				
	Refunding Series 2011-B	Refunding Series 2012-A	Refunding Series 2016-A	Proposition HHH - Debt Service	Refunding Series 2017-B
ASSETS					
Cash and Pooled Investments	\$ 40,513	\$ 29,790	\$ 22,133	\$ 29,403	\$ 9,435
Taxes Receivable (Net of Allowance for Uncollectibles of \$533)	2,007	4,009	3,055	4,583	1,326
Investment Income Receivable	75	55	41	54	18
TOTAL ASSETS	\$ 42,595	\$ 33,854	\$ 25,229	\$ 34,040	\$ 10,779
LIABILITIES					
Obligations Under Securities Lending Transactions	\$ 302	\$ 222	\$ 165	\$ 219	\$ 70
Interest Payable	--	--	--	--	--
Advances from Other Funds	--	--	--	--	--
Other Liabilities	652	477	355	472	151
TOTAL LIABILITIES	954	699	520	691	221
DEFERRED INFLOWS OF RESOURCES					
Property Tax	1,568	3,132	2,387	3,580	1,036
Interest Receivable on Loans and Others	24	18	13	17	6
TOTAL DEFERRED INFLOWS OF RESOURCES	1,592	3,150	2,400	3,597	1,042
FUND BALANCES					
Restricted	40,049	30,005	22,309	29,752	9,516
Unassigned	--	--	--	--	--
TOTAL FUND BALANCES	40,049	30,005	22,309	29,752	9,516
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 42,595	\$ 33,854	\$ 25,229	\$ 34,040	\$ 10,779

Continued...

CITY OF LOS ANGELES
Combining Balance Sheet - (Continued)
Nonmajor Debt Service Funds
June 30, 2021
(amounts expressed in thousands)

	<u>General Obligation Bonds</u>			Other Nonmajor Debt Service Funds	Total
	<u>Refunding Series 2018-B</u>	<u>Refunding Series 2018-C</u>	<u>Solid Waste Resources</u>		
ASSETS					
Cash and Pooled Investments	\$ 1,176	\$ 256	\$ 21,200	\$ 3,767	\$ 157,673
Taxes Receivable (Net of Allowance for Uncollectibles of \$533)	277	61	--	--	15,318
Investment Income Receivable	2	--	--	10	255
TOTAL ASSETS	<u>\$ 1,455</u>	<u>\$ 317</u>	<u>\$ 21,200</u>	<u>\$ 3,777</u>	<u>\$ 173,246</u>
LIABILITIES					
Obligations Under Securities Lending Transactions	\$ 9	\$ 2	\$ --	\$ 26	\$ 1,015
Interest Payable	--	--	--	268	268
Advances from Other Funds	--	--	--	6,520	6,520
Other Liabilities	18	4	--	56	2,185
TOTAL LIABILITIES	<u>27</u>	<u>6</u>	<u>--</u>	<u>6,870</u>	<u>9,988</u>
DEFERRED INFLOWS OF RESOURCES					
Property Tax	217	47	--	--	11,967
Interest Receivable on Loans and Others	1	--	--	3	82
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>218</u>	<u>47</u>	<u>--</u>	<u>3</u>	<u>12,049</u>
FUND BALANCES					
Restricted	1,210	264	21,200	1,230	155,535
Unassigned	--	--	--	(4,326)	(4,326)
TOTAL FUND BALANCES	<u>1,210</u>	<u>264</u>	<u>21,200</u>	<u>(3,096)</u>	<u>151,209</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 1,455</u>	<u>\$ 317</u>	<u>\$ 21,200</u>	<u>\$ 3,777</u>	<u>\$ 173,246</u>

CITY OF LOS ANGELES

**Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Debt Service Funds
For the Fiscal Year Ended June 30, 2021
(amounts expressed in thousands)**

	General Obligation Bonds				
	Refunding Series 2011-B	Refunding Series 2012-A	Refunding Series 2016-A	Proposition HHH - Debt Service	Refunding Series 2017-B
REVENUES					
Property Taxes	\$ 34,399	\$ 26,760	\$ 19,926	\$ 29,944	\$ 8,047
Investment Earnings	302	222	166	223	90
Change in Fair Value of Investments	(748)	(546)	(407)	(524)	(325)
TOTAL REVENUES	33,953	26,436	19,685	29,643	7,812
EXPENDITURES					
General Government	--	--	--	--	--
Debt Service					
Principal	32,590	22,815	17,060	18,135	11,460
Interest	3,203	4,353	3,197	11,642	1,889
TOTAL EXPENDITURES	35,793	27,168	20,257	29,777	13,349
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,840)	(732)	(572)	(134)	(5,537)
OTHER FINANCING SOURCES (USES)					
Transfers In	--	--	--	--	--
Transfers Out	--	--	--	--	--
TOTAL OTHER FINANCING SOURCES (USES)	--	--	--	--	--
NET CHANGE IN FUND BALANCES	(1,840)	(732)	(572)	(134)	(5,537)
FUND BALANCES, JULY 1	41,889	30,737	22,881	29,886	15,053
FUND BALANCES, JUNE 30	\$ 40,049	\$ 30,005	\$ 22,309	\$ 29,752	\$ 9,516

Continued...

CITY OF LOS ANGELES

**Combining Statement of Revenues, Expenditures
and Changes in Fund Balances - (Continued)
Nonmajor Debt Service Funds
For the Fiscal Year Ended June 30, 2021
(amounts expressed in thousands)**

	<u>General Obligation Bonds</u>			<u>Other Nonmajor Debt Service Funds</u>	<u>Total</u>
	<u>Refunding Series 2018-B</u>	<u>Refunding Series 2018-C</u>	<u>Solid Waste Resources</u>		
REVENUES					
Property Taxes	\$ 1,774	\$ 386	\$ --	\$ --	\$ 121,236
Investment Earnings	10	2	199	69	1,283
Change in Fair Value of Investments	(20)	(4)	--	(163)	(2,737)
TOTAL REVENUES	<u>1,764</u>	<u>384</u>	<u>199</u>	<u>(94)</u>	<u>119,782</u>
EXPENDITURES					
General Government	--	--	--	283	283
Debt Service					
Principal	--	--	21,165	12,072	135,297
Interest	1,733	378	7,531	730	34,656
TOTAL EXPENDITURES	<u>1,733</u>	<u>378</u>	<u>28,696</u>	<u>13,085</u>	<u>170,236</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>31</u>	<u>6</u>	<u>(28,497)</u>	<u>(13,179)</u>	<u>(50,454)</u>
OTHER FINANCING SOURCES (USES)					
Transfers In	--	--	26,811	12,802	39,613
Transfers Out	--	--	(2)	(2)	(4)
TOTAL OTHER FINANCING SOURCES (USES)	<u>--</u>	<u>--</u>	<u>26,809</u>	<u>12,800</u>	<u>39,609</u>
NET CHANGE IN FUND BALANCES	<u>31</u>	<u>6</u>	<u>(1,688)</u>	<u>(379)</u>	<u>(10,845)</u>
FUND BALANCES, JULY 1	<u>1,179</u>	<u>258</u>	<u>22,888</u>	<u>(2,717)</u>	<u>162,054</u>
FUND BALANCES, JUNE 30	<u>\$ 1,210</u>	<u>\$ 264</u>	<u>\$ 21,200</u>	<u>\$ (3,096)</u>	<u>\$ 151,209</u>

CITY OF LOS ANGELES

**Combining Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Debt Service Funds
For the Fiscal Year Ended June 30, 2021
(amounts expressed in thousands)**

	General Obligation Bonds Refunding Series 2011-B			
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts (Budgetary Basis)	Final Budget Positive (Negative)
REVENUES AND OTHER FINANCING SOURCES				
Revenues				
Taxes	\$ 35,793	\$ 35,793	\$ 34,825	\$ (968)
Charges for Services	--	--	--	--
Interest	--	--	336	336
Total Revenues	35,793	35,793	35,161	(632)
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
TOTAL REVENUES AND OTHER FINANCING SOURCES	35,793	35,793	35,161	(632)
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Debt Service				
Principal	32,590	32,590	32,590	--
Interest	3,203	3,203	3,203	--
Total Expenditures	35,793	35,793	35,793	--
Other Financing Uses				
Transfers to Other Funds	--	--	--	--
TOTAL EXPENDITURES AND OTHER FINANCING USES	35,793	35,793	35,793	--
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	--	--	(632)	(632)
FUND BALANCES, JULY 1	--	--	39,767	39,767
FUND BALANCES, JUNE 30	\$ --	\$ --	\$ 39,135	\$ 39,135

Continued....

CITY OF LOS ANGELES

**Combining Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Debt Service Funds - (Continued)
For the Fiscal Year Ended June 30, 2021
(amounts expressed in thousands)**

	General Obligation Bonds Refunding Series 2012-A			
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts (Budgetary Basis)	Final Budget Positive (Negative)
REVENUES AND OTHER FINANCING SOURCES				
Revenues				
Taxes	\$ 27,168	\$ 27,168	\$ 26,542	\$ (626)
Charges for Services	--	--	--	--
Interest	--	--	247	247
Total Revenues	27,168	27,168	26,789	(379)
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
TOTAL REVENUES AND OTHER FINANCING SOURCES	27,168	27,168	26,789	(379)
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Debt Service				
Principal	22,815	22,815	22,815	--
Interest	4,353	4,353	4,353	--
Total Expenditures	27,168	27,168	27,168	--
Other Financing Uses				
Transfers to Other Funds	--	--	--	--
TOTAL EXPENDITURES AND OTHER FINANCING USES	27,168	27,168	27,168	--
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	--	--	(379)	(379)
FUND BALANCES, JULY 1	--	--	29,160	29,160
FUND BALANCES, JUNE 30	\$ --	\$ --	\$ 28,781	\$ 28,781

Continued....

CITY OF LOS ANGELES

**Combining Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Debt Service Funds - (Continued)
For the Fiscal Year Ended June 30, 2021
(amounts expressed in thousands)**

	General Obligation Bonds Refunding Series 2016-A			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES AND OTHER FINANCING SOURCES				
Revenues				
Taxes	\$ 20,257	\$ 20,257	\$ 19,749	\$ (508)
Charges for Services	--	--	--	--
Interest	--	--	184	184
Total Revenues	20,257	20,257	19,933	(324)
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
TOTAL REVENUES AND OTHER FINANCING SOURCES	20,257	20,257	19,933	(324)
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Debt Service				
Principal	17,060	17,060	17,060	--
Interest	3,197	3,197	3,197	--
Total Expenditures	20,257	20,257	20,257	--
Other Financing Uses				
Transfers to Other Funds	--	--	--	--
TOTAL EXPENDITURES AND OTHER FINANCING USES	20,257	20,257	20,257	--
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	--	--	(324)	(324)
FUND BALANCES, JULY 1	--	--	21,708	21,708
FUND BALANCES, JUNE 30	\$ --	\$ --	\$ 21,384	\$ 21,384

Continued....

CITY OF LOS ANGELES

**Combining Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Debt Service Funds - (Continued)
For the Fiscal Year Ended June 30, 2021
(amounts expressed in thousands)**

	Proposition HHH - Debt Service			
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts (Budgetary Basis)	Final Budget Positive (Negative)
REVENUES AND OTHER FINANCING SOURCES				
Revenues				
Taxes	\$ 29,777	\$ 29,777	\$ 29,677	\$ (100)
Charges for Services	--	--	--	--
Interest	--	--	247	247
Total Revenues	29,777	29,777	29,924	147
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
TOTAL REVENUES AND OTHER FINANCING SOURCES	29,777	29,777	29,924	147
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Debt Service				
Principal	18,135	18,135	18,135	--
Interest	11,642	11,642	11,642	--
Total Expenditures	29,777	29,777	29,777	--
Other Financing Uses				
Transfers to Other Funds	--	--	--	--
TOTAL EXPENDITURES AND OTHER FINANCING USES	29,777	29,777	29,777	--
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	--	--	147	147
FUND BALANCES, JULY 1	--	--	28,259	28,259
FUND BALANCES, JUNE 30	\$ --	\$ --	\$ 28,406	\$ 28,406

Continued....

CITY OF LOS ANGELES

**Combining Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Debt Service Funds - (Continued)
For the Fiscal Year Ended June 30, 2021
(amounts expressed in thousands)**

	General Obligation Bonds Refunding Series 2017-B			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES AND OTHER FINANCING SOURCES				
Revenues				
Taxes	\$ 13,349	\$ 13,349	\$ 7,953	\$ (5,396)
Charges for Services	--	--	--	--
Interest	--	--	108	108
Total Revenues	13,349	13,349	8,061	(5,288)
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
TOTAL REVENUES AND OTHER FINANCING SOURCES	13,349	13,349	8,061	(5,288)
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Debt Service				
Principal	11,460	11,460	11,460	--
Interest	1,889	1,889	1,889	--
Total Expenditures	13,349	13,349	13,349	--
Other Financing Uses				
Transfers to Other Funds	--	--	--	--
TOTAL EXPENDITURES AND OTHER FINANCING USES	13,349	13,349	13,349	--
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	--	--	(5,288)	(5,288)
FUND BALANCES, JULY 1	--	--	14,402	14,402
FUND BALANCES, JUNE 30	\$ --	\$ --	\$ 9,114	\$ 9,114

Continued....

CITY OF LOS ANGELES

**1Combining Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Debt Service Funds - (Continued)
For the Fiscal Year Ended June 30, 2021
(amounts expressed in thousands)**

	General Obligation Bonds Refunding Series 2018-B			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES AND OTHER FINANCING SOURCES				
Revenues				
Taxes	\$ 1,733	\$ 1,733	\$ 1,758	\$ 25
Charges for Services	--	--	--	--
Interest	--	--	10	10
Total Revenues	1,733	1,733	1,768	35
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
TOTAL REVENUES AND OTHER FINANCING SOURCES	1,733	1,733	1,768	35
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	1,733	1,733	1,733	--
Total Expenditures	1,733	1,733	1,733	--
Other Financing Uses				
Transfers to Other Funds	--	--	--	--
TOTAL EXPENDITURES AND OTHER FINANCING USES	1,733	1,733	1,733	--
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	--	--	35	35
FUND BALANCES, JULY 1	--	--	1,101	1,101
FUND BALANCES, JUNE 30	\$ --	\$ --	\$ 1,136	\$ 1,136

Continued....

CITY OF LOS ANGELES

**Combining Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Debt Service Funds - (Continued)
For the Fiscal Year Ended June 30, 2021
(amounts expressed in thousands)**

	General Obligation Bonds Refunding Series 2018-C			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES AND OTHER FINANCING SOURCES				
Revenues				
Taxes	\$ 378	\$ 378	\$ 382	\$ 4
Charges for Services	--	--	--	--
Interest	--	--	2	2
Total Revenues	378	378	384	6
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
TOTAL REVENUES AND OTHER FINANCING SOURCES	378	378	384	6
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	378	378	378	--
Total Expenditures	378	378	378	--
Other Financing Uses				
Transfers to Other Funds	--	--	--	--
TOTAL EXPENDITURES AND OTHER FINANCING USES	378	378	378	--
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	--	--	6	6
FUND BALANCES, JULY 1	--	--	241	241
FUND BALANCES, JUNE 30	\$ --	\$ --	\$ 247	\$ 247

Continued....

CITY OF LOS ANGELES

**Combining Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Debt Service Funds - (Continued)
For the Fiscal Year Ended June 30, 2021
(amounts expressed in thousands)**

Other Nonmajor Debt Service Fund - Convention Center - Staples Arena Account				
Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)	
Original	Final			
REVENUES AND OTHER FINANCING SOURCES				
Revenues				
Taxes	\$ --	\$ --	\$ --	\$ --
Charges for Services	3,873	3,873	--	(3,873)
Interest	93	93	60	(33)
Total Revenues	3,966	3,966	60	(3,906)
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
TOTAL REVENUES AND OTHER FINANCING SOURCES	3,966	3,966	60	(3,906)
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	12,353	6,266	--	6,266
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	12,353	6,266	--	6,266
Other Financing Uses				
Transfers to Other Funds	3,500	3,500	3,458	42
TOTAL EXPENDITURES AND OTHER FINANCING USES	15,853	9,766	3,458	6,308
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(11,887)	(5,800)	(3,398)	2,402
FUND BALANCES, JULY 1	5,580	5,580	5,564	(16)
Appropriation of Fund Balances and Carryforward Appropriations	6,307	220	--	(220)
FUND BALANCES, JUNE 30	\$ --	\$ --	\$ 2,166	\$ 2,166

Continued....

CITY OF LOS ANGELES

**Combining Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Debt Service Funds - (Continued)
For the Fiscal Year Ended June 30, 2021
(amounts expressed in thousands)**

Total Annually Budgeted Nonmajor Debt Service Funds				
Budgeted Amounts		Actual	Variance with	
Original	Final	Amounts (Budgetary Basis)	Final Budget Positive (Negative)	
REVENUES AND OTHER FINANCING SOURCES				
Revenues				
Taxes	\$ 128,455	\$ 128,455	\$ 120,886	\$ (7,569)
Charges for Services	3,873	3,873	--	(3,873)
Interest	93	93	1,194	1,101
Total Revenues	132,421	132,421	122,080	(10,341)
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
TOTAL REVENUES AND OTHER FINANCING SOURCES	132,421	132,421	122,080	(10,341)
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Current				
General Government	12,353	6,266	--	6,266
Debt Service				
Principal	102,060	102,060	102,060	--
Interest	26,395	26,395	26,395	--
Total Expenditures	140,808	134,721	128,455	6,266
Other Financing Uses				
Transfers to Other Funds	3,500	3,500	3,458	42
TOTAL EXPENDITURES AND OTHER FINANCING USES	144,308	138,221	131,913	6,308
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES				
	(11,887)	(5,800)	(9,833)	(4,033)
FUND BALANCES, JULY 1	5,580	5,580	140,202	134,622
Appropriation of Fund Balances and Carryforward Appropriations	6,307	220	--	(220)
FUND BALANCES, JUNE 30	\$ --	\$ --	\$ 130,369	\$ 130,369

CITY OF LOS ANGELES

Reconciliation of Operations on Budgetary Basis to the GAAP Basis
Nonmajor Debt Service Funds
For the Fiscal Year Ended June 30, 2021
(amounts expressed in thousands)

Deficiency of Revenues and Other Financing Sources Under

Expenditures and Other Financing Uses - Budgetary	\$ (9,833)
--	------------

Basis Difference

Adjustments for net changes to accrued assets and liabilities. The GAAP basis operating statement recognizes revenues as soon as they are both measurable and available, and expenditures generally are recorded when liability is incurred; whereas, the budget basis operating statement reflects revenues when received and expenditures when paid.	685
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Perspective Difference

Certain Nonmajor Debt Service funds are not included in the legally adopted budget	(1,697)
--	---------

Net Change in Fund Balances - Nonmajor Debt Service Funds

<u>\$ (10,845)</u>

DETAILS OF RESTATEMENT OF JULY 1 FUND BALANCES

Fund Balances, July 1, as previously reported	\$ 141,261
Certain funds were budgeted in prior year and others were not included in this year's budget.	<u>(1,059)</u>

Fund Balances, July 1, as restated	<u>\$ 140,202</u>
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Capital Projects Funds

Capital Projects Funds are used to account for major capital improvements which are financed from the City's general obligation bonds and certificates of participation issues, special assessments, certain Federal grants, and specific receipts.

CAPITAL PROJECTS FUNDS

Capital Projects Funds are used to account for capital improvements which are financed from the City's and component units' general obligation bonds, certificates of participation issues, special assessments, certain Federal grants and other specific receipts. All of the City's Capital Projects Funds are considered nonmajor funds. Ten funds are separately identified. These funds represent 93.1% of the combined revenues of the Capital Project Funds. The other smaller funds are grouped as other nonmajor capital project funds.

General Obligation Bonds – Series 2003-A, Series 2004-A, Series 2005-A, Series 2006-A, Series 2008-A, Series 2009, Series 2011-A, and Proposition HHH - Facilities Program - These funds account for the proceeds from the sales of bonds authorized by the voters in November 1998, November 2000, March 2002, November 2004, and November 2016 for the acquisition, improvement, and construction of certain police and fire safety facilities, animal shelter, zoo facilities, stormwater infrastructure assets and supportive housing and facilities for homeless individuals.

Recreation and Parks Grant Fund – Accounts for grants received for major capital improvements undertaken by the City's Department of Recreation and Parks.

Parks Assessment Fund – Accounts for assessments levied pursuant to Proposition K – Los Angeles Kids program approved by City voters on November 5, 1996. The assessments from the City of Los Angeles Landscaping and Lighting District 96-1 will be used for the acquisition of land, construction of capital improvements and maintenance of facilities, and the repayment of bonds. The fund also accounts for the proceeds from the sale of special assessment bonds.

Other Nonmajor Capital Projects Funds - Account for the activities of smaller capital project funds and represent 6.9% of the combined revenues. Included in this group are two annually budgeted funds: Local Transportation and Park and Recreational Sites and Facilities.

CITY OF LOS ANGELES

**Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2021
(amounts expressed in thousands)**

	General Obligation Bonds					
	Series 2003-A	Series 2004-A	Series 2005-A	Series 2006-A	Series 2008-A	Series 2009
ASSETS						
Cash and Pooled Investments	\$ 347	\$ 868	\$ 2,906	\$ 6,014	\$ 1,161	\$ 9,997
Accounts Receivable	--	--	--	--	--	106
Special Assessments Receivable	--	--	--	--	--	--
Investment Income Receivable	1	2	8	14	6	44
Intergovernmental Receivable	--	--	--	--	--	--
Due from Other Funds	--	--	--	--	--	--
TOTAL ASSETS	\$ 348	\$ 870	\$ 2,914	\$ 6,028	\$ 1,167	\$ 10,147
LIABILITIES						
Accounts, Contracts and Retainage Payable	\$ --	\$ --	\$ --	\$ 1	\$ --	\$ 295
Obligations Under Securities Lending Transactions	2	6	22	45	9	74
Due to Other Funds	--	25	338	1,547	364	1,098
Deposits and Advances	--	--	--	--	--	--
Advances from Other Funds	--	--	--	--	--	--
Other Liabilities	5	14	47	96	19	160
TOTAL LIABILITIES	7	45	407	1,689	392	1,627
DEFERRED INFLOWS OF RESOURCES						
Receivables from Other Government Agencies	--	--	--	--	--	106
Interest Receivable on Loans and Others	--	1	2	4	2	14
TOTAL DEFERRED INFLOWS OF RESOURCES	--	1	2	4	2	120
FUND BALANCES						
Restricted	341	824	2,505	4,335	773	8,400
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 348	\$ 870	\$ 2,914	\$ 6,028	\$ 1,167	\$ 10,147

Continued...

CITY OF LOS ANGELES

Combining Balance Sheet - (Continued)
Nonmajor Capital Projects Funds
June 30, 2021
(amounts expressed in thousands)

	General Obligation Bonds					
	Series 2011-A	Proposition HHH - Facilities Program	Recreation and Parks Grant	Parks Assessment	Other Nonmajor Capital Projects Funds	Total
ASSETS						
Cash and Pooled Investments	\$ 37,774	\$ 15,740	\$ 71,497	\$ 138,631	\$ 20,750	\$ 305,685
Accounts Receivable	644	--	--	--	92	842
Special Assessments Receivable	--	--	--	1,365	--	1,365
Investment Income Receivable	86	56	169	341	7	734
Intergovernmental Receivable	--	--	4,262	--	303	4,565
Due from Other Funds	--	--	3,595	5	41	3,641
TOTAL ASSETS	\$ 38,504	\$ 15,796	\$ 79,523	\$ 140,342	\$ 21,193	\$ 316,832
LIABILITIES						
Accounts, Contracts and Retainage Payable	\$ 372	\$ --	\$ 2,601	\$ 3,013	\$ 752	\$ 7,034
Obligations Under Securities Lending Transactions	281	150	533	1,033	23	2,178
Due to Other Funds	266	909	--	298	102	4,947
Deposits and Advances	--	--	--	--	4	4
Advances from Other Funds	--	--	3,000	--	--	3,000
Other Liabilities	605	323	1,146	2,222	49	4,686
TOTAL LIABILITIES	1,524	1,382	7,280	6,566	930	21,849
DEFERRED INFLOWS OF RESOURCES						
Receivables from Other Government Agencies	583	--	4,214	--	92	4,995
Interest Receivable on Loans and Others	27	18	54	907	2	1,031
TOTAL DEFERRED INFLOWS OF RESOURCES	610	18	4,268	907	94	6,026
FUND BALANCES						
Restricted	36,370	14,396	67,975	132,869	20,169	288,957
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 38,504	\$ 15,796	\$ 79,523	\$ 140,342	\$ 21,193	\$ 316,832

CITY OF LOS ANGELES

**Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Fiscal Year Ended June 30, 2021
(amounts expressed in thousands)**

	General Obligation Bonds					
	Series 2003-A	Series 2004-A	Series 2005-A	Series 2006-A	Series 2008-A	Series 2009
REVENUES						
Other Taxes	\$ --	\$ --	\$ --	\$ --	\$ --	--
Licenses and Permits	--	--	--	--	--	--
Intergovernmental	--	--	--	--	--	--
Charges for Services	--	--	--	--	--	--
Special Assessments	--	--	--	--	--	--
Investment Earnings	7	11	54	75	43	242
Change in Fair Value of Investments	(26)	(18)	(110)	(114)	(100)	(532)
Other	--	--	--	--	19	--
TOTAL REVENUES	(19)	(7)	(56)	(39)	(38)	(290)
EXPENDITURES						
Capital Outlay	7	--	1,546	101	2,768	11,304
TOTAL EXPENDITURES	7	--	1,546	101	2,768	11,304
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(26)	(7)	(1,602)	(140)	(2,806)	(11,594)
OTHER FINANCING SOURCES (USES)						
Transfers In	--	--	--	--	--	--
Transfers Out	--	--	--	--	--	--
TOTAL OTHER FINANCING SOURCES (USES)	--	--	--	--	--	--
NET CHANGE IN FUND BALANCES	(26)	(7)	(1,602)	(140)	(2,806)	(11,594)
FUND BALANCES, JULY 1	367	831	4,107	4,475	3,579	19,994
FUND BALANCES, JUNE 30	\$ 341	\$ 824	\$ 2,505	\$ 4,335	\$ 773	\$ 8,400

Continued...

CITY OF LOS ANGELES

**Combining Statement of Revenues, Expenditures
and Changes in Fund Balances - (Continued)
Nonmajor Capital Projects Funds
For the Fiscal Year Ended June 30, 2021
(amounts expressed in thousands)**

	<u>General Obligation Bonds</u>					
	<u>Series 2011-A</u>	<u>Proposition HHH - Facilities Program</u>	<u>Recreation and Parks Grant</u>	<u>Parks Assessment</u>	<u>Other Nonmajor Capital Projects Funds</u>	<u>Total</u>
REVENUES						
Other Taxes	\$ --	\$ --	\$ --	\$ --	\$ 2,937	\$ 2,937
Licenses and Permits	--	--	--	--	12	12
Intergovernmental	2,545	--	17,928	--	303	20,776
Charges for Services	--	--	622	--	--	622
Special Assessments	--	--	--	24,879	--	24,879
Investment Earnings	455	362	924	1,716	39	3,928
Change in Fair Value of Investments	(712)	(781)	(1,268)	(2,572)	(71)	(6,304)
Other	--	--	--	--	--	19
TOTAL REVENUES	<u>2,288</u>	<u>(419)</u>	<u>18,206</u>	<u>24,023</u>	<u>3,220</u>	<u>46,869</u>
EXPENDITURES						
Capital Outlay	<u>3,227</u>	<u>4,327</u>	<u>25,787</u>	<u>25,813</u>	<u>5,253</u>	<u>80,133</u>
TOTAL EXPENDITURES	<u>3,227</u>	<u>4,327</u>	<u>25,787</u>	<u>25,813</u>	<u>5,253</u>	<u>80,133</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(939)</u>	<u>(4,746)</u>	<u>(7,581)</u>	<u>(1,790)</u>	<u>(2,033)</u>	<u>(33,264)</u>
OTHER FINANCING SOURCES (USES)						
Transfers In	--	126	3,200	--	--	3,326
Transfers Out	--	(4,794)	--	(200)	--	(4,994)
TOTAL OTHER FINANCING SOURCES (USES)	<u>--</u>	<u>(4,668)</u>	<u>3,200</u>	<u>(200)</u>	<u>--</u>	<u>(1,668)</u>
NET CHANGE IN FUND BALANCES	<u>(939)</u>	<u>(9,414)</u>	<u>(4,381)</u>	<u>(1,990)</u>	<u>(2,033)</u>	<u>(34,932)</u>
FUND BALANCES, JULY 1	<u>37,309</u>	<u>23,810</u>	<u>72,356</u>	<u>134,859</u>	<u>22,202</u>	<u>323,889</u>
FUND BALANCES, JUNE 30	<u><u>\$ 36,370</u></u>	<u><u>\$ 14,396</u></u>	<u><u>\$ 67,975</u></u>	<u><u>\$ 132,869</u></u>	<u><u>\$ 20,169</u></u>	<u><u>\$ 288,957</u></u>

CITY OF LOS ANGELES

**Combining Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Capital Projects Funds
For the Fiscal Year Ended June 30, 2021
(amounts expressed in thousands)**

Other Nonmajor Capital Projects Fund - Local Transportation				
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES AND OTHER FINANCING SOURCES				
Revenues				
Taxes	\$ --	\$ --	\$ --	\$ --
Intergovernmental	3,476	3,476	30	(3,446)
Interest	70	70	--	(70)
Total Revenues	3,546	3,546	30	(3,516)
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
TOTAL REVENUES AND OTHER FINANCING SOURCES	3,546	3,546	30	(3,516)
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Capital Outlay	8,277	7,305	246	7,059
Other Financing Uses				
Transfers to Other Funds	89	89	--	89
TOTAL EXPENDITURES AND OTHER FINANCING USES	8,366	7,394	246	7,148
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(4,820)	(3,848)	(216)	3,632
FUND BALANCES (DEFICIT), JULY 1	31	31	(39)	(70)
Appropriation of Fund Balances and Carryforward Appropriations	4,789	3,811	--	(3,811)
Encumbrances Lapsed	--	6	6	--
FUND BALANCES (DEFICIT), JUNE 30	\$ --	\$ --	\$ (249)	\$ (249)

Continued....

CITY OF LOS ANGELES

**Combining Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Capital Projects Funds - (Continued)
For the Fiscal Year Ended June 30, 2021
(amounts expressed in thousands)**

Other Nonmajor Capital Projects Fund - Parks and Recreation Sites and Facilities				
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES AND OTHER FINANCING SOURCES				
Revenues				
Taxes	\$ 2,470	\$ 2,470	\$ 2,937	\$ 467
Intergovernmental	--	--	--	--
Interest	--	--	--	--
Total Revenues	2,470	2,470	--	467
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
TOTAL REVENUES AND OTHER FINANCING SOURCES	2,470	2,470	2,937	467
EXPENDITURES AND OTHER FINANCING USES				
Capital Outlay	2,470	17,705	1,820	15,885
Other Financing Uses				
Transfers to Other Funds	639	1,087	488	599
TOTAL EXPENDITURES AND OTHER FINANCING USES	3,109	18,792	2,308	16,484
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(639)	(16,322)	629	16,951
FUND BALANCES (DEFICIT), JULY 1	--	--	16,427	16,427
Appropriation of Fund Balances and Carryforward Appropriations	639	16,295	--	(16,295)
Encumbrances Lapsed	--	27	27	--
FUND BALANCES (DEFICIT), JUNE 30	\$ --	\$ --	\$ 17,083	\$ 17,083

Continued....

CITY OF LOS ANGELES

**Combining Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
Annually Budgeted Nonmajor Capital Projects Funds - (Continued)
For the Fiscal Year Ended June 30, 2021
(amounts expressed in thousands)**

	Total Annually Budgeted Nonmajor Capital Projects Funds			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES AND OTHER FINANCING SOURCES				
Revenues				
Taxes	\$ 2,470	\$ 2,470	\$ 2,937	\$ 467
Intergovernmental	3,476	3,476	30	(3,446)
Interest	70	70	--	(70)
Total Revenues	<u>6,016</u>	<u>6,016</u>	<u>2,967</u>	<u>(3,049)</u>
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>6,016</u>	<u>6,016</u>	<u>2,967</u>	<u>(3,049)</u>
EXPENDITURES AND OTHER FINANCING USES				
Expenditures				
Capital Outlay	10,747	25,010	2,066	22,944
Other Financing Uses	728	1,176	488	688
Transfers to Other Funds	--	--	--	--
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>11,475</u>	<u>26,186</u>	<u>2,554</u>	<u>23,632</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(5,459)	(20,170)	413	20,583
FUND BALANCES (DEFICIT), JULY 1	31	31	16,388	16,357
Appropriation of Fund Balances and Carryforward Appropriations	5,428	20,106	--	(20,106)
Encumbrances Lapsed	--	33	33	--
FUND BALANCES (DEFICIT), JUNE 30	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 16,834</u>	<u>\$ 16,834</u>

CITY OF LOS ANGELES

Reconciliation of Operations on Budgetary Basis to the GAAP Basis
Nonmajor Capital Projects Funds
For the Fiscal Year Ended June 30, 2021
(amounts expressed in thousands)

Excess of Revenues and Other Financing Sources Under

Expenditures and Other Financing Uses - Budgetary \$ 413

Basis Difference

Adjustments for net changes to accrued assets and liabilities. The GAAP basis operating statement recognizes revenues as soon as they are both measurable and available, and expenditures generally are recorded when liability is incurred; whereas, the budget basis operating statement reflects revenues when received and expenditures when paid. 1,627

Encumbrances, which represent commitments to acquire goods and services, are recorded as the equivalent of expenditures in the budget year incurred (budget), as opposed to a reservation of fund balance (GAAP). 542

Encumbrances reported as budgetary expenditures (4,620)

Prior year encumbrances expended in current year

Perspective Difference

Certain Nonmajor Capital Projects Funds are not included in the legally adopted budget; while for some, the budget provides for only the portion of fund receipts that are expended for City department operations. (32,894)

Net Change in Fund Balances - Nonmajor Capital Projects Funds \$ (34,932)

CITY OF LOS ANGELES

**Supplemental Schedule of Appropriations,
Expenditures and Other Financing Uses
Budget and Actual (Non-GAAP Budgetary Basis)
All Budgeted Capital Projects Funds
For the Fiscal Year Ended June 30, 2021
(amounts expressed in thousands)**

	Original Adopted Budget	Additional Appropriations, Carryforward and Transfers	Final Budget	Expenditures	Encumbrances June 30, 2021	Total Actual	Variance with Final Budget Positive (Negative)
LOCAL TRANSPORTATION							
Capital Outlay	\$ 8,277	\$ (972)	\$ 7,305	\$ 59	\$ 187	\$ 246	\$ 7,059
Transfers to Other Funds	89	--	89	--	--	--	89
TOTAL	8,366	(972)	7,394	59	187	246	7,148
PARKS AND RECREATION SITES AND FACILITIES							
Capital Outlay	2,470	15,235	17,705	1,465	355	1,820	15,885
Transfers to Other Funds	639	448	1,087	488	--	488	599
TOTAL	3,109	15,683	18,792	1,953	355	2,308	16,484
TOTAL BUDGETED CAPITAL PROJECTS FUNDS	\$ 11,475	\$ 14,711	\$ 26,186	\$ 2,012	\$ 542	\$ 2,554	\$ 23,632
ALL ANNUALLY BUDGETED CAPITAL PROJECTS FUNDS							
Capital Outlay	\$ 10,747	\$ 14,263	\$ 25,010	\$ 1,524	\$ 542	\$ 2,066	\$ 22,944
Transfers to Other Funds	728	448	1,176	488	--	488	688
TOTAL	\$ 11,475	\$ 14,711	\$ 26,186	\$ 2,012	\$ 542	\$ 2,554	\$ 23,632

Fiduciary Funds

Pensions and Other Employee Benefits Trust Funds are used to account for the activities of the City's single-employer defined benefit pension plans and other postemployment benefit plans. Custodial Funds are used to account for activities carried out exclusively for the benefit of those outside of the City but not administered through other fiduciary trusts.

FIDUCIARY FUNDS

Fiduciary Funds are used to report assets held by the City in a trustee or agency capacity for others and therefore cannot be used to support the City government's programs. These include Pension Trust Funds, Other Postemployment Benefits Trust Funds, and Custodial Funds.

Pension Trust Funds – These funds are used to report resources that are held in trust for the members and beneficiaries of the City's single-employer defined benefit pension plans namely: Fire and Police Pension Plan, Los Angeles City Employees' Retirement Plan, and Water and Power Employees' Retirement and Disability Pension Plans.

Other Postemployment Benefits Trust Funds – These funds are used to report resources that are held in trust for the members of the City's postemployment plans namely: Fire and Police Health Subsidy Plan, Los Angeles City Employees' Postemployment Health Care Plan, and Water and Power Employees' Retirees Health Benefit and Death Benefit Plans.

Custodial Funds – These funds are used to report activities carried out exclusively for the benefit of that outside of the City but not administered through other fiduciary trusts, such as collections for Clean Fuel Rewards Program, assessments for payments of certain conduit debt, and monies seized by the law enforcement pending judgment.

CITY OF LOS ANGELES

**Combining Statement of Fiduciary Net Position
Pension and Other Postemployment Benefits Trust Funds
June 30, 2021
(amounts expressed in thousands)**

	Pension Trust Funds	Other Postemployment Benefits Trust Funds	Total
ASSETS			
Cash and Pooled Investments	\$ 88,704	\$ 3,761	\$ 92,465
Receivables			
Contributions	69,341	3,349	72,690
Accrued Investment Income	160,651	24,264	184,915
Contingent Disability Benefit Advance	3,310	--	3,310
Other Receivables	17,915	1,530	19,445
Advance to Other Entities	402,657	65,751	468,408
Other Investments			
Short-Term Investments	3,078,463	443,602	3,522,065
U.S. Government Obligations	5,207,772	778,113	5,985,885
U.S. Agency Notes	791,418	141,398	932,816
Municipal Bonds	12,422	2,422	14,844
Domestic Corporate Bonds	4,082,134	581,560	4,663,694
International Bonds	1,706,040	317,768	2,023,808
Other Fixed Income	921,346	183,151	1,104,497
Bank Loans	73,024	14,517	87,541
Opportunistic Debt	211,957	42,134	254,091
Domestic Stocks	20,755,492	2,996,420	23,751,912
International Stocks	13,837,296	2,154,432	15,991,728
Mortgage-Backed Securities	603,904	115,476	719,380
Government Agencies	753	149	902
Derivative Instruments	2,454	488	2,942
Real Estate	3,281,962	485,229	3,767,191
Alternative Investments	9,477,506	1,450,618	10,928,124
Securities Lending Collateral	1,764,316	262,821	2,027,137
Prepaid Expense	27	--	27
Prepaid Health Subsidy	1	12,285	12,286
Capital Assets			
Land, Furniture, Equipment and Software (Net of Accumulated Depreciation and Amortization of \$11,483)	57,808	9,384	67,192
TOTAL ASSETS	66,608,673	10,090,622	76,699,295
LIABILITIES			
Accounts Payable and Accrued Expenses	143,367	21,530	164,897
Accrued Investment Expenses	11,483	2,282	13,765
Benefits in Process of Payment	21,340	6,455	27,795
Due to Brokers	865,901	148,320	1,014,221
Obligations Under Securities Lending Transactions	1,764,316	262,822	2,027,138
Mortgage Loan Payable - Current Portion	19,278	1,990	21,268
Mortgage Loan Payable - Noncurrent Portion	178,281	18,399	196,680
Deposits and Advances	34	3	37
TOTAL LIABILITIES	3,004,000	461,801	3,465,801
NET POSITION			
Restricted for Pension and Other Postemployment Benefits			
Pension Plans	63,553,459	--	63,553,459
Disability Plan	51,214	--	51,214
Death Benefit Plan	--	40,738	40,738
Postemployment Healthcare Plans	--	9,588,083	9,588,083
TOTAL NET POSITION	\$ 63,604,673	\$ 9,628,821	\$ 73,233,494

CITY OF LOS ANGELES

**Combining Statement of Changes in Fiduciary Net Position
Pension and Other Postemployment Benefits Trust Funds
For the Fiscal Year Ended June 30, 2021
(amounts expressed in thousands)**

	Pension Trust Funds	Other Postemployment Benefits Trust Funds	Total
ADDITIONS			
Contributions			
Employer	\$ 1,500,638	\$ 428,662	\$ 1,929,300
Plan Member	539,916	374	540,290
Total contributions	<u>2,040,554</u>	<u>429,036</u>	<u>2,469,590</u>
Self-Funded Insurance Premium	--	10,924	10,924
Health Insurance Premium Reserve	--	919	919
Investment Income			
Net Appreciation in Fair Value of Investments	13,929,474	2,173,637	16,103,111
Interest Income	330,744	52,023	382,767
Income from Alternative Investments	110,354	11,335	121,689
Dividend Income	536,161	80,820	616,981
Securities Lending Income	11,223	1,874	13,097
Other Investment Income	38,654	8,898	47,552
Income from Real Estate Investments	84,836	10,731	95,567
Investment Income	<u>15,041,446</u>	<u>2,339,318</u>	<u>17,380,764</u>
Investment Expense	(272,752)	(43,272)	(316,024)
Securities Lending Expense	(1,723)	(305)	(2,028)
Net Investment Income	<u>14,766,971</u>	<u>2,295,741</u>	<u>17,062,712</u>
Other Income	1,191	185	1,376
TOTAL ADDITIONS	<u>16,808,716</u>	<u>2,736,805</u>	<u>19,545,521</u>
DEDUCTIONS			
Benefits Payments	2,936,182	432,328	3,368,510
Refunds of Member Contributions	28,579	--	28,579
Administrative Expenses	51,970	11,402	63,372
TOTAL DEDUCTIONS	<u>3,016,731</u>	<u>443,730</u>	<u>3,460,461</u>
CHANGE IN NET POSITION			
Pension Plans	13,790,699	--	13,790,699
Disability Plan	1,286	--	1,286
Death Benefit Plan	--	3,373	3,373
Postemployment Healthcare Plans	--	2,289,702	2,289,702
TOTAL CHANGE IN NET POSITION	<u>13,791,985</u>	<u>2,293,075</u>	<u>16,085,060</u>
Net Position Restricted for Pension and Postemployment Benefits, July 1			
Pension Plans	49,762,760	--	49,762,760
Disability Plan	49,928	--	49,928
Death Benefit Plan	--	37,365	37,365
Postemployment Healthcare Plans	--	7,298,381	7,298,381
NET POSITION RESTRICTED FOR PENSION AND OTHER POSTEMPLOYMENT BENEFITS, JUNE 30	<u>\$ 63,604,673</u>	<u>\$ 9,628,821</u>	<u>\$ 73,233,494</u>

CITY OF LOS ANGELES

**Combining Statement of Fiduciary Net Position
Pension Trust Funds
June 30, 2021
(amounts expressed in thousands)**

	Fire and Police Pension Plan	Los Angeles City Employees' Retirement Plan	Water and Power Employees' Retirement and Disability Benefit Plans	Total
ASSETS				
Cash and Pooled Investments	\$ 6,442	\$ 2,817	\$ 79,445	\$ 88,704
Receivables				
Contributions	5,163	--	64,178	69,341
Accrued Investment Income	66,784	59,004	34,863	160,651
Contingent Disability Benefit Advance	--	--	3,310	3,310
Other Receivables	--	7,592	10,323	17,915
Advance to Other Entities	103,888	125,877	172,892	402,657
Other Investments				
Short-Term Investments	1,648,613	894,327	535,523	3,078,463
U.S. Government Obligations	2,498,210	1,798,328	911,234	5,207,772
U.S. Agency Notes	--	--	791,418	791,418
Municipal Bonds	--	10,073	2,349	12,422
Domestic Corporate Bonds	2,186,714	856,674	1,038,746	4,082,134
International Bonds	87,464	971,978	646,598	1,706,040
Other Fixed Income	--	921,346	--	921,346
Bank Loans	--	73,024	--	73,024
Opportunistic Debt	--	211,957	--	211,957
Domestic Stocks	10,785,370	5,070,107	4,900,015	20,755,492
International Stocks	5,417,893	4,524,265	3,895,138	13,837,296
Mortgage-Backed Securities	--	376,663	227,241	603,904
Government Agencies	--	753	--	753
Derivative Instruments	--	2,454	--	2,454
Real Estate	1,466,561	750,473	1,064,928	3,281,962
Alternative Investments	3,930,571	2,749,850	2,797,085	9,477,506
Securities Lending Collateral	893,363	230,183	640,770	1,764,316
Prepaid Expense	--	--	27	27
Prepaid Health Subsidy	1	--	--	1
Capital Assets				
Land, Furniture, Equipment and Software (Net of Accumulated Depreciation and Amortization of \$10,107)	22,048	35,760	--	57,808
TOTAL ASSETS	29,119,085	19,673,505	17,816,083	66,608,673
LIABILITIES				
Accounts Payable and Accrued Expenses	17,286	48,117	77,964	143,367
Accrued Investment Expenses	--	11,483	--	11,483
Benefits in Process of Payment	21,340	--	--	21,340
Due to Brokers	127,196	360,034	378,671	865,901
Obligations Under Securities Lending Transactions	893,363	230,183	640,770	1,764,316
Mortgage Loan Payable - Current Portion	19,278	--	--	19,278
Mortgage Loan Payable - Noncurrent Portion	178,281	--	--	178,281
Deposits and Advances	34	--	--	34
TOTAL LIABILITIES	1,256,778	649,817	1,097,405	3,004,000
NET POSITION				
Restricted for Pension Benefits				
Pension Plans	27,862,307	19,023,688	16,667,464	63,553,459
Disability Plan	--	--	51,214	51,214
TOTAL NET POSITION	\$ 27,862,307	\$ 19,023,688	\$ 16,718,678	\$ 63,604,673

CITY OF LOS ANGELES

**Combining Statement of Changes in Fiduciary Net Position
Pension Trust Funds
For the Fiscal Year Ended June 30, 2021
(amounts expressed in thousands)**

	Fire and Police Pension Plan	Los Angeles City Employees' Retirement Plan	Water and Power Employees' Retirement and Disability Benefit Plans	Total
ADDITIONS				
Contributions				
Employer	\$ 543,818	\$ 554,954	\$ 401,866	\$ 1,500,638
Plan Member	157,786	259,285	122,845	539,916
Total contributions	<u>701,604</u>	<u>814,239</u>	<u>524,711</u>	<u>2,040,554</u>
Investment Income				
Net Appreciation in Fair Value of Investments	6,540,739	4,080,018	3,308,717	13,929,474
Interest Income	124,783	100,315	105,646	330,744
Income from Alternative Investments	106,308	--	4,046	110,354
Dividend Income	274,206	165,325	96,630	536,161
Securities Lending Income	4,753	3,436	3,034	11,223
Other Investment Income	(3,080)	41,618	116	38,654
Income from Real Estate Investments	48,062	--	36,774	84,836
Investment Income	<u>7,095,771</u>	<u>4,390,712</u>	<u>3,554,963</u>	<u>15,041,446</u>
Investment Expense	(123,675)	(84,211)	(64,866)	(272,752)
Securities Lending Expense	(664)	(511)	(548)	(1,723)
Net Investment Income	<u>6,971,432</u>	<u>4,305,990</u>	<u>3,489,549</u>	<u>14,766,971</u>
Other Income	672	519	--	1,191
TOTAL ADDITIONS	<u>7,673,708</u>	<u>5,120,748</u>	<u>4,014,260</u>	<u>16,808,716</u>
DEDUCTIONS				
Benefits Payments	1,182,406	1,067,331	686,445	2,936,182
Refunds of Member Contributions	4,556	17,584	6,439	28,579
Administrative Expenses	21,372	24,264	6,334	51,970
TOTAL DEDUCTIONS	<u>1,208,334</u>	<u>1,109,179</u>	<u>699,218</u>	<u>3,016,731</u>
CHANGE IN NET POSITION				
Pension Plans	6,465,374	4,011,569	3,313,756	13,790,699
Disability Plan	--	--	1,286	1,286
TOTAL CHANGE IN NET POSITION	<u>6,465,374</u>	<u>4,011,569</u>	<u>3,315,042</u>	<u>13,791,985</u>
Net Position Restricted for Pension, July 1				
Pension Plans	21,396,933	15,012,119	13,353,708	49,762,760
Disability Plan	--	--	49,928	49,928
NET POSITION RESTRICTED FOR PENSION, JUNE 30	<u>\$ 27,862,307</u>	<u>\$ 19,023,688</u>	<u>\$ 16,718,678</u>	<u>\$ 63,604,673</u>

CITY OF LOS ANGELES

**Combining Statement of Fiduciary Net Position
Other Postemployment Benefits Trust Funds
June 30, 2021
(amounts expressed in thousands)**

	Fire and Police Health Subsidy Plan	Los Angeles City Employees' Postemployment Health Care Plan	Water and Power Employees' Retirees Health and Death Benefit Plans	Total
ASSETS				
Cash and Pooled Investments	\$ 665	\$ 560	\$ 2,536	\$ 3,761
Receivables				
Contributions	--	--	3,349	3,349
Accrued Investment Income	6,892	11,729	5,643	24,264
Accounts Receivable	--	1,510	20	1,530
Advance to Other Entities	10,722	25,023	30,006	65,751
Other Investments				
Short-Term Investments	170,143	177,780	95,679	443,602
U.S. Government Obligations	257,825	357,483	162,805	778,113
U.S. Agency Notes	--	--	141,398	141,398
Municipal Bonds	--	2,002	420	2,422
Domestic Corporate Bonds	225,678	170,295	185,587	581,560
International Bonds	9,027	193,217	115,524	317,768
Other Fixed Income	--	183,151	--	183,151
Bank Loans	--	14,517	--	14,517
Opportunistic Debt	--	42,134	--	42,134
Domestic Stocks	1,113,093	1,007,869	875,458	2,996,420
International Stocks	559,148	899,362	695,922	2,154,432
Mortgage-Backed Securities	--	74,876	40,600	115,476
Government Agencies	--	149	--	149
Derivative Instruments	--	488	--	488
Real Estate	151,355	149,183	184,691	485,229
Alternative Investments	405,650	546,632	498,336	1,450,618
Securities Lending Collateral	92,198	45,757	124,866	262,821
Prepaid Health Subsidy	12,285	--	--	12,285
Capital Assets				
Land, Furniture, Equipment and Software (Net of Accumulated Depreciation and Amortization of \$1,376)	2,275	7,109	--	9,384
TOTAL ASSETS	3,016,956	3,910,826	3,162,840	10,090,622
LIABILITIES				
Accounts Payable and Accrued Expenses	1,784	9,565	10,181	21,530
Accrued Investment Expenses	--	2,282	--	2,282
Benefits in Process of Payment	1,144	--	5,311	6,455
Due to Brokers	13,127	71,570	63,623	148,320
Obligations Under Securities Lending Transactions	92,199	45,757	124,866	262,822
Mortgage Loan Payable - Current Portion	1,990	--	--	1,990
Mortgage Loan Payable - Noncurrent Portion	18,399	--	--	18,399
Deposits and Advances	3	--	--	3
TOTAL LIABILITIES	128,646	129,174	203,981	461,801
NET POSITION				
Restricted for Postemployment Benefits				
Death Benefit Plan	--	--	40,738	40,738
Postemployment Healthcare Plans	2,888,310	3,781,652	2,918,121	9,588,083
TOTAL NET POSITION	\$ 2,888,310	\$ 3,781,652	\$ 2,958,859	\$ 9,628,821

CITY OF LOS ANGELES

**Combining Statement of Changes in Fiduciary Net Position
Other Postemployment Benefits Trust Funds
For the Fiscal Year Ended June 30, 2021
(amounts expressed in thousands)**

	Fire and Police Health Subsidy Plan	Los Angeles City Employees' Postemployment Health Care Plan	Water and Power Employees' Retirees Health and Death Benefit Plans	Total
ADDITIONS				
Contributions				
Employer	\$ 200,424	\$ 103,454	\$ 124,784	\$ 428,662
Plan Member	--	--	374	374
Total contributions	<u>200,424</u>	<u>103,454</u>	<u>125,158</u>	<u>429,036</u>
Self-Funded Insurance Premium	--	10,924	--	10,924
Health Insurance Premium Reserve	--	919	--	919
Investment Income				
Net Appreciation in Fair Value of Investments	655,221	933,619	584,797	2,173,637
Interest Income	12,500	22,138	17,385	52,023
Income from Alternative Investments	10,649	--	686	11,335
Dividend Income	27,469	36,484	16,867	80,820
Securities Lending Income	476	758	640	1,874
Other Investment Income	(308)	9,184	22	8,898
Income from Real Estate Investments	4,815	--	5,916	10,731
Investment Income	<u>710,822</u>	<u>1,002,183</u>	<u>626,313</u>	<u>2,339,318</u>
Investment Expense	(12,389)	(19,269)	(11,614)	(43,272)
Securities Lending Expense	(66)	(117)	(122)	(305)
Net Investment Income	<u>698,367</u>	<u>982,797</u>	<u>614,577</u>	<u>2,295,741</u>
Other Income	67	118	--	185
TOTAL ADDITIONS	<u>898,858</u>	<u>1,098,212</u>	<u>739,735</u>	<u>2,736,805</u>
DEDUCTIONS				
Benefits Payments	151,855	160,945	119,528	432,328
Administrative Expenses	2,141	6,819	2,442	11,402
TOTAL DEDUCTIONS	<u>153,996</u>	<u>167,764</u>	<u>121,970</u>	<u>443,730</u>
CHANGE IN NET POSITION				
Death Benefit Plan	--	--	3,373	3,373
Postemployment Healthcare Plans	744,862	930,448	614,392	2,289,702
TOTAL CHANGE IN NET POSITION	<u>744,862</u>	<u>930,448</u>	<u>617,765</u>	<u>2,293,075</u>
Net Position Restricted for Postemployment Benefits, July 1				
Postemployment Healthcare Plans	2,143,448	2,851,204	2,303,729	7,298,381
Death Benefit Plan	--	--	37,365	37,365
NET POSITION RESTRICTED FOR POSTEMPLOYMENT BENEFITS, JUNE 30	<u>\$ 2,888,310</u>	<u>\$ 3,781,652</u>	<u>\$ 2,958,859</u>	<u>\$ 9,628,821</u>

CITY OF LOS ANGELES

**Combining Statement of Fiduciary Net Position
Custodial Funds
June 30, 2021
(amounts expressed in thousands)**


	Unclaimed Money Seized	Bond Deposit Trust Fund	Custodial Assessment Funds	Clean Fuel Funds	Total
ASSETS					
Cash and Pooled Investments	\$ 3,936	\$ 2,381	\$ 8,671	\$ 161,016	\$ 176,004
Special Assessments Receivable	--	--	248	--	248
Investment Income Receivable	--	--	15	--	15
TOTAL ASSETS	3,936	2,381	8,934	161,016	176,267
LIABILITIES					
Fiduciary Liabilities	--	--	384	--	384
Obligations Under Securities Lending Transactions	--	--	64	--	64
Due to Other Entities	--	2,381	171	--	2,552
Deposits and Advances	3,936	--	--	--	3,936
TOTAL LIABILITIES	3,936	2,381	619	--	6,936
NET POSITION					
Restricted for Individuals, Organizations and Other Governments	--	--	8,315	161,016	169,331
TOTAL NET POSITION	\$ --	\$ --	\$ 8,315	\$ 161,016	\$ 169,331

CITY OF LOS ANGELES

**Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
For the Fiscal Year Ended June 30, 2021
(amounts expressed in thousands)**

	Custodial Assessment Funds	Clean Fuel Funds	Total
ADDITIONS			
Taxes Collections from Community Facilities Districts	\$ 8,435	\$ --	\$ 8,435
Collections for Clean Fuel Rewards Program	--	297,723	297,723
Net Depreciation in Fair Value of Investments	(134)	--	(134)
Interest Income	58	--	58
Securities Lending Income	64	--	64
TOTAL ADDITIONS	8,423	297,723	306,146
DEDUCTIONS			
Debt Service Payments for Community Facilities Districts	7,906	--	7,906
Payments for Clean Fuel Reward Program	--	136,707	136,707
TOTAL DEDUCTIONS	7,906	136,707	144,613
CHANGE IN NET POSITION	517	161,016	161,533
Net Position Restricted for Individuals, Organizations and Other Governments, July 1	7,798	--	7,798
NET POSITION RESTRICTED FOR INDIVIDUALS, ORGANIZATIONS, AND OTHER GOVERNMENTS, JUNE 30	\$ 8,315	\$ 161,016	\$ 169,331

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STATISTICAL SECTION

CITY OF LOS ANGELES

Statistical Section
For the Fiscal Year Ended June 30, 2021

The Statistical Section required by GASB Statement No. 44 presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

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FINANCIAL TRENDS

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

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CITY OF LOS ANGELES

Statistical Section
For the Fiscal Year Ended June 30, 2021

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Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

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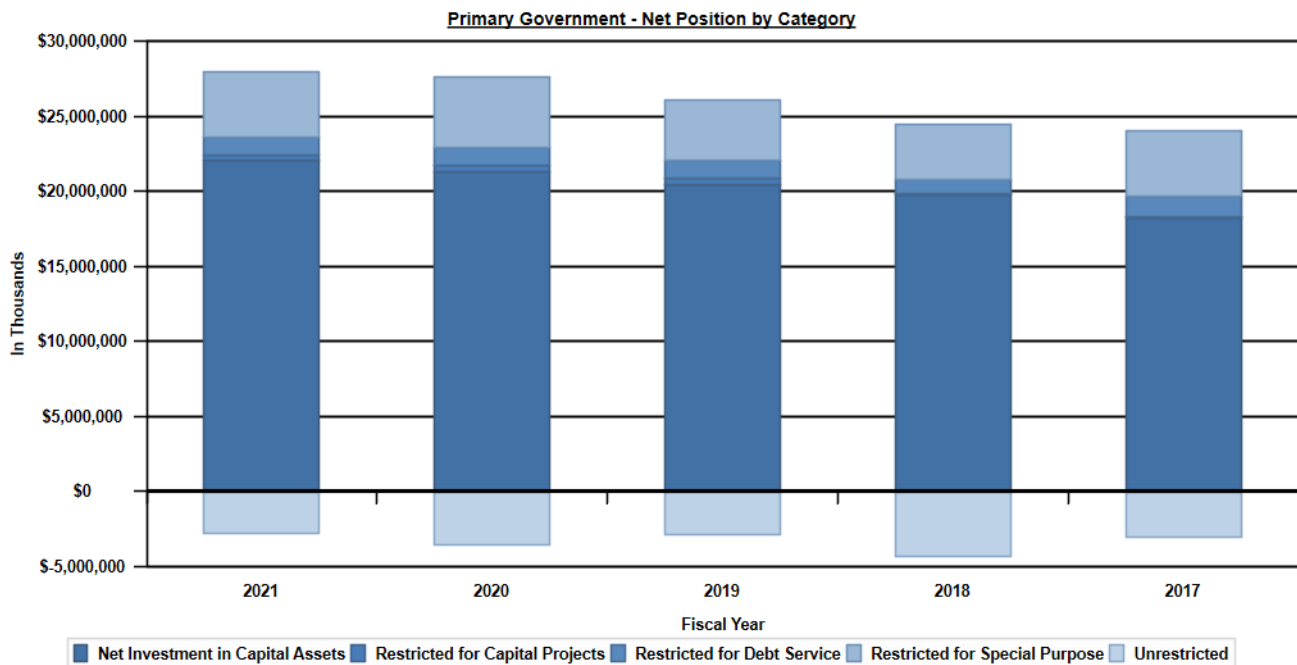
CITY OF LOS ANGELES

**Net Position by Category
Accrual Basis of Accounting
Last Ten Fiscal Year
(amounts expressed in thousands)**

	Fiscal Year				
	2021	2020	2019	2018	2017
GOVERNMENTAL ACTIVITIES					
Net Investment in Capital Assets	\$ 6,288,850	\$ 6,113,258	\$ 5,890,308	\$ 5,699,812	\$ 5,385,062
Restricted Net Position					
Capital Projects	362,062	407,609	474,603	90,884	98,258
Debt Service	281,238	346,878	379,192	208,037	181,685
Special Purposes	3,452,726	3,371,035	2,643,601	2,387,135	2,191,572
Unrestricted (Deficit)	(7,534,065)	(7,444,581)	(6,980,964)	(8,022,270)	(6,579,324)
SUBTOTAL GOVERNMENTAL ACTIVITIES NET POSITION	2,850,811	2,794,199	2,406,740	363,598	1,277,253
BUSINESS-TYPE ACTIVITIES					
Net Investment in Capital Assets	15,744,950	15,181,630	14,515,311	14,032,397	12,798,720
Restricted Net Position					
Debt Service	901,679	871,541	848,900	797,375	1,172,984
Special Purposes	938,385	1,351,593	1,352,280	1,204,517	2,248,391
Unrestricted (Deficit)	4,701,295	3,912,652	4,086,882	3,680,122	3,481,621
SUBTOTAL BUSINESS-TYPE ACTIVITIES NET POSITION	22,286,309	21,317,416	20,803,373	19,714,411	19,701,716
PRIMARY GOVERNMENT					
Net Investment in Capital Assets	22,033,800	21,294,888	20,405,619	19,732,209	18,183,782
Restricted Net Position					
Capital Projects	362,062	407,609	474,603	90,884	98,258
Debt Service	1,182,917	1,218,419	1,228,092	1,005,412	1,354,669
Special Purpose	4,391,111	4,722,628	3,995,881	3,591,652	4,439,963
Unrestricted (Deficit)	(2,832,770)	(3,531,929)	(2,894,082)	(4,342,148)	(3,097,703)
TOTAL PRIMARY GOVERNMENT NET POSITION	\$ 25,137,120	\$ 24,111,615	\$ 23,210,113	\$ 20,078,009	\$ 20,978,969

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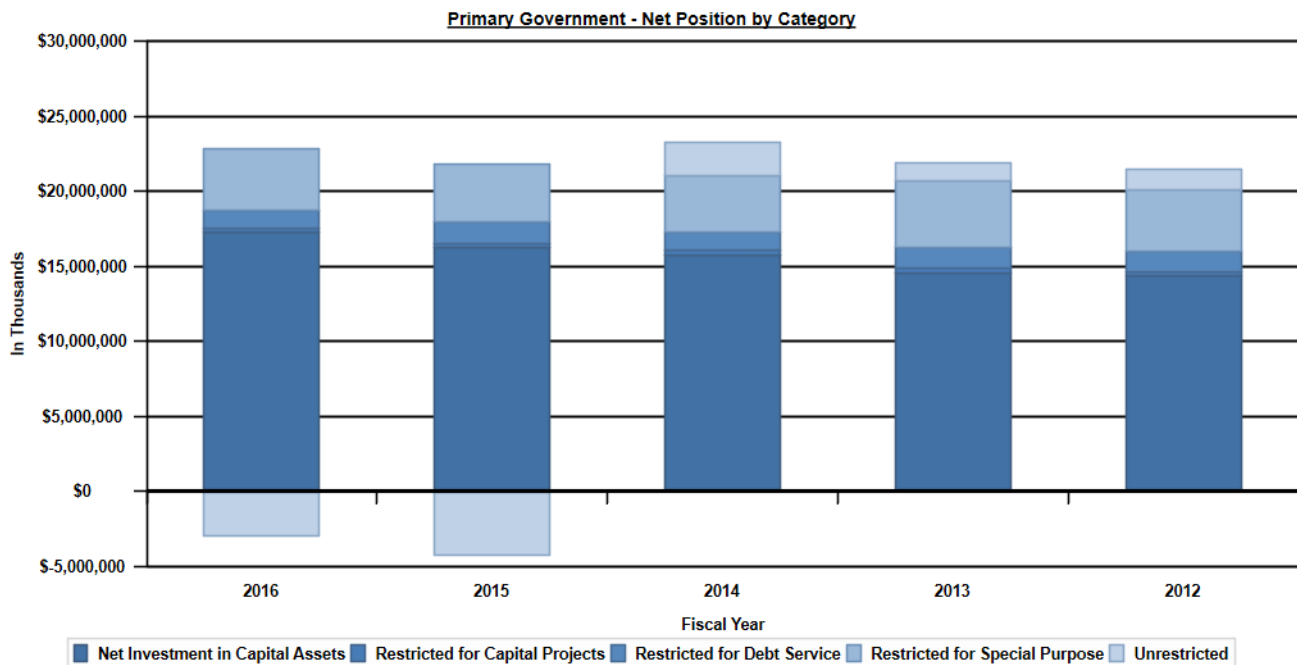
Note: GASB Statement No. 68, 75, and 84 were implemented in fiscal year 2015, 2018 and 2020, respectively. Prior years' financial statements were not restated.



CITY OF LOS ANGELES

**Net Position by Category
Accrual Basis of Accounting - (Continued)
Last Ten Fiscal Year
(amounts expressed in thousands)**

	Fiscal Year				
	2016	2015	2014	2013	2012
GOVERNMENTAL ACTIVITIES					
Net Investment in Capital Assets	\$ 5,267,860	\$ 4,760,372	\$ 4,646,514	\$ 4,452,921	\$ 4,416,934
Restricted Net Position					
Capital Projects	96,477	100,835	204,181	89,055	74,721
Debt Service	162,142	322,336	130,104	154,321	157,402
Special Purposes	1,877,242	1,663,223	1,467,249	2,193,433	1,853,933
Unrestricted (Deficit)	(6,559,669)	(7,383,558)	(1,276,678)	(2,429,330)	(1,782,463)
SUBTOTAL GOVERNMENTAL ACTIVITIES NET POSITION	844,052	(536,792)	5,171,370	4,460,400	4,720,527
BUSINESS-TYPE ACTIVITIES					
Net Investment in Capital Assets	11,990,919	11,489,529	11,113,795	10,135,052	9,940,457
Restricted Net Position					
Capital Projects	143,033	138,759	135,700	249,773	168,924
Debt Service	1,086,557	1,118,078	1,045,688	1,147,819	1,223,993
Special Purposes	2,177,049	2,203,721	2,332,259	2,264,948	2,232,788
Unrestricted (Deficit)	3,625,643	3,169,708	3,506,415	3,619,888	3,214,165
SUBTOTAL BUSINESS-TYPE ACTIVITIES NET POSITION	19,023,201	18,119,795	18,133,857	17,417,480	16,780,327
PRIMARY GOVERNMENT					
Net Investment in Capital Assets	17,258,779	16,249,901	15,760,309	14,587,973	14,357,391
Restricted Net Position					
Capital Projects	239,510	239,594	339,881	338,828	243,645
Debt Service	1,248,699	1,440,414	1,175,792	1,302,140	1,381,395
Special Purpose	4,054,291	3,866,944	3,799,508	4,458,381	4,086,721
Unrestricted (Deficit)	(2,934,026)	(4,213,850)	2,229,737	1,190,558	1,431,702
TOTAL PRIMARY GOVERNMENT NET POSITION	\$ 19,867,253	\$ 17,583,003	\$ 23,305,227	\$ 21,877,880	\$ 21,500,854



CITY OF LOS ANGELES

**Changes in Net Position
Accrual Basis of Accounting
Last Ten Fiscal Years
(amounts expressed in thousands)**

	Fiscal Year				
	2021	2020	2019	2018	2017
EXPENSES					
Governmental Activities					
General Government	\$ 1,935,804	\$ 1,686,640	\$ 1,409,022	\$ 1,380,143	\$ 1,480,735
Protection of Persons and Property	3,990,018	3,660,482	3,176,379	3,209,073	3,348,298
Public Works	587,359	580,169	468,463	485,045	411,168
Health and Sanitation	677,878	634,141	605,078	496,132	478,040
Transportation	577,318	580,613	532,348	504,166	506,782
Cultural and Recreational Services	704,490	746,670	714,265	682,076	556,152
Community Development	909,542	657,301	295,571	216,225	242,636
Interest on Long-Term Debt	99,628	135,580	146,491	127,970	124,364
Subtotal Governmental Activities Expenses	9,482,037	8,681,596	7,347,617	7,100,830	7,148,175
Business-Type Activities					
Airports	1,558,137	1,684,907	1,483,713	1,388,201	1,284,299
Harbor	453,024	461,393	408,602	410,133	412,315
Power	3,886,405	3,816,543	3,916,279	3,429,928	3,414,456
Water	1,293,737	1,184,170	1,158,635	1,053,783	1,049,397
Sewer	627,866	669,193	678,253	568,199	577,240
Convention Center	36,847	52,138	62,846	59,408	53,686
Subtotal Business-type Activities Expenses	7,856,016	7,868,344	7,708,328	6,909,652	6,791,393
TOTAL PRIMARY GOVERNMENT EXPENSES	17,338,053	16,549,940	15,055,945	14,010,482	13,939,568
PROGRAM REVENUES					
Governmental Activities					
Charges for Services					
General Government	243,716	249,774	251,549	290,901	8,265
Protection of Persons and Property	575,127	691,176	650,442	540,702	600,720
Public Works	262,553	264,334	242,493	177,530	232,095
Health and Sanitation	484,383	506,121	554,868	480,670	565,941
Transportation	98,855	138,652	116,704	206,240	186,386
Cultural and Recreational Services	157,638	167,934	202,485	214,499	203,719
Community Development	171,533	186,120	176,811	150,932	194,568
Operating Grants and Contributions	2,123,367	1,331,396	1,697,057	866,203	774,953
Capital Grants and Contributions	99,905	153,045	136,649	152,315	145,509
Subtotal Governmental Activities Program Revenues	4,217,077	3,688,552	4,029,058	3,079,992	2,912,156
Business-type Activities					
Charges for Services					
Airports	1,072,156	1,365,494	1,537,949	1,446,226	1,372,730
Harbor	572,011	467,666	506,427	490,760	474,532
Power	4,268,478	3,807,291	4,070,930	3,804,221	3,697,924
Water	1,463,781	1,275,067	1,253,503	1,190,181	1,118,547
Sewer	788,755	752,727	694,963	677,886	634,060
Convention Center	18,897	39,502	50,996	50,174	47,173
Capital Grants and Contributions	554,659	226,943	144,066	153,892	186,635
Subtotal Business-type Activities Program Revenues	8,738,737	7,934,690	8,258,834	7,813,340	7,531,601
TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES	12,955,814	11,623,242	12,287,892	10,893,332	10,443,757

Continued...

CITY OF LOS ANGELES

**Changes in Net Position
Accrual Basis of Accounting - (Continued)
Last Ten Fiscal Years
(amounts expressed in thousands)**

	Fiscal Year				
	2016	2015	2014	2013	2012
EXPENSES					
Governmental Activities					
General Government	\$ 1,348,442	\$ 1,240,898	\$ 1,481,977	\$ 2,089,053	\$ 1,335,180
Protection of Persons and Property	2,797,651	2,872,296	2,963,882	2,789,023	2,707,892
Public Works	235,840	422,558	383,433	387,649	413,348
Health and Sanitation	504,364	467,548	519,519	405,934	416,894
Transportation	420,799	406,573	425,967	423,595	365,841
Cultural and Recreational Services	595,454	541,758	524,282	482,692	445,815
Community Development	187,453	169,121	321,263	386,346	437,229
Interest on Long-Term Debt	131,893	146,896	159,991	179,588	194,513
Subtotal Governmental Activities Expenses	6,221,896	6,267,648	6,780,314	7,143,880	6,316,712
Business-Type Activities					
Airports	1,174,620	1,092,463	984,754	922,914	897,380
Harbor	398,954	379,809	372,645	331,626	333,355
Power	3,229,174	3,204,535	3,092,108	2,928,377	2,870,609
Water	1,039,575	1,037,652	1,053,150	939,094	799,575
Sewer	584,971	513,226	542,007	572,425	542,850
Convention Center	49,531	43,871	38,450	39,073	39,107
Subtotal Business-type Activities Expenses	6,476,825	6,271,556	6,083,114	5,733,509	5,482,876
TOTAL PRIMARY GOVERNMENT EXPENSES	12,698,721	12,539,204	12,863,428	12,877,389	11,799,588
PROGRAM REVENUES					
Governmental Activities					
Charges for Services					
General Government	96,117	285,973	246,641	305,545	246,357
Protection of Persons and Property	520,550	439,901	443,352	385,961	326,396
Public Works	253,103	182,758	165,229	169,473	166,061
Health and Sanitation	600,117	494,420	492,238	495,544	493,422
Transportation	179,288	151,813	143,103	121,374	125,392
Cultural and Recreational Services	179,046	160,736	153,544	149,237	152,434
Community Development	183,890	139,509	117,097	111,259	112,897
Operating Grants and Contributions	827,258	834,075	903,146	871,459	1,023,001
Capital Grants and Contributions	123,757	42,705	46,878	55,138	96,156
Subtotal Governmental Activities Program Revenues	2,963,126	2,731,890	2,711,228	2,664,990	2,742,116
Business-type Activities					
Charges for Services					
Airports	1,285,816	1,121,584	1,038,506	1,122,704	1,114,431
Harbor	441,249	446,895	425,951	416,974	435,291
Power	3,517,040	3,336,963	3,319,820	3,264,534	3,212,141
Water	1,131,777	1,082,581	1,141,823	1,073,948	849,122
Sewer	613,092	594,024	571,570	588,987	532,026
Convention Center	44,311	36,158	24,937	27,255	27,355
Capital Grants and Contributions	232,183	270,637	367,841	109,407	158,114
Subtotal Business-type Activities Program Revenues	7,265,468	6,888,842	6,890,448	6,603,809	6,328,480
TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES	10,228,594	9,620,732	9,601,676	9,268,799	9,070,596

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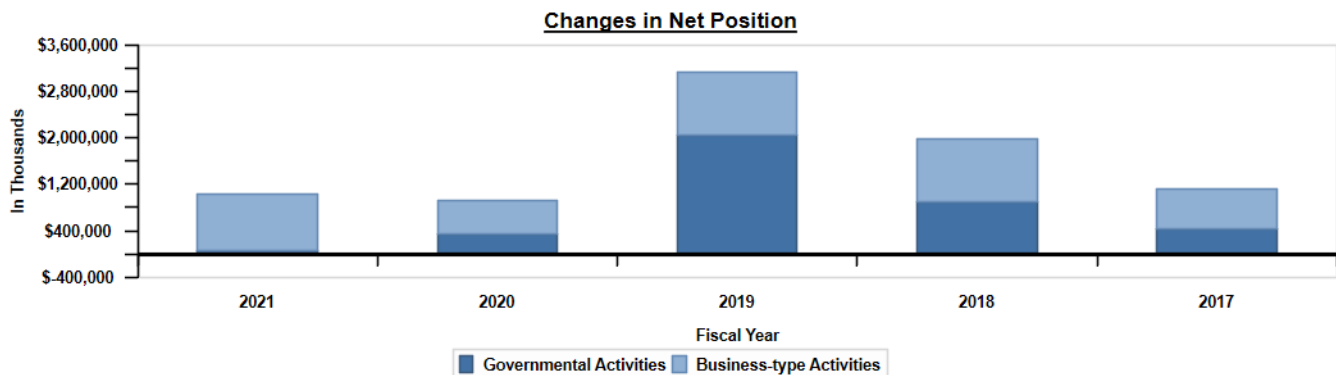
CITY OF LOS ANGELES

**Changes in Net Position
Accrual Basis of Accounting - (Continued)
Last Ten Fiscal Years
(amounts expressed in thousands)**

	Fiscal Year				
	2021	2020	2019	2018	2017
NET (EXPENSE)/REVENUE					
Governmental Activities	\$ (5,264,960)	\$ (4,993,044)	\$ (3,318,559)	\$ (4,020,838)	\$ (4,236,019)
Business-type Activities	882,721	66,346	550,506	903,688	740,208
TOTAL PRIMARY GOVERNMENT NET EXPENSE	(4,382,239)	(4,926,698)	(2,768,053)	(3,117,150)	(3,495,811)
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION					
Governmental Activities					
Taxes					
Property Taxes	2,551,138	2,374,311	2,251,463	2,108,154	1,991,949
Utility Users' Taxes	604,106	642,036	621,192	614,335	629,952
Business Taxes	743,877	677,241	607,786	542,349	433,985
Sales Taxes	560,962	534,631	607,211	517,495	538,651
Other Taxes	564,069	706,645	819,807	802,548	727,376
Unrestricted Grants and Contributions					
Other	41,161	24,703	22,001	22,053	16,758
Unrestricted Investment Earnings (Losses)	(4,485)	94,910	86,819	7,142	1,291
Other General Revenues	42,389	64,767	112,865	57,051	63,831
Transfers	218,355	229,913	232,557	241,848	265,427
Extraordinary Items					
Gain (Loss) on Loan Settlement	--	--	--	--	--
Transfer of Properties from CRA	--	--	--	--	--
Transfer of Assets from CRA	--	--	--	--	--
Subtotal Governmental Activities	5,321,572	5,349,157	5,361,701	4,912,975	4,669,220
Business-Type Activities					
Unrestricted Investment Earnings	125	322,371	281,122	54,763	32,997
Other	304,402	398,696	489,891	377,160	386,934
Transfers	(218,355)	(229,913)	(232,557)	(241,848)	(265,427)
Special Item	--	--	--	--	(225,347)
Extraordinary Item	--	--	--	--	9,150
Subtotal Business-type Activities	86,172	491,154	538,456	190,075	(61,693)
TOTAL PRIMARY GOVERNMENT GENERAL REVENUES AND OTHER CHANGES IN NET POSITION	5,407,744	5,840,311	5,900,157	5,103,050	4,607,527
CHANGES IN NET POSITION					
Governmental Activities	56,612	356,113	2,043,142	892,137	433,201
Business-Type Activities	968,893	557,500	1,088,962	1,093,763	678,515
TOTAL PRIMARY GOVERNMENT CHANGE IN NET POSITION	\$ 1,025,505	\$ 913,613	\$ 3,132,104	\$ 1,985,900	\$ 1,111,716

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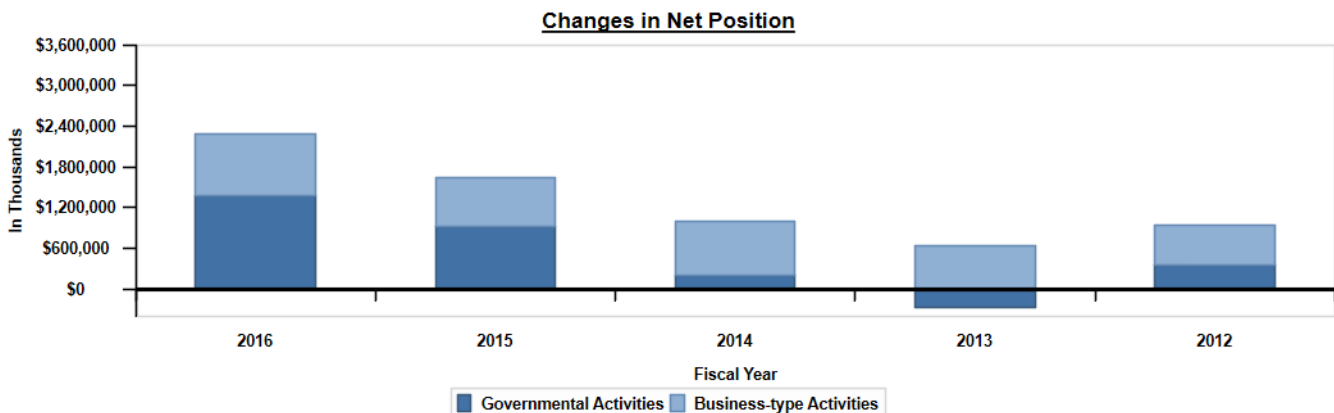
Note: GASB Statement No. 68, 75, and 84 were implemented in fiscal year 2015, 2018 and 2020, respectively. Prior years' financial statements were not restated.



CITY OF LOS ANGELES

**Changes in Net Position
Accrual Basis of Accounting - (Continued)
Last Ten Fiscal Years
(amounts expressed in thousands)**

	Fiscal Year				
	2016	2015	2014	2013	2012
NET (EXPENSE)/REVENUE					
Governmental Activities	\$ (3,258,770)	\$ (3,535,758)	\$ (4,069,086)	\$ (4,478,890)	\$ (3,574,596)
Business-type Activities	788,643	617,286	807,334	870,300	845,604
TOTAL PRIMARY GOVERNMENT NET EXPENSE	(2,470,127)	(2,918,472)	(3,261,752)	(3,608,590)	(2,728,992)
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION					
Governmental Activities:					
Taxes					
Property Taxes	1,844,945	1,782,124	1,653,067	1,629,914	1,561,778
Utility Users' Taxes	613,748	637,248	626,919	627,707	623,721
Business Taxes	610,467	541,844	463,602	482,857	440,327
Sales Taxes	538,123	494,685	478,291	460,086	425,397
Other Taxes	660,072	625,889	565,567	523,308	458,741
Unrestricted Grants and Contributions					
Other	8,009	16,421	55,149	20,825	45,429
Unrestricted Investment Earnings (Losses)	39,737	20,724	19,935	(298)	21,879
Other General Revenues	57,531	81,303	117,579	105,850	91,735
Transfers	266,982	260,586	253,000	246,534	250,077
Extraordinary Items					
Return of Properties to CRA	--	--	--	(93,191)	--
Transfer of Assets from CRA	--	4,855	44,155	205,265	--
Subtotal Governmental Activities	4,639,614	4,465,679	4,277,264	4,208,857	3,919,084
Business-Type Activities:					
Unrestricted Investment Earnings	129,316	86,367	98,264	--	--
Other	252,429	275,885	122,160	--	--
Transfers	(266,982)	(260,586)	(253,000)	(246,534)	(250,077)
Pollution Remediation Liabilities Adjustment	--	--	15,002	13,387	--
Subtotal Business-type Activities	114,763	101,666	(17,574)	(233,147)	(250,077)
TOTAL PRIMARY GOVERNMENT GENERAL REVENUES AND OTHER CHANGES IN NET POSITION	4,754,377	4,567,345	4,259,690	3,975,710	3,669,007
CHANGES IN NET POSITION					
Governmental Activities	1,380,844	929,921	208,178	(270,033)	344,488
Business-Type Activities	903,406	718,952	789,760	637,153	595,527
TOTAL PRIMARY GOVERNMENT CHANGE IN NET POSITION	\$ 2,284,250	\$ 1,648,873	\$ 997,938	\$ 367,120	\$ 940,015

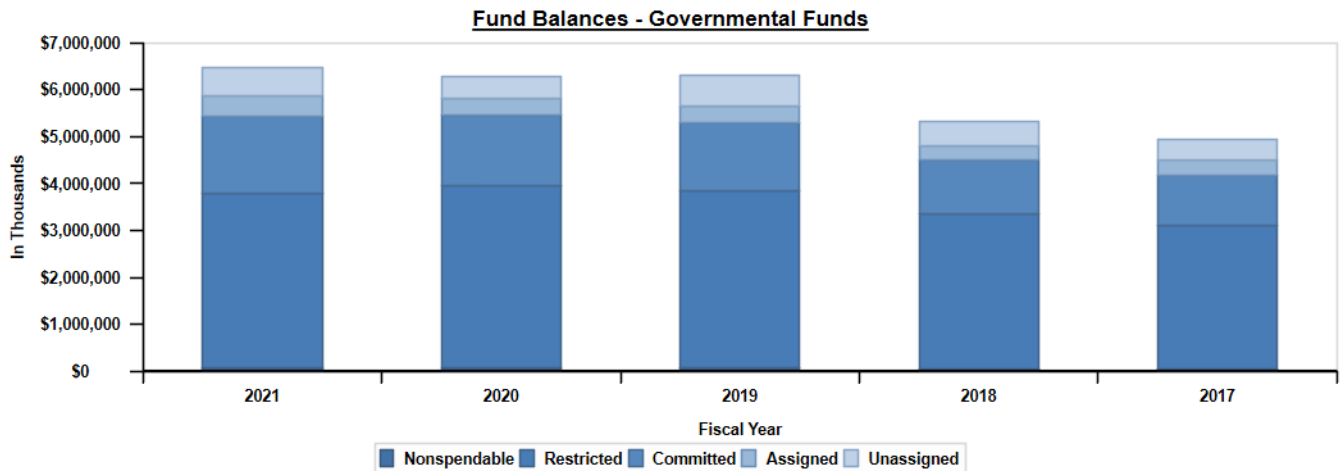


CITY OF LOS ANGELES

**Fund Balances - Governmental Funds
Modified Accrual Basis of Accounting
Last Ten Fiscal Years
(amounts expressed in thousands)**

	Fiscal Year				
	2021	2020	2019	2018	2017
GENERAL FUND					
Nonspendable	\$ 61,168	\$ 62,895	\$ 55,348	\$ 41,823	\$ 45,480
Committed	71,733	37,386	33,092	25,151	9,723
Assigned	426,654	356,167	334,195	289,080	304,482
Unassigned	664,422	535,681	683,406	573,161	526,543
SUBTOTAL GENERAL FUND	1,223,977	992,129	1,106,041	929,215	886,228
ALL OTHER GOVERNMENTAL FUNDS					
Nonspendable	19,473	10,771	10,025	8,833	8,884
Restricted	3,723,738	3,888,937	3,780,744	3,313,393	3,045,932
Committed	1,563,121	1,458,310	1,428,812	1,129,752	1,080,301
Assigned	2,938	3,982	1,843	1,770	153
Unassigned	(60,562)	(60,438)	(15,207)	(55,447)	(72,758)
SUBTOTAL ALL OTHER GOVERNMENTAL FUNDS	5,248,708	5,301,562	5,206,217	4,398,301	4,062,512
ALL GOVERNMENTAL FUNDS					
Nonspendable	80,641	73,666	65,373	50,656	54,364
Restricted	3,723,738	3,888,937	3,780,744	3,313,393	3,045,932
Committed	1,634,854	1,495,696	1,461,904	1,154,903	1,090,024
Assigned	429,592	360,149	336,038	290,850	304,635
Unassigned	603,860	475,243	668,199	517,714	453,785
TOTAL ALL GOVERNMENTAL FUNDS	\$ 6,472,685	\$ 6,293,691	\$ 6,312,258	\$ 5,327,516	\$ 4,948,740

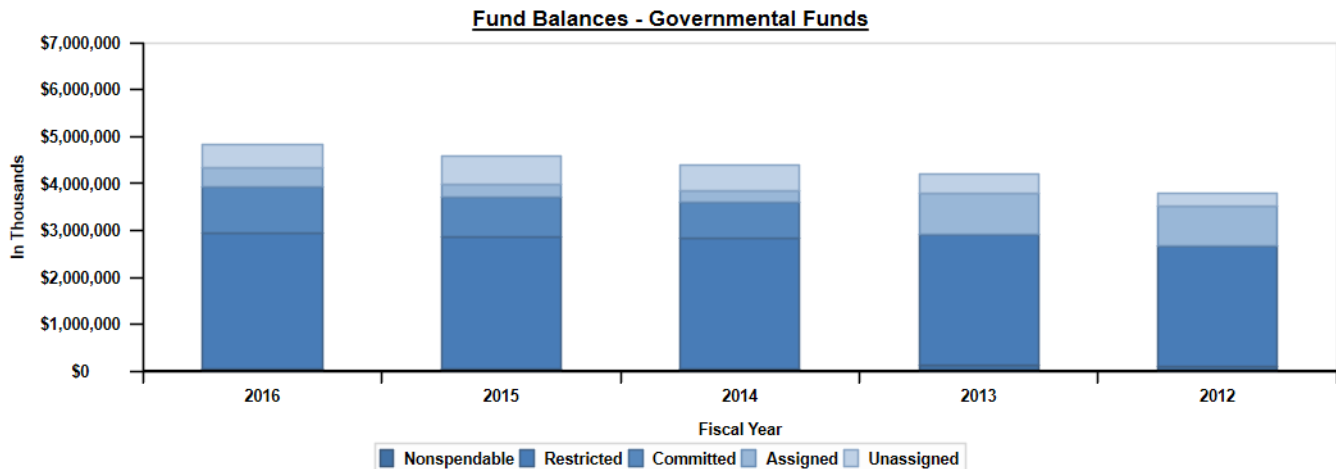
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CITY OF LOS ANGELES

**Fund Balances - Governmental Funds
Modified Accrual Basis of Accounting - (Continued)
Last Ten Fiscal Years
(amounts expressed in thousands)**

	Fiscal Year				
	2016	2015	2014	2013	2012
GENERAL FUND					
Nonspendable	\$ 44,210	\$ 42,146	\$ 43,146	\$ 43,115	\$ 31,134
Committed	1,296	2,457	--	--	--
Assigned	392,418	253,388	230,717	242,643	267,645
Unassigned	590,441	647,558	622,208	436,858	272,905
SUBTOTAL GENERAL FUND	1,028,365	945,549	896,071	722,616	571,684
ALL OTHER GOVERNMENTAL FUNDS					
Nonspendable	8,893	10,473	10,946	75,204	82,397
Restricted	2,880,111	2,806,864	2,788,734	2,813,386	2,548,980
Committed	1,000,834	862,471	761,828	--	--
Assigned	15	14	--	631,529	603,657
Unassigned	(96,668)	(50,270)	(49,742)	(26,112)	(7,393)
SUBTOTAL ALL OTHER GOVERNMENTAL FUNDS	3,793,185	3,629,552	3,511,766	3,494,007	3,227,641
ALL GOVERNMENTAL FUNDS					
Nonspendable	53,103	52,619	54,092	118,319	113,531
Restricted	2,880,111	2,806,864	2,788,734	2,813,386	2,548,980
Committed	1,002,130	864,928	761,828	--	--
Assigned	392,433	253,402	230,717	874,172	871,302
Unassigned	493,773	597,288	572,466	410,746	265,512
TOTAL ALL GOVERNMENTAL FUNDS	\$ 4,821,550	\$ 4,575,101	\$ 4,407,837	\$ 4,216,623	\$ 3,799,325



CITY OF LOS ANGELES

**Changes in Fund Balances - Governmental Funds
Modified Accrual Basis of Accounting
Last Ten Fiscal Years
(amounts expressed in thousands)**

	Fiscal Year				
	2021	2020	2019	2018	2017
REVENUES					
Taxes	\$ 4,990,767	\$ 4,897,805	\$ 4,867,801	\$ 4,584,006	\$ 4,392,121
Licenses and Permits	89,661	101,810	110,289	103,485	97,096
Intergovernmental	2,037,881	1,181,220	1,127,369	986,991	805,064
Charges for Services	1,265,196	1,397,862	1,399,841	1,267,718	1,221,306
Services to Enterprise Funds	336,153	375,175	334,185	325,183	335,416
Fines	104,907	119,972	149,096	147,224	153,014
Special Assessments	134,223	147,799	154,572	147,387	146,113
Investment Earnings (Losses)	(36,801)	267,449	219,097	75,848	56,535
Other	169,086	146,148	220,104	96,593	108,633
TOTAL REVENUES	9,091,073	8,635,240	8,582,354	7,734,435	7,315,298
EXPENDITURES					
General Government	1,555,165	1,596,223	1,373,924	1,357,581	1,379,386
Protection of Persons and Property	3,745,662	3,686,179	3,540,565	3,397,912	3,261,974
Public Works	444,853	482,006	409,688	413,393	414,443
Health and Sanitation	577,572	553,694	554,102	475,410	471,576
Transportation	484,973	514,264	484,307	452,610	434,815
Cultural and Recreational Services	593,209	656,045	646,414	599,560	490,530
Community Development	879,769	637,264	285,920	206,704	245,596
Capital Outlay	611,105	507,531	609,672	513,595	506,648
Debt Service					
Principal	473,753	338,584	523,918	376,188	298,189
Interest	95,206	130,386	139,617	121,139	120,357
Cost of Issuance	3,346	735	2,791	2,538	2,818
Payment to Refunded Bond Escrow Agent	--	--	50,252	--	--
TOTAL EXPENDITURES	9,464,613	9,102,911	8,621,170	7,916,630	7,626,332
EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES	(373,540)	(467,671)	(38,816)	(182,195)	(311,034)
OTHER FINANCING SOURCES (USES)					
Transfers In	1,458,925	1,113,738	1,113,917	1,023,374	992,041
Transfers Out	(1,240,570)	(883,825)	(881,360)	(781,526)	(726,614)
Issuance of Long-Term Debt	182,088	187,845	481,770	241,370	172,298
Loans from Capital Leases	--	--	78,393	--	--
Loans from HUD	--	--	217	4,005	1,827
Discount on Issuance of Long-term Debt	--	--	--	--	--
Premium on Issuance of Long-Term Debt	--	--	18,319	582	--
Issuance of Refunding Bonds	505,791	--	234,460	193,225	143,815
Premium on Issuance of Refunding Bonds	50,110	--	34,854	27,027	--
Payment to Refunding Bond Escrow Agent	(403,810)	--	(70,661)	(146,932)	(142,256)
Proceeds of Refunding Loan	--	--	--	--	--
TOTAL OTHER FINANCING SOURCES (USES)	552,534	417,758	1,009,909	561,125	441,111
EXTRAORDINARY ITEMS					
Transfer of Assets from CRA	--	--	--	--	--
TOTAL EXTRAORDINARY ITEMS	--	--	--	--	--
NET CHANGE IN FUND BALANCES	\$ 178,994	\$ (49,913)	\$ 971,093	\$ 378,930	\$ 130,077
DEBT SERVICE AS A PERCENTAGE OF NON-CAPITAL EXPENDITURES	6.4 %	5.4 %	8.3 %	6.8 %	5.8 %

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CITY OF LOS ANGELES

**Changes in Fund Balances - Governmental Funds
Modified Accrual Basis of Accounting - (Continued)
Last Ten Fiscal Years
(amounts expressed in thousands)**

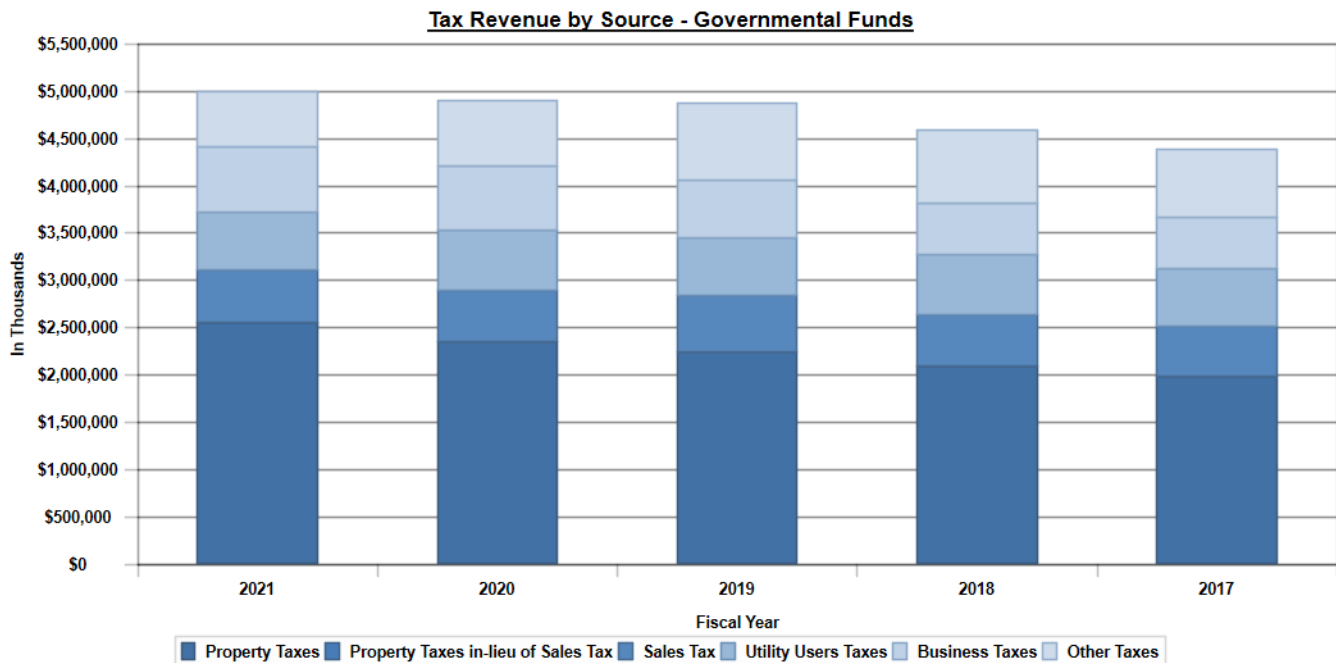
	Fiscal Year				
	2016	2015	2014	2013	2012
REVENUES					
Taxes	\$ 4,163,430	\$ 4,016,005	\$ 3,861,140	\$ 3,687,676	\$ 3,518,357
Licenses and Permits	85,910	74,428	66,915	61,605	60,474
Intergovernmental	860,867	783,412	842,540	866,749	937,817
Charges for Services	1,209,467	1,456,007	1,392,820	1,320,280	1,280,996
Services to Enterprise Funds	326,481	278,875	259,912	257,343	252,630
Fines	159,254	164,137	176,503	172,437	158,417
Special Assessments	140,994	132,239	130,459	128,762	123,383
Investment Earnings (Losses)	88,844	48,735	53,628	5,438	72,411
Other	160,957	194,408	192,483	188,800	172,269
TOTAL REVENUES	7,196,204	7,148,246	6,976,400	6,689,090	6,576,754
EXPENDITURES					
General Government	1,339,233	1,354,114	1,288,088	1,261,771	1,296,788
Protection of Persons and Property	3,166,098	3,097,860	2,919,246	2,667,236	2,532,262
Public Works	361,380	399,365	379,260	400,017	389,139
Health and Sanitation	487,570	492,721	500,921	438,220	453,681
Transportation	378,821	390,155	405,721	400,047	345,671
Cultural and Recreational Services	512,474	496,172	460,274	431,062	406,338
Community Development	189,865	199,420	345,905	417,285	465,984
Capital Outlay	474,868	425,267	345,432	352,685	523,931
Debt Service					
Principal	465,129	452,305	436,801	326,913	410,333
Interest	139,030	145,663	158,206	168,497	182,171
Cost of Issuance	6,225	2,107	1,312	1,777	5,342
Payment to Refunded Bond Escrow Agent	--	--	--	--	--
TOTAL EXPENDITURES	7,520,693	7,455,149	7,241,166	6,865,510	7,011,640
EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES	(324,489)	(306,903)	(264,766)	(176,420)	(434,886)
OTHER FINANCING SOURCES (USES)					
Transfers In	1,117,660	1,100,486	1,092,258	951,062	1,004,650
Transfers Out	(850,678)	(839,900)	(839,258)	(704,528)	(754,573)
Issuance of Long-Term Debt	117,369	209,058	--	116,665	318,530
Loans from Capital Leases	--	--	--	--	--
Loans from HUD	2,500	2,102	8,578	29,003	52,521
Discount on Issuance of Long-term Debt	--	--	149,479	--	--
Premium on Issuance of Long-Term Debt	150,216	4,629	--	5,096	24,672
Issuance of Refunding Bonds	1,102,920	76,670	--	78,780	595,240
Premium on Issuance of Refunding Bonds	--	17,682	--	9,096	100,885
Payment to Refunding Bond Escrow Agent	(1,084,399)	(155,196)	--	(94,781)	(694,326)
Proceeds of Refunding Loan	--	51,730	--	--	--
TOTAL OTHER FINANCING SOURCES (USES)	555,588	467,261	411,057	390,393	647,599
EXTRAORDINARY ITEMS					
Transfer of Assets from CRA	--	4,855	44,155	205,265	--
TOTAL EXTRAORDINARY ITEMS	--	4,855	44,155	205,265	--
NET CHANGE IN FUND BALANCES	\$ 231,099	\$ 165,213	\$ 190,446	\$ 419,238	\$ 212,713
DEBT SERVICE AS A PERCENTAGE OF NON-CAPITAL EXPENDITURES	8.8 %	8.5 %	8.6 %	7.5 %	9.0 %

CITY OF LOS ANGELES

Tax Revenues by Source - Governmental Funds
Modified Accrual Basis of Accounting
Last Ten Fiscal Years
(amounts expressed in thousands)

	Fiscal Year					
	2021	Percent of Change 2012- 2021	2020	2019	2018	2017
Property Taxes	\$ 2,551,219	63 %	\$ 2,358,299	\$ 2,243,485	\$ 2,103,053	\$ 1,992,582
Property Tax In-lieu of Sales Tax	--	(100)	--	--	--	--
Sales Taxes	562,217	71	536,362	596,465	534,236	521,910
Utility Users' Taxes	610,946	(4)	643,564	606,369	640,711	611,160
Business Taxes	686,520	56	668,035	617,169	534,994	546,494
Other Taxes	579,865	28	691,545	804,313	771,012	719,975
TOTAL REVENUES	\$ 4,990,767	42	\$ 4,897,805	\$ 4,867,801	\$ 4,584,006	\$ 4,392,121

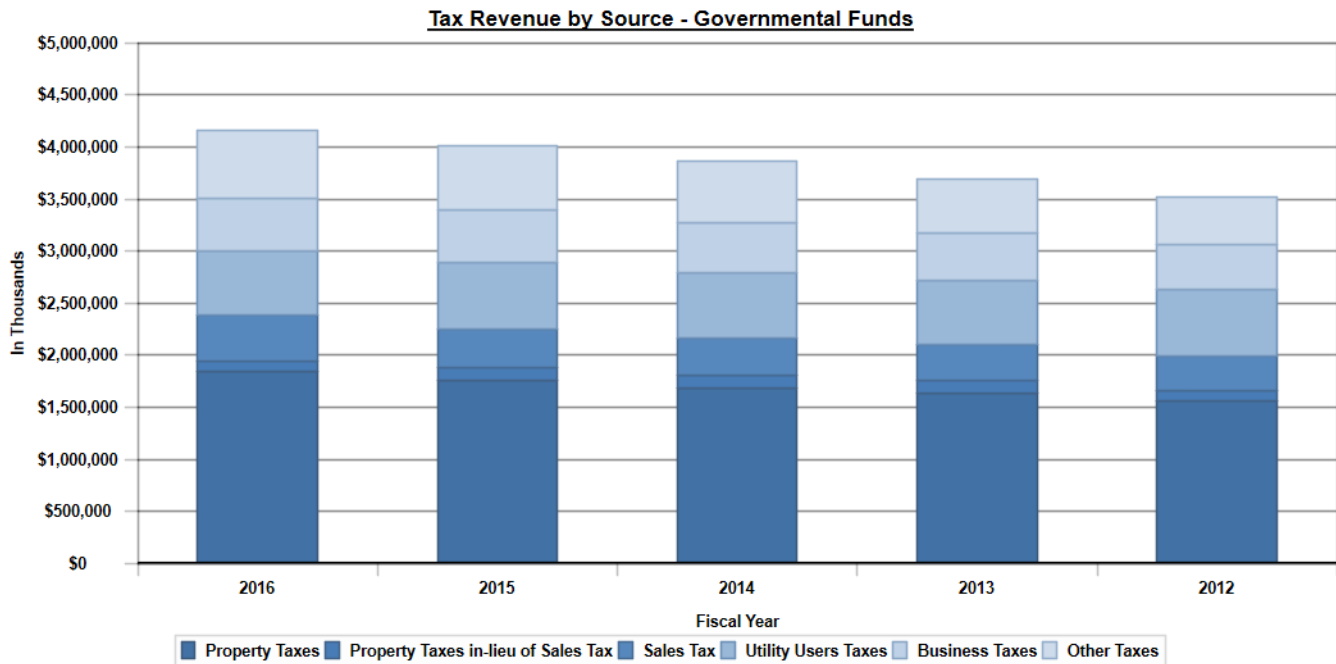
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CITY OF LOS ANGELES

**Tax Revenues by Source - Governmental Funds
Modified Accrual Basis of Accounting - (Continued)
Last Ten Fiscal Years
(amounts expressed in thousands)**

	Fiscal Year				
	2016	2015	2014	2013	2012
Property Taxes	\$ 1,844,440	\$ 1,761,960	\$ 1,688,992	\$ 1,639,355	\$ 1,564,281
Property Tax In-lieu of Sales Tax	100,348	121,903	121,036	116,458	100,538
Sales Taxes	437,775	372,782	357,255	343,628	328,059
Utility Users' Taxes	614,814	637,318	631,492	623,794	634,629
Business Taxes	507,635	500,774	476,908	447,983	438,969
Other Taxes	658,418	621,268	585,457	516,458	451,881
TOTAL REVENUES	\$ 4,163,430	\$ 4,016,005	\$ 3,861,140	\$ 3,687,676	\$ 3,518,357



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Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.

CITY OF LOS ANGELES

**Assessed Value and Estimated Actual Value of Property
Last Ten Fiscal Years**

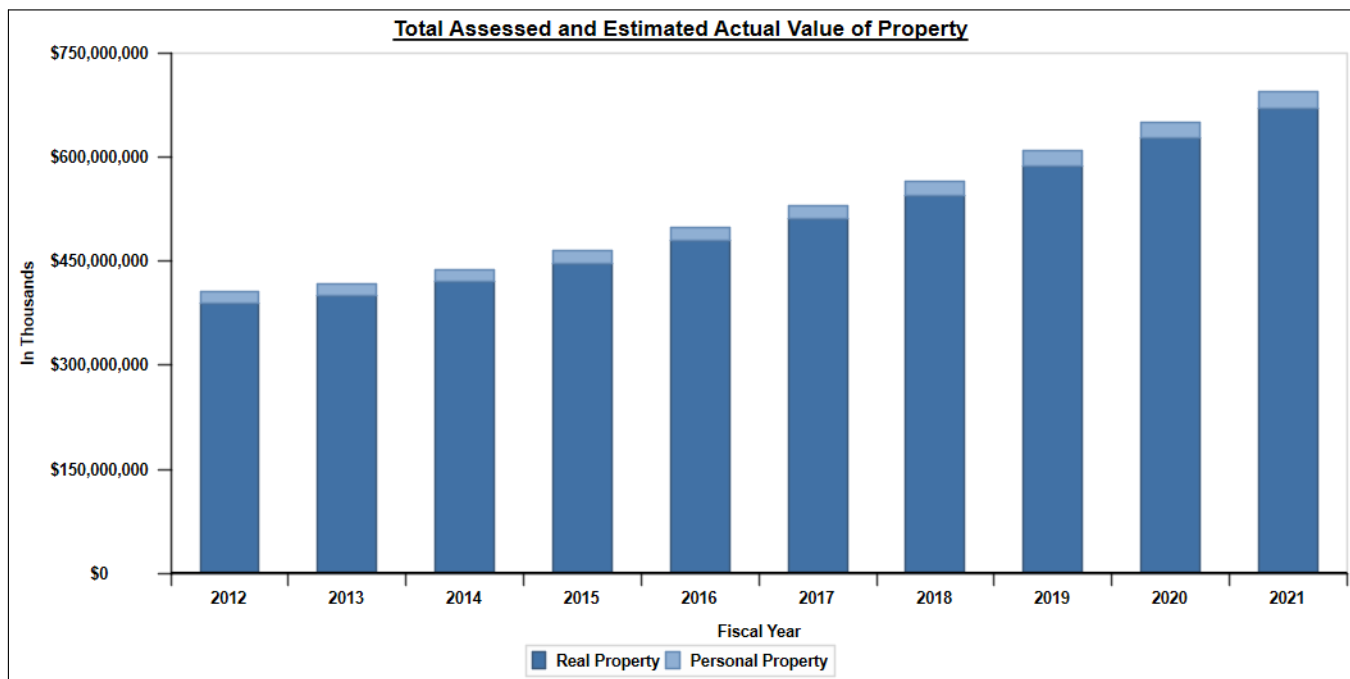
Fiscal Year	Assessed and Estimated Actual Value ⁽¹⁾			Percent of Average Annual Growth	Total Direct Tax Rate ⁽³⁾ (per \$1,000 of assessed value)	Assessed Value Per Capita (\$ 000's)
	Real Property ⁽²⁾ (\$ 000's)	Personal Property (\$ 000's)	Total (\$ 000's)			
2021	\$ 670,279,545	\$ 23,468,823	\$ 693,748,368	6.63 %	1.016538	\$ 177
2020	627,259,008	23,369,829	650,628,837	6.85	1.018084	162
2019	586,352,297	22,575,396	608,927,693	7.68	1.023107	151
2018	544,661,406	20,848,203	565,509,609	6.61	1.021345	139
2017	510,467,606	19,992,855	530,460,461	6.54	1.021297	131
2016	479,014,783	18,881,492	497,896,275	7.21	1.023030	124
2015	446,417,768	18,002,725	464,420,493	6.04	1.028096	117
2014	420,939,047	17,041,404	437,980,451	5.15	1.029754	111
2013	399,640,203	16,899,247	416,539,450	2.48	1.037694	107
2012	389,710,610	16,688,249	406,398,859	1.29	1.038666	105

Source: Taxpayer's Guide - Auditor Controller, County of Los Angeles.

(1) Net of Homeowners' Exemption.

(2) Assessed at 100% of estimated actual value. Include State assessed unsecured property valuation.

(3) Total Direct Tax Rate Area #4 is used as it applies to most properties within the City of Los Angeles. Since each property is subject to taxation by a number of taxing entities, the County groups all properties subject to taxation by the same entities into Tax Rate Areas (TRAs). There are over 274 TRAs in the City.



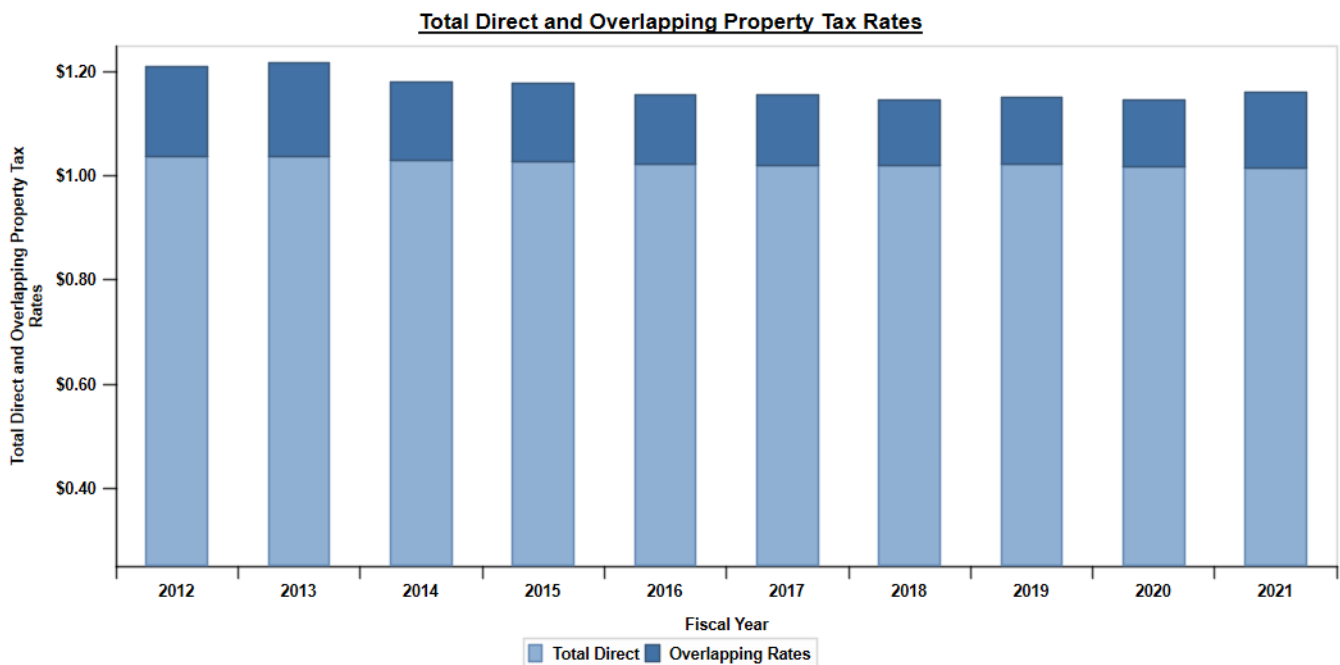
CITY OF LOS ANGELES

**Direct and Overlapping Property Tax Rates
Tax Rate Area No. 4^(a)
Last Ten Fiscal Years**

Fiscal Year	City Direct Rates			Overlapping Rates		Total Direct and Overlapping Rates
	Basic Rate	General Obligation Debt Service	Total Direct	L.A. Unified School District	Metropolitan Water District	
2021	1.000000	0.016538	1.016538	0.139929	0.003500	1.159967
2020	1.000000	0.018084	1.018084	0.125520	0.003500	1.147104
2019	1.000000	0.023107	1.023107	0.123226	0.003500	1.149833
2018	1.000000	0.021345	1.021345	0.122192	0.003500	1.147037
2017	1.000000	0.021297	1.021297	0.131096	0.003500	1.155893
2016	1.000000	0.023030	1.023030	0.129709	0.003500	1.156239
2015	1.000000	0.028096	1.028096	0.146881	0.003500	1.178477
2014	1.000000	0.029754	1.029754	0.146439	0.003500	1.179693
2013	1.000000	0.037694	1.037694	0.175606	0.003500	1.216800
2012	1.000000	0.038666	1.038666	0.168187	0.003700	1.210553

Source: Tax Rates, Los Angeles County Tax Collector.

- (a) Tax Rate Area # 4 is used to illustrate the breakdown of a tax rate within the City and applies the most properties within the City of Los Angeles. Since each property is subject to taxation by a number of taxing entities, the County groups all properties subject to taxation by the same entities into Tax Rate Areas (TRAs). There are over 274 TRAs in the City.



CITY OF LOS ANGELES

Ten Largest Property Taxpayers
Secured Assessed Valuation
Current and Nine Years Ago

Taxpayer	2021			2012		
	Secured Assessed Valuation	Rank	Percentage of Total City Taxable Assessed Value	Secured Assessed Valuation	Rank	Percentage of Total City Taxable Assessed Value
Douglas Emmett LLC	\$ 2,672,575,239	1	0.40 %	\$ 2,298,099,106	1	0.59 %
Essex Portfolio LP	1,466,229,531	2	0.22			
Century City Mall LLC	1,091,138,977	3	0.16	459,585,261	10	0.12
Greenland LA Metropolis	966,598,953	4	0.14			
FSP South Flower Street	964,738,709	5	0.14			
Hanjin International Corp.	867,474,871	6	0.13			
Rochelle H. Sterling	838,124,648	7	0.13			
Omni Wilshire Courtyard LLC	794,670,367	8	0.12			
Anheuser Busch Commercial	762,511,489	9	0.11			
Valero Energy Corporation	746,204,280	10	0.11	910,727,551	2	0.23
Anheuser Busch Inc				779,389,837	3	0.20
ConocoPhillips Co.				718,794,400	4	0.18
Tesoro Corporation				597,521,183	5	0.15
APM Terminals Pacific Ltd.				529,063,387	6	0.14
Donald T. Sterling				524,770,043	7	0.13
Tishman Speyer Archstone Smith				499,685,502	8	0.13
Paramount Pictures Corp.				473,288,626	9	0.12
TOTAL	\$ 11,170,267,064		1.66 %	\$ 7,790,924,896		2.00 %
Total City Secured Assessed Valuation	\$ 670,279,544,511			\$ 389,710,610,377		

Source: California Municipal Statistics Inc
Taxpayers' Guides, 2020-2021 and 2011-2012

CITY OF LOS ANGELES

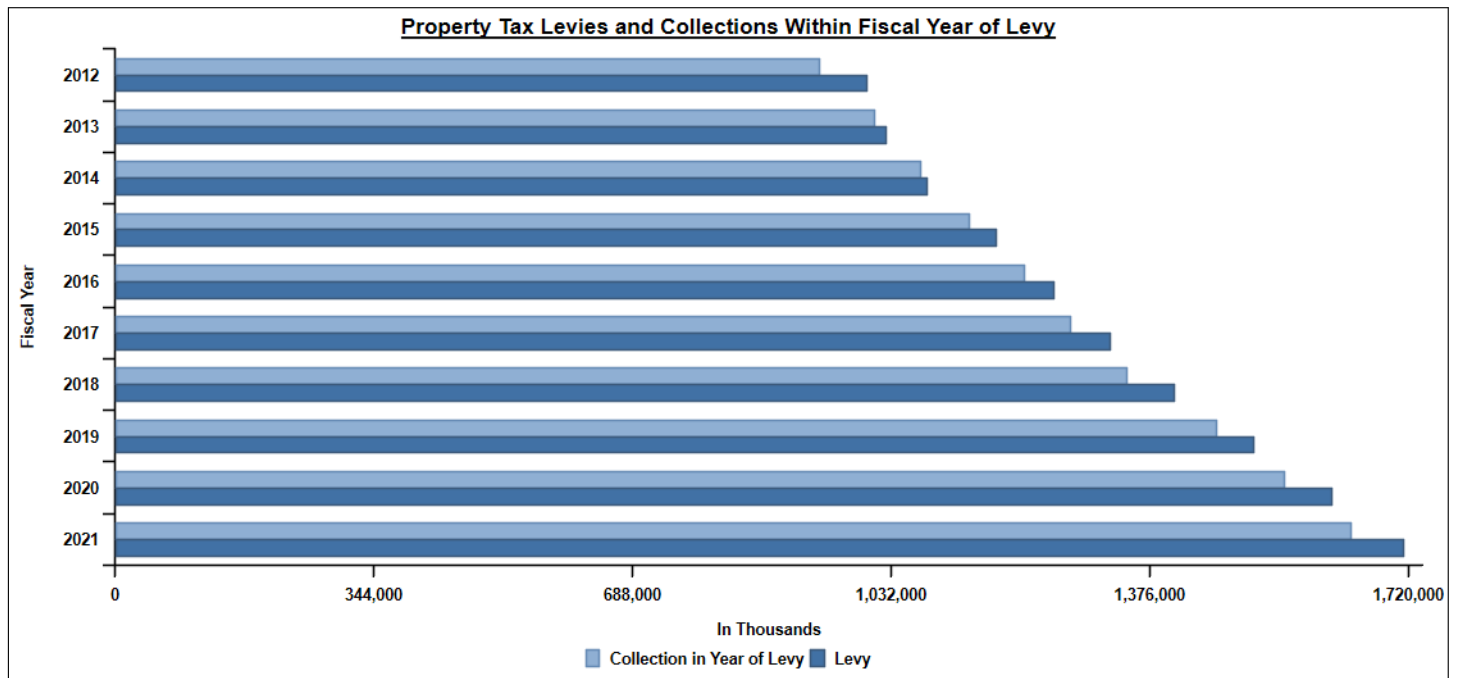
**Property Tax Levies and Collections
Last Ten Fiscal Years
(amounts expressed in thousands)**

Fiscal Year	Total Tax Levy ^(a) for the Fiscal Year	Collected within the Fiscal Year of Levy		Collections in Subsequent Years ^(b)	Total Collections to Date	
		Amount	Percent of Levy		Amount	Percent of Levy ^(c)
2021	\$ 1,714,309	\$ 1,644,823	95.95 %	\$ 13,357	\$ 1,658,180	96.73 %
2020	1,618,316	1,555,461	96.12	12,848	1,568,309	96.91
2019	1,514,759	1,465,802	96.77	25,343	1,491,145	98.44
2018	1,408,319	1,346,492	95.61	21,781	1,368,273	97.16
2017	1,323,358	1,270,727	96.02	4,616	1,275,343	96.37
2016	1,249,297	1,209,196	96.79	7,034	1,216,230	97.35
2015	1,172,231	1,137,005	96.99	8,237	1,145,242	97.70
2014	1,080,159	1,071,795	99.23	12,558	1,084,353	100.39
2013	1,025,057	1,010,830	98.61	60,543	1,071,373	104.52
2012	1,000,689	936,265	93.56	30,763	967,028	96.64

(a) One percent basic levy only, which is a General Fund revenue; excludes City levy for debt service.

(b) Includes collections on adjustments for undetermined prior fiscal year(s).

(c) Based on available information by fiscal year. Details of delinquent taxes by levy year necessary to identify taxes remaining unpaid by taxpayers as applied to specific fiscal year are not available.



CITY OF LOS ANGELES

**Energy Sold by Type of Customer
Power Enterprise Fund
Last Ten Fiscal Years**

Fiscal Year	Sales of Energy (in thousands of megawatt hours)				Direct Rate per Kilowatt Hour	
	Residential	Commercial and Industrial	All Other	Total	Residential	Commercial and Industrial
2021	7,706	13,220	2,087	23,013	\$ 0.21	\$ 0.19
2020	7,218	14,030	1,050	22,298	0.19	0.17
2019	7,303	14,661	626	22,590	0.19	0.18
2018	7,258	15,210	532	23,000	0.17	0.16
2017	7,285	15,311	1,426	24,022	0.16	0.15
2016	7,482	15,938	1,880	25,300	0.15	0.15
2015	7,311	15,741	2,330	25,382	0.14	0.14
2014	7,819	15,778	2,593	26,190	0.13	0.14
2013	7,568	15,717	2,964	26,249	0.13	0.13
2012	7,316	15,456	1,843	24,615	0.13	0.13

CITY OF LOS ANGELES

**Average Number of Customers for Energy Sales
Power Enterprise Fund
Last Ten Fiscal Years**

Fiscal Year	Average Number of Customers (in thousands)			
	Residential	Commercial and Industrial	All Other	Total
2021	1,414	126	7	1,547
2020	1,405	126	7	1,538
2019	1,397	126	7	1,530
2018	1,386	124	6	1,516
2017	1,378	123	6	1,507
2016	1,371	123	5	1,499
2015	1,363	123	7	1,493
2014	1,368	127	8	1,503
2013	1,280	197	2	1,479
2012	1,274	195	2	1,471

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Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

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CITY OF LOS ANGELES

**Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(amounts expressed in thousands, except per capita)**

Governmental Activities							
Fiscal Year Ended June 30	General Obligation Bonds	Judgment Obligation Bonds	COP, Direct Placements, and Lease Revenue Bonds	Special Assessment Bonds	Revenue Bonds	Notes Payable	Other Loan Obligations
2021	\$ 642,248	\$ --	\$ 1,536,336	\$ --	\$ 179,181	\$ 330,600	\$ 89,122
2020	751,022	--	1,519,591	--	203,571	336,000	122,147
2019	865,478	6,256	1,668,256	--	245,932	189,800	152,095
2018	736,177	14,748	1,634,552	--	156,734	320,100	90,467
2017	756,414	22,933	1,693,317	--	192,264	274,000	105,659
2016	842,483	30,827	1,798,130	--	227,880	155,300	135,847
2015	952,278	38,476	1,709,297	--	262,763	240,506	144,075
2014	1,069,709	45,889	1,736,262	18,180	301,429	255,881	184,985
2013	1,165,924	53,079	1,831,177	20,240	419,012	184,197	198,600
2012	1,288,674	60,379	1,978,452	22,210	382,190	141,197	204,395

CITY OF LOS ANGELES

**Ratios of Outstanding Debt by Type - (Continued)
Last Ten Fiscal Years
(amounts expressed in thousands, except per capita)**

Business-Type Activities

Fiscal Year Ended June 30	Revenue Bonds	Commercial Paper	Notes Payable	Loans Payable	Total Primary Government	Percentage of Personal Income⁽¹⁾	Per Capita⁽²⁾
2021	\$ 30,467,657	\$ 243,341	\$ --	\$ 740,084	\$ 34,228,569	N/A %	\$ 8,724
2020	28,093,772	93,197	--	803,411	31,922,711	4.70	7,959
2019	27,536,607	99,791	--	726,867	31,491,082	4.82	7,847
2018	24,614,878	310,832	--	646,919	28,525,407	4.54	7,064
2017	23,589,506	200,000	--	632,124	27,466,217	4.60	6,830
2016	22,460,800	200,000	--	590,228	26,441,495	4.57	6,612
2015	21,017,668	200,000	--	544,743	25,109,806	4.48	6,321
2014	19,276,291	435,000	--	438,128	23,761,754	4.53	6,034
2013	18,252,193	368,086	--	327,037	22,819,545	4.65	5,849
2012	16,517,924	462,199	1,366	314,227	21,373,213	4.34	5,537

Note: Details regarding the City's outstanding debt can be found in the Notes to the Financial Statements.

⁽¹⁾ Personal income data can be found in the Statistical Section, Demographic and Economic Information

⁽²⁾ Population data updated based on current estimates. See Statistical Section, Demographic and Economic Information.

N/A - Data not available

CITY OF LOS ANGELES

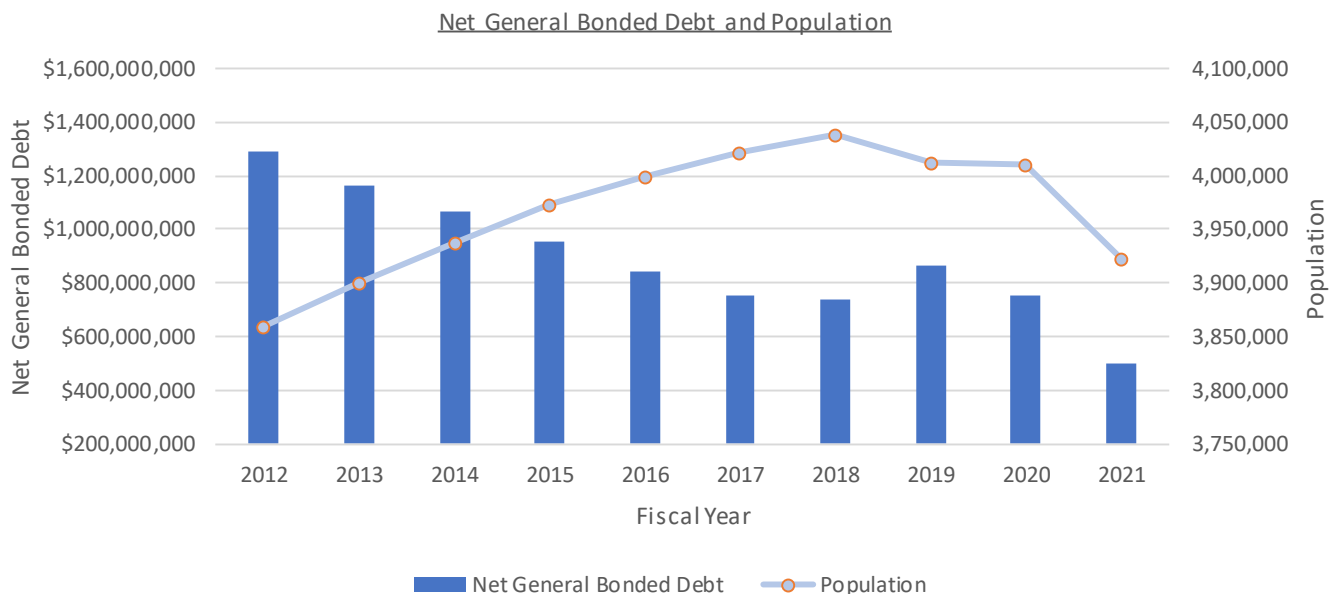
**Ratios of Net General Bonded Debt
to Assessed Value and Per Capita
Last Ten Fiscal Years**

Fiscal Year Ended June 30	Net General Bonded Debt⁽³⁾	Assessed Value⁽¹⁾	Net General Bonded Debt Ratio to Assessed Value	Population⁽²⁾	Net General Bonded Debt Per Capita
2021	\$ 497,097,000	\$ 693,748,367,625	0.07 %	3,923,341	\$ 127
2020	751,022,000	650,628,836,497	0.12	4,010,684	187
2019	865,478,000	608,927,693,039	0.14	4,013,170	216
2018	736,177,000	565,509,608,703	0.13	4,038,313	182
2017	756,414,000	530,460,460,734	0.14	4,021,488	188
2016	842,483,000	497,896,274,993	0.17	3,999,237	211
2015	952,278,000	464,420,493,438	0.21	3,972,348	240
2014	1,069,709,000	437,980,451,025	0.24	3,938,037	272
2013	1,165,924,000	416,539,450,297	0.28	3,901,412	299
2012	1,288,674,000	406,456,672,926	0.32	3,859,854	334

(1) Net of homeowners exemptions.

(2) Population data updated based on current estimates.

(3) The total General Bonded Debt netted with the resources externally restricted for the repayment of the debt principal.



CITY OF LOS ANGELES

**Direct and Overlapping Governmental Activities Debt
For the Fiscal Year Ended June 30, 2021**

	Debt Outstanding June 1, 2021	Estimated Percentage Applicable⁽¹⁾	Estimated Share of Overlapping Debt June 1, 2021
OVERLAPPING DEBT REPAYED WITH PROPERTY TAXES			
Metropolitan Water District of Southern California	\$ 26,830,000	21.327 %	\$ 5,722,034
Los Angeles Community College District	4,409,250,000	72.216	3,184,183,980
Beverly Hills Unified School District	468,828,390	0.153	717,307
Inglewood Unified School District	138,470,000	0.772	1,068,988
Las Virgenes Joint Unified School District	112,682,938	0.894	1,007,385
Los Angeles Unified School District	10,864,555,000	88.311	9,594,597,166
Other School Districts	504,615,306	Various	407,343
City of Los Angeles Community Facilities District No. 3	1,175,000	100.000	1,175,000
City of Los Angeles Community Facilities District No. 4	62,995,000	100.000	62,995,000
City of Los Angeles Community Facilities District No. 8	5,520,000	100.000	5,520,000
Mountains Recreation and Conservation Authority Assessment Districts	15,655,000	100.000	15,655,000
Los Angeles Unified School District supported general obligation bonds			(77,942,759)
OTHER OVERLAPPING DEBT			
Los Angeles County General Fund Obligations	2,618,507,256	40.728	1,066,465,635
Los Angeles County Superintendent of Schools Certificates of Participation	4,565,373	40.728	1,859,385
Los Angeles County Sanitation District Nos. 1, 4, 5, 8 and 16 Authorities	11,066,007	0.010-1.290	535,186
Inglewood Unified School District Certificates of Participation	1,250,000	0.772	9,650
Las Virgenes Joint Unified School District Certificates of Participation	9,517,975	0.894	85,091
Los Angeles Unified School District Certificates of Participation	130,970,000	88.311	115,660,917
OVERLAPPING TAX INCREMENT DEBT	336,300,000	100.000	<u>336,300,000</u>
SUBTOTAL- OVERLAPPING DEBT			<u>\$ 14,316,022,308</u>
CITY OF LOS ANGELES DIRECT DEBT			
General Obligation Bonds	642,248,000	100.000	642,248,000
COP and Lease Revenue Bonds	1,471,867,000	100.000	1,471,867,000
Direct Placements	64,469,000	100.000	64,469,000
Revenue Bonds and Notes Payable	509,781,000	100.000	509,781,000
Capital Lease Obligations	42,799,000	100.000	42,799,000
HUD Loans	46,323,000	100.000	46,323,000
SUBTOTAL - CITY OF LOS ANGELES DIRECT DEBT⁽²⁾			<u>2,777,487,000</u>
TOTAL DIRECT AND OVERLAPPING DEBT			<u><u>\$ 17,093,509,308</u></u>

(1) Percentage of overlapping agency's assessed valuation located within boundaries of the City.

(2) Includes all long-term debt instruments of the government activities, including bonds, notes, certificates of participation and loans.

Source: City of Los Angeles, Office of the City Administrative Officer, for overlapping debt.

CITY OF LOS ANGELES

**Ratios of General Bonded Debt Outstanding and Legal Debt Margin
Last Ten Fiscal Years
(amounts expressed in thousands, except per capita)**

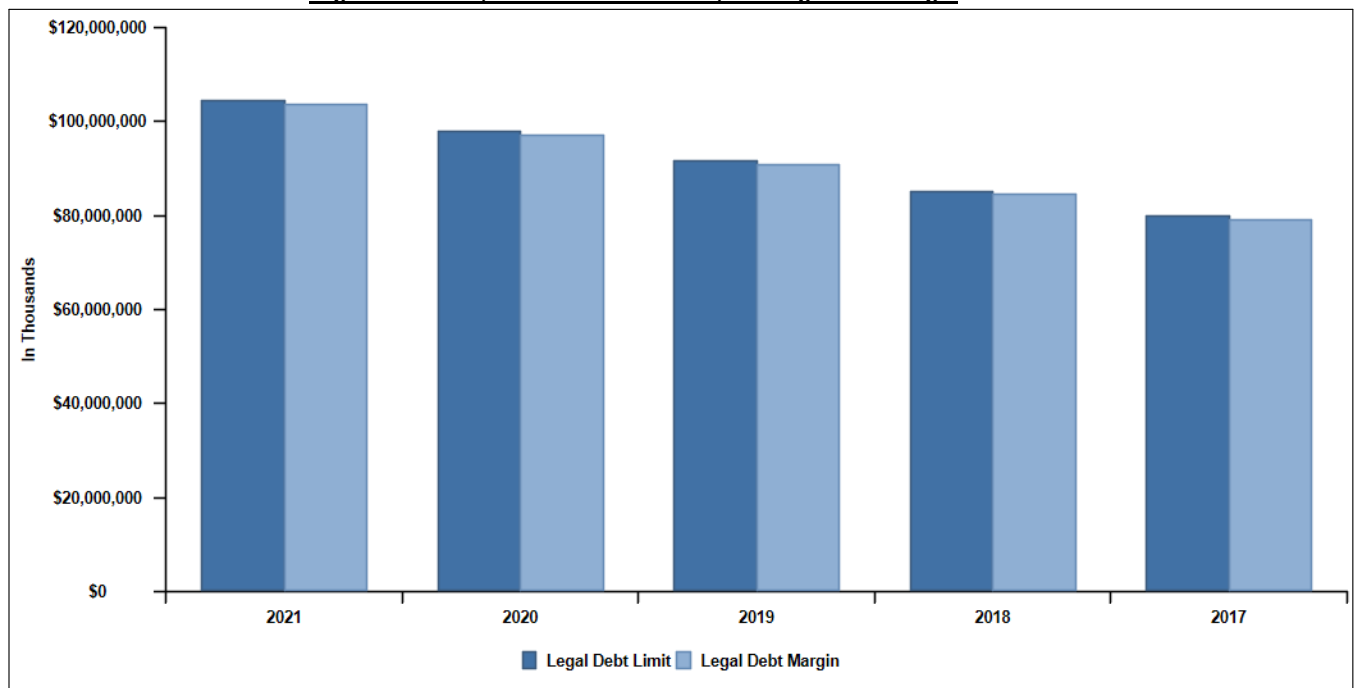
	Fiscal Year				
	2021	2020	2019	2018	2017
Assessed Valuation Net of Homeowners' Exemptions	\$ 693,748,368	\$ 650,628,837	\$ 608,927,693	\$ 565,509,609	\$ 530,460,461
Add: Homeowners' Exemptions	2,264,753	2,329,537	2,364,507	2,411,314	2,454,777
Gross Assessed Valuation	\$ 696,013,121	\$ 652,958,374	\$ 611,292,200	\$ 567,920,923	\$ 532,915,238
Legal Debt Limit ^(a) (15% of assessed value)	\$ 104,401,968	\$ 97,943,756	\$ 91,693,830	\$ 85,188,138	\$ 79,937,286
Less: General Obligation Bonds Outstanding	642,248	751,022	865,478	736,177	756,414
Legal Debt Margin	\$ 103,759,720	\$ 97,192,734	\$ 90,828,352	\$ 84,451,961	\$ 79,180,872
Legal Debt Margin as a Percentage of the Debt Limit	99.38 %	99.23 %	99.06 %	99.14 %	99.05 %
General Obligation Bonds Outstanding as a Percentage of Assessed Value	0.09 %	0.12 %	0.14 %	0.13 %	0.14 %
Population ^(b)	3,923,341	4,010,684	4,013,170	4,054,400	4,021,488
General Obligation Bonds Outstanding per Capita	\$ 164	\$ 187	\$ 216	\$ 182	\$ 188

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(a) Debt limit provided in Section 43605 of the State of California Government Code.

(b) Population data updated based on current estimates.

Legal Debt Limit (15% of assessed value) and Legal Debt Margin

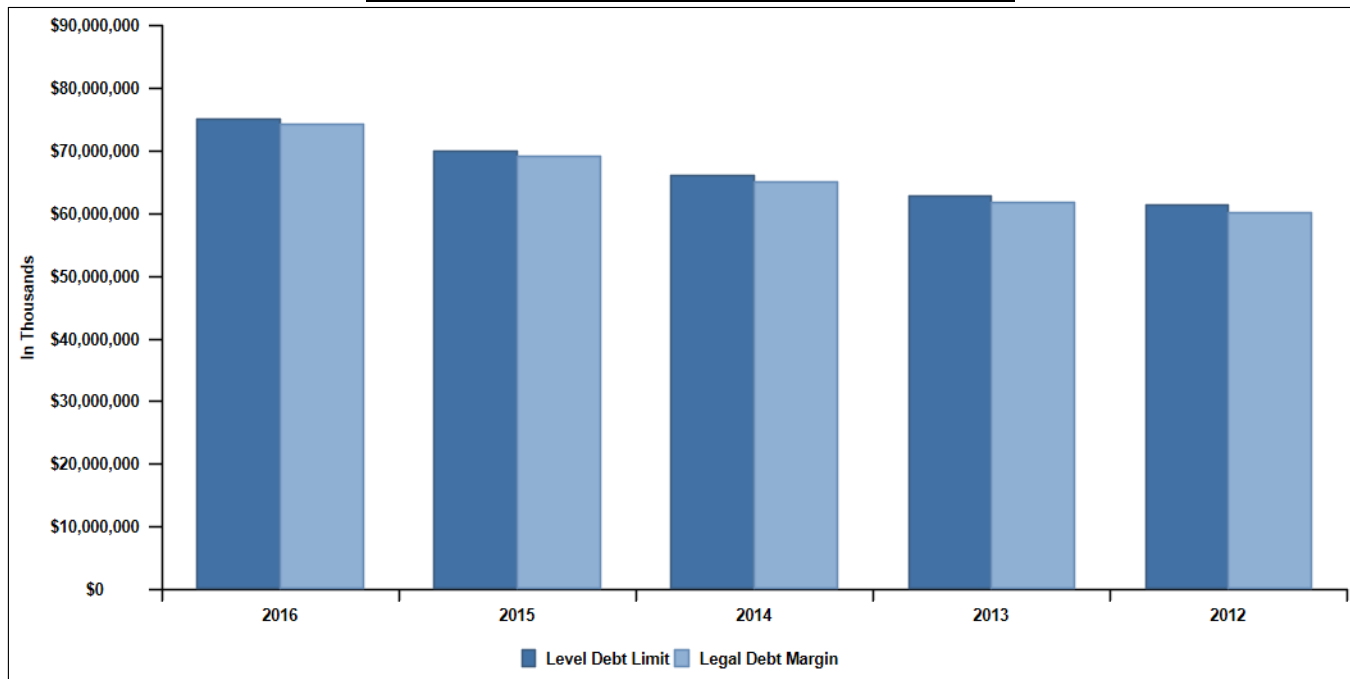


CITY OF LOS ANGELES

**Ratios of General Bonded Debt Outstanding and Legal Debt Margin - (Continued)
Last Ten Fiscal Years
(amounts expressed in thousands, except per capita)**

	Fiscal Year				
	2016	2015	2014	2013	2012
Assessed Valuation Net of Homeowners' Exemptions	\$ 497,896,275	\$ 464,420,493	\$ 437,980,451	\$ 416,539,450	\$ 406,456,673
Add: Homeowners' Exemptions	2,502,726	2,545,253	2,588,592	2,629,357	2,674,226
Gross Assessed Valuation	\$ 500,399,001	\$ 466,965,746	\$ 440,569,043	\$ 419,168,807	\$ 409,130,899
Legal Debt Margin (15% of assessed value)	\$ 75,059,850	\$ 70,044,862	\$ 66,085,356	\$ 62,875,321	\$ 61,369,635
Less: General Obligation Bonds Outstanding	842,483	952,278	1,069,709	1,165,924	1,288,674
Legal Debt Margin	\$ 74,217,367	\$ 69,092,584	\$ 65,015,647	\$ 61,709,397	\$ 60,080,961
Legal Debt Margin as a Percentage of the Debt Limit	98.88 %	98.64 %	98.38 %	98.15 %	97.90 %
General Obligation Bonds Outstanding as a Percentage of Assessed Value	0.17 %	0.20 %	0.24 %	0.28 %	0.31 %
Population ^(b)	3,999,237	3,972,348	3,938,037	3,901,412	3,859,854
General Obligation Bonds Outstanding per Capita	\$ 211	\$ 240	\$ 272	\$ 299	\$ 334

Legal Debt Limit (15% of assessed value) and Legal Debt Margin



CITY OF LOS ANGELES

**Pledged Revenue Coverage
Last Ten Fiscal Years
(amounts expressed in thousands)**

Fiscal Year	Operating Revenues⁽¹⁾	Less: Operating Expenses⁽²⁾	Net Available Revenue	Debt Service⁽³⁾	Net Available Revenue Coverage	Net Operating Cash Flow	Net Operating Cash Flow Coverage⁽⁴⁾
<u>Airports Enterprise Fund Revenue Bonds and Notes</u>							
2021	\$ 1,156,493	\$ 462,118	\$ 694,375	\$ 456,422	1.5	\$ 405,607	0.9
2020	1,606,812	844,630	762,182	402,747	1.9	540,779	1.3
2019	1,735,243	786,919	948,324	375,825	2.5	717,845	1.9
2018	1,578,222	784,369	793,853	344,931	2.3	751,190	2.2
2017	1,460,713	725,190	735,523	325,681	2.3	614,930	1.9
2016	1,422,362	713,720	708,642	285,325	2.5	512,252	1.8
2015	1,219,715	697,708	522,007	263,454	2.0	424,474	1.6
2014	1,145,668	663,104	482,564	218,021	2.2	411,985	1.9
2013	981,586	648,974	332,612	136,523	2.4	247,540	1.8
2012	952,129	639,355	312,774	138,010	2.3	313,774	2.3
<u>Harbor Enterprise Fund Revenue Bonds and Notes</u>							
2021	\$ 575,422	\$ 273,968	\$ 301,454	\$ 79,070	3.8	\$ 272,981	3.5
2020	524,346	273,570	250,776	82,806	3.0	237,631	2.9
2019	578,794	240,427	338,367	84,884	4.0	254,978	3.0
2018	501,663	236,955	264,708	80,147	3.3	228,920	2.9
2017	487,806	227,675	260,131	87,570	3.0	274,581	3.1
2016	457,521	226,261	231,260	91,831	2.5	189,992	2.0
2015	460,364	234,249	226,115	70,103	3.2	213,184	3.0
2014	446,910	205,354	241,556	65,488	3.7	131,284	2.0
2013	416,974	205,169	211,805	72,398	2.9	234,234	3.2
2012	435,291	199,806	235,485	71,609	3.3	217,113	3.0
<u>Power Enterprise Fund Revenue Bonds and Notes</u>							
2021	\$ 4,517,240	\$ 2,853,249	\$ 1,663,991	\$ 638,818	2.6	\$ 1,384,300	2.2
2020	4,133,485	2,813,414	1,320,071	625,999	2.1	1,155,673	1.8
2019	4,373,557	2,973,389	1,400,168	580,192	2.4	1,319,164	2.3
2018	3,947,264	2,524,608	1,422,656	546,478	2.6	1,091,274	2.0
2017	3,853,514	2,564,978	1,288,536	538,814	2.4	957,064	1.8
2016	3,734,402	2,451,934	1,282,468	467,251	2.7	972,422	2.1
2015	3,542,227	2,445,059	1,097,168	457,933	2.4	1,161,619	2.5
2014	3,495,731	2,363,857	1,131,874	451,253	2.5	942,757	2.1
2013	3,342,586	2,266,249	1,076,337	426,825	2.5	761,079	1.8
2012	3,267,679	2,235,522	1,032,157	343,093	3.0	851,613	2.5

CITY OF LOS ANGELES

**Pledged Revenue Coverage - (Continued)
Last Ten Fiscal Years
(amounts expressed in thousands)**

Fiscal Year	Operating Revenues⁽¹⁾	Less: Operating Expenses⁽²⁾	Net Available Revenue	Debt Service⁽³⁾	Net Available Revenue Coverage	Net Operating Cash Flow	Net Operating Cash Flow Coverage⁽⁴⁾
Water Enterprise Fund Revenue Bonds and Notes							
2021	\$ 1,576,150	\$ 869,591	\$ 706,559	\$ 337,092	2.1	\$ 657,169	1.9
2020	1,384,804	759,931	624,873	336,922	1.9	543,528	1.6
2019	1,325,982	767,726	558,256	251,445	2.2	563,578	2.2
2018	1,256,737	685,894	570,843	309,825	1.8	565,679	1.8
2017	1,192,420	700,610	491,810	278,912	1.8	242,212	0.9
2016	1,215,469	735,769	479,700	241,123	2.0	184,462	0.8
2015	1,151,356	733,283	418,073	216,787	1.9	324,403	1.5
2014	1,206,561	770,368	436,193	204,392	2.1	317,305	1.6
2013	1,091,710	672,462	419,248	192,885	2.2	347,264	1.8
2012	875,909	544,824	331,085	178,468	1.9	238,099	1.3
Sewer Enterprise Fund Revenue Bonds and Notes							
2021	\$ 788,803	\$ 318,637	\$ 470,166	\$ 218,634	2.2	\$ 418,648	1.9
2020	762,597	368,658	393,939	223,554	1.8	308,863	1.4
2019	710,020	375,442	334,578	214,273	1.6	361,112	1.7
2018	682,779	284,184	398,595	210,291	1.9	357,341	1.7
2017	634,376	303,483	330,893	199,572	1.7	343,761	1.7
2016	619,430	295,523	323,907	199,523	1.6	316,864	1.6
2015	596,450	289,498	306,952	188,456	1.6	321,017	1.7
2014	573,772	265,284	308,488	190,988	1.6	266,081	1.4
2013	576,552	279,587	296,965	206,965	1.4	284,783	1.4
2012	520,664	254,980	265,684	177,195	1.5	236,768	1.3

(1) For Airports and Harbor, operating revenues include pledged pooled investment interest income. For Power and Water, operating revenues include capital contributions, net nonoperating revenues. For Sewer, operating revenues include interest income from pooled investments other than interest income from construction funds.

(2) For Airports, Harbor and Sewer, operating expenses do not include interest, depreciation and amortization expenses. For Airport, operating expenses exclude CARES Act funded expenses. For Power and Water, operating expenses do not include depreciation and amortization expense.

(3) Debt service includes principal and interest payments on bonds.

(4) Net operating cash flow coverage is presented to show the Funds' ability to generate sufficient cash flow to cover debt service costs.

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Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

CITY OF LOS ANGELES

Demographic and Economic Statistics Last Ten Fiscal Years

Fiscal Year	Estimated Population ⁽¹⁾	Personal Income (in thousands) ⁽²⁾	Personal Income Per Capita ⁽²⁾	Median Age ⁽³⁾	Public School Enrollment ⁽⁴⁾	Unemployment Rate ⁽⁵⁾
2021	3,923,341	\$ --	\$ --	N/A	439,013	7.7 %
2020	4,010,684	678,829,092	68,272	N/A	504,468	12.0
2019	4,013,170	653,482,010	65,094	37.0	516,935	4.5
2018	4,038,313	628,808,732	62,224	36.7	532,102	5.1
2017	4,021,488	597,597,564	59,058	36.0	547,246	4.8
2016	3,999,237	578,154,382	57,127	35.0	560,991	5.6
2015	3,972,348	560,484,548	54,298	34.9	582,430	7.0
2014	3,938,037	525,088,691	51,111	34.6	594,891	8.7
2013	3,901,412	491,016,518	48,283	34.3	598,020	10.3
2012	3,859,854	492,424,430	48,900	34.1	701,208	11.5

(1) Data based on California Department of Finance report E-1, released May 1, 2021 with revised estimated population.

(2) U.S. Department of Commerce, Bureau of Economic Analysis for Los Angeles County updated on November 17, 2021. Data subsequent to 2021 is not available.

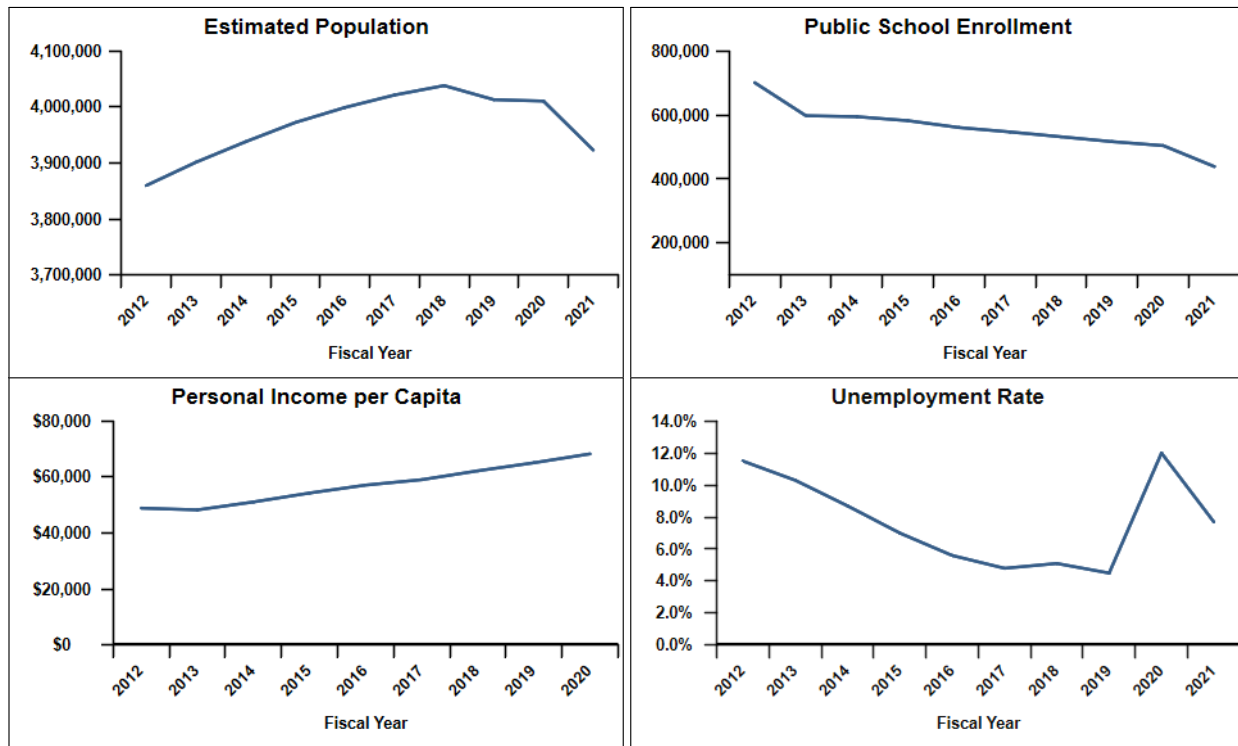
The U.S. Census Bureau defines personal income as the income received by all persons from all sources, and is the sum of "net earnings", rental income, dividend income, interest income, and transfer receipts. "Net earnings" is defined as wage and salary, supplements to wages and salaries, and proprietors' income, less contributions for government social insurance, before deduction of personal income and other taxes. Personal income estimates are in thousands of dollars, not adjusted for inflation. Separate information for the City of Los Angeles is not available.

(3) US Census Bureau American Community Survey for the City. Source: <http://data.census.gov/>

(4) Enrollment data determined at the beginning of each school year (October). Data include the City and all or significant portions of a number of smaller cities and unincorporated territories. Source: LAUSD Annual financial report.

(5) Data based on California Employment Development Department for City of Los Angeles - October 2021, not seasonally adjusted, released November 20, 2021.

N/A Not Available



CITY OF LOS ANGELES

**Los Angeles County
Principal Employers (Non-Government)
Current Year and Nine Years Ago**

Employer	2021			2012		
	Employees	Rank⁽¹⁾	Percentage of Total County Employment	Employees	Rank⁽¹⁾	Percentage of Total County Employment
Kaiser Permanente	40,876	1	1.0 %	36,508	1	0.8 %
University of Southern California	22,465	2	0.5	16,623	3	0.4
Target Corp.	20,000	3	0.5	14,250	4	0.3
Northrop Grumman Corp.	18,000	4	0.4	18,000	2	0.4
Cedars-Sinai Medical Center	16,309	5	0.4	12,000	6	0.3
Amazon	16,200	6	0.4	--	--	--
Allied Universal	15,326	7	0.4	--	--	--
Providence Health & Services Southern California	14,935	8	0.3	11,403	8	0.3
Ralphs/Food 4 Less/Kroger	14,585	9	0.3	13,200	5	0.3
Walt Disney Co.	12,200	10	0.2	10,500	10	0.2
Boeing Co.	--	--	--	11,249	9	0.3
Bank of America Corp.	--	--	--	12,000	7	0.3
All Others	4,100,804	--	95.6	4,209,967	--	96.4
TOTAL ⁽¹⁾⁽²⁾	4,291,700		100.0 %	4,365,700		100.0 %

Source:

(1) Los Angeles Business Journal (LABJ) - The information on this list was provided by representatives of the employers themselves. Companies are ranked by the current number of full-time employees in L.A. County. Several companies may have qualified for this list, but failed to submit information or do not break out local employment data.

(2) Total County Employment per California EDD labor force report (<http://www.labormarketinfo.edd.ca.gov>).

This report was completed based on information from various sources and is intended for use as a general guide only. The City does not warrant accuracy of this data. Inquiries should be directed to the individual employer.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

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CITY OF LOS ANGELES

**Number of City Government Employees by Function/Program
Full-Time Equivalent
Last Ten Fiscal Years**

	Fiscal Year				
	2021	2020	2019	2018	2017
GOVERNMENTAL ACTIVITIES	31,369	33,973	33,059	32,535	32,100
General Government					
City Administrative Officer	109	119	114	112	113
City Attorney	914	1,003	963	953	935
City Ethics Commission	29	31	25	24	24
Controller	133	146	150	146	142
Council	375	381	375	372	345
Employees Relations Board	3	3	3	3	3
General Services	1,199	1,394	1,341	1,352	1,342
Information Technology Agency	336	406	393	378	391
Mayor	191	210	219	203	185
Personnel	481	545	488	475	499
Neighborhood Empowerment	25	28	28	31	26
City Clerk	95	113	107	105	108
Human Relations Commission	9	--	--	--	--
Office of Finance ⁽¹⁾	261	297	304	309	329
Public Accountability ⁽⁵⁾	3	3	4	4	--
Protection of Persons and Property					
Animal Services	307	342	327	314	317
Building & Safety	884	920	903	892	935
Fire- Civilian	344	380	367	347	350
Fire- Sworn	3,299	3,391	3,348	3,356	3,311
Police- Civilian	2,749	3,070	2,992	3,002	2,920
Police- Sworn	9,390	9,963	10,004	9,990	9,948
Emergency Management	20	29	24	23	23
Public Works					
Public Works- Contract Administration	303	334	323	314	298
Public Works- Engineering	742	846	827	771	768
Public Works- Street Lighting	289	324	296	251	235
Public Works- Street Services	1,070	1,230	1,138	992	974
Public Works- Board of Public Works	94	106	106	95	96
Health and Sanitation					
Public Works- Sanitation	2,839	2,978	2,817	2,739	2,601
Cannabis Regulation ⁽⁵⁾	28	29	21	7	--
Transportation					
Transportation	1,341	1,474	1,368	1,340	1,324
Cultural and Recreational Services					
Cultural Affairs	54	65	61	60	58
El Pueblo de los Angeles Historical Monument	6	8	8	9	9
Library	804	830	813	822	774
Recreation and Parks	1,259	1,456	1,424	1,379	1,376
Zoo	210	238	228	216	204
Community Development					
Aging	33	41	36	32	36
Economic and Workforce Development ⁽²⁾	103	121	119	127	135
Disability	24	27	23	20	20
Housing and Community Investment ⁽³⁾	636	675	599	589	598
City Planning	378	417	373	381	348

Continued...

CITY OF LOS ANGELES

**Number of City Government Employees by Function/Program - (Continued)
Full-Time Equivalent
Last Ten Fiscal Years**

	Fiscal Year				
	2016	2015	2014	2013	2012
GOVERNMENTAL ACTIVITIES	31,306	30,606	30,316	31,344	31,225
General Government					
City Administrative Officer	109	108	109	103	102
City Attorney	891	882	834	813	825
City Ethics Commission	22	23	20	18	17
Controller	135	146	143	146	152
Council	339	353	333	364	334
Employees Relations Board	3	3	3	3	3
General Services	1,356	1,321	1,309	1,430	1,630
Information Technology Agency	440	431	452	463	488
Mayor	170	161	146	173	175
Personnel	484	480	460	460	380
Neighborhood Empowerment	26	19	22	23	18
City Clerk	88	95	96	97	98
Human Relations Commission	--	--	--	--	--
Office of Finance ⁽¹⁾	317	311	326	336	345
Public Accountability ⁽⁵⁾	--	--	--	--	--
Protection of Persons and Property					
Animal Services	317	309	312	318	311
Building & Safety	849	808	744	760	723
Fire- Civilian	309	293	293	297	298
Fire- Sworn	3,265	3,140	3,181	3,206	3,317
Police- Civilian	2,754	2,723	2,810	2,888	2,783
Police- Sworn	9,866	9,856	9,739	9,875	9,875
Emergency Management	25	23	21	31	22
Public Works					
Public Works- Contract Administration	284	270	278	294	287
Public Works- Engineering	756	733	710	701	718
Public Works- Street Lighting	226	205	194	209	192
Public Works- Street Services	865	838	869	931	982
Public Works- Board of Public Works	95	85	81	81	92
Health and Sanitation					
Public Works- Sanitation	2,564	2,425	2,318	2,317	2,333
Cannabis Regulation ⁽⁵⁾	--	--	--	--	--
Transportation					
Transportation	1,340	1,276	1,268	1,287	1,307
Cultural and Recreational Services					
Cultural Affairs	46	36	34	34	34
El Pueblo de los Angeles Historical Monument	9	9	9	10	10
Library	748	707	653	999	655
Recreation and Parks	1,332	1,320	1,316	1,388	1,429
Zoo	202	195	198	213	205
Community Development					
Aging	38	32	34	34	41
Economic and Workforce Development ⁽²⁾	136	140	151	255	268
Disability	17	15	17	15	11
Housing and Community Investment ⁽³⁾	591	567	598	511	531
City Planning	292	268	235	261	234

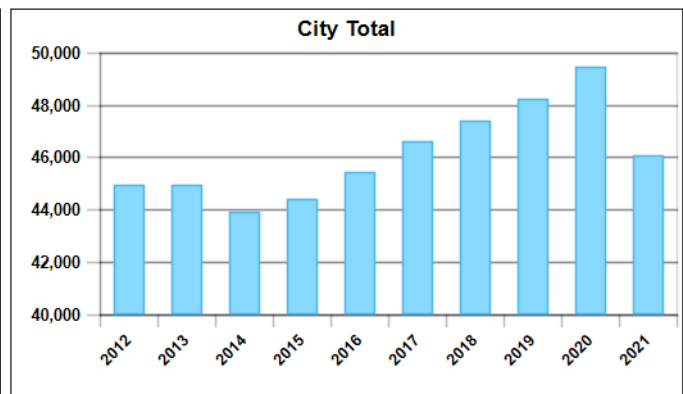
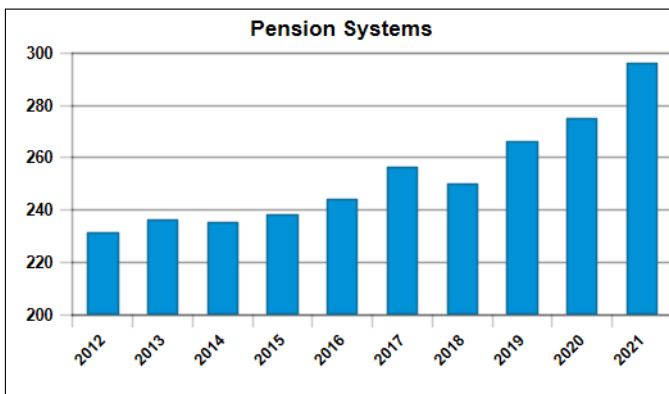
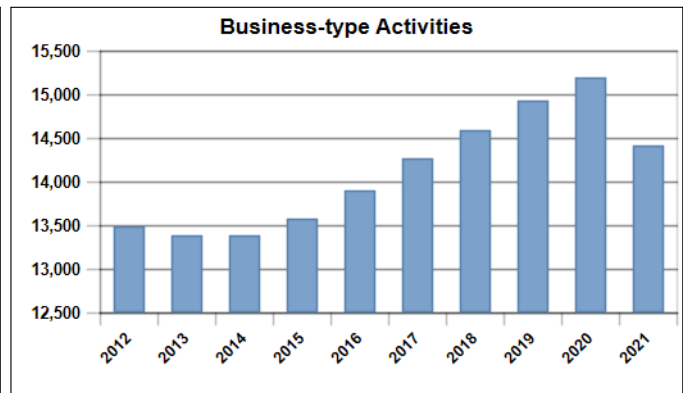
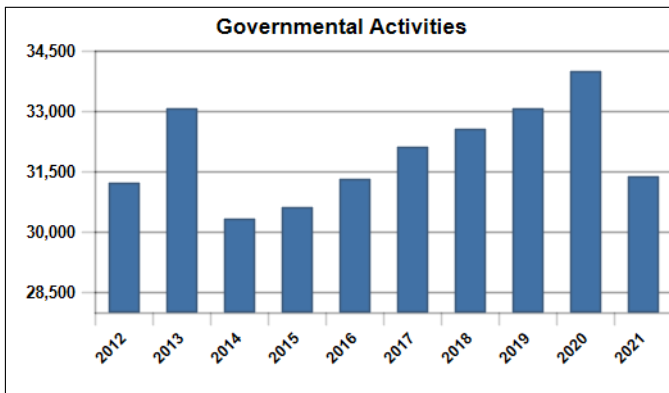
CITY OF LOS ANGELES

**Number of City Government Employees by Function/Program - (Continued)
Full-Time Equivalent
Last Ten Fiscal Years**

	Fiscal Year				
	2021	2020	2019	2018	2017
BUSINESS-TYPE ACTIVITIES	14,408	15,184	14,919	14,583	14,266
Los Angeles Convention Center	8	10	9	8	11
Water and Power	10,550	10,704	10,364	10,044	9,794
Airports ⁽⁴⁾	2,938	3,557	3,666	3,647	3,578
Harbor ⁽⁴⁾	912	913	880	884	883
PENSION SYSTEMS	296	275	266	250	256
City Employees' Retirement System	180	156	147	138	140
Fire and Police Pension System	116	119	119	112	116
GRAND TOTAL	46,073	49,432	48,244	47,368	46,622

Continued...

**Full-Time Equivalent Employees
Last Ten Fiscal Years**



CITY OF LOS ANGELES

**Number of City Government Employees by Function/Program - (Continued)
Full-Time Equivalent
Last Ten Fiscal Years**

	Fiscal Year				
	2016	2015	2014	2013	2012
BUSINESS-TYPE ACTIVITIES	13,894	13,564	13,375	13,350	13,486
Los Angeles Convention Center	12	12	11	92	109
Water and Power	9,456	9,228	8,924	8,776	8,867
Airports ⁽⁴⁾	3,520	3,439	3,491	3,535	3,552
Harbor ⁽⁴⁾	906	885	949	947	958
PENSION SYSTEMS	244	238	235	236	231
City Employees Retirement System	131	128	125	127	124
Fire and Police Pension System	113	110	110	109	107
GRAND TOTAL	45,444	44,408	43,926	44,930	44,942

- (1) The Treasurer and Finance were consolidated in fiscal year 2012.
- (2) Department name changed from Community Development in fiscal year 2014.
- (3) Department name changed from Housing in fiscal year 2014.
- (4) Certain changes were made to conform to the fiscal year 2013 presentation.
- (5) The Cannabis Regulation and Public Accountability were established in fiscal year 2018.

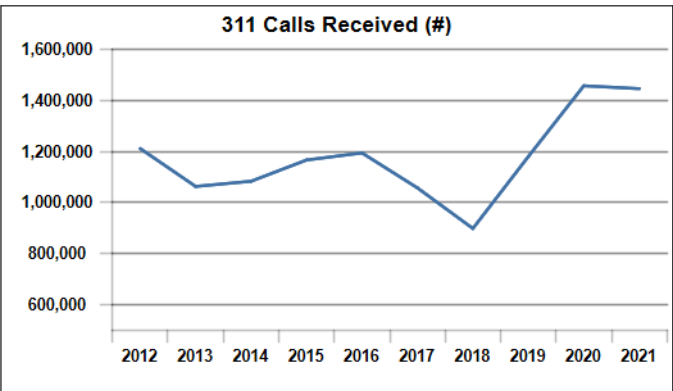
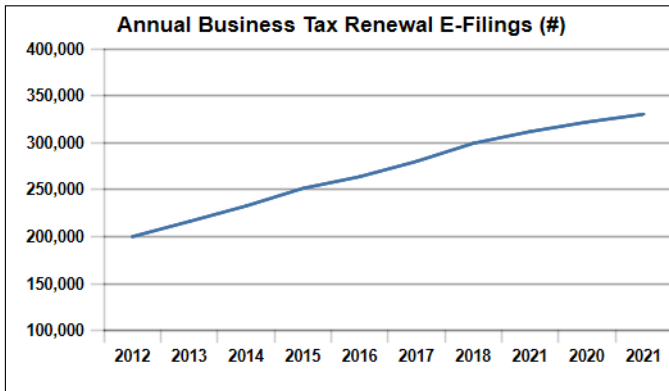
Sources:

Fiscal year 2017 through 2021: Data restated to conform with Office of the Controller Full-Time Active Employee Count as of the last pay period of the fiscal year, except those of Harbor and Water and Power.

CITY OF LOS ANGELES

Operating Indicators by Function/Program
Last Ten Fiscal Years

General Government

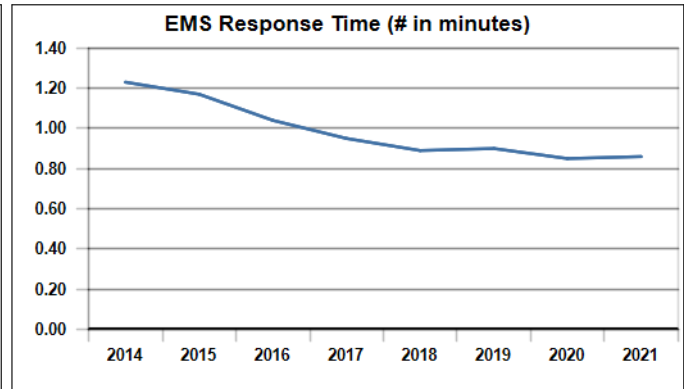
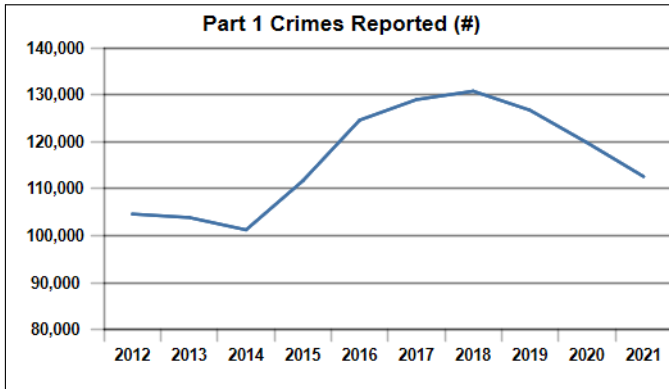


Department/Program	Indicator	Fiscal Year									
		2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Cannabis Regulation (5)											
Number of Cannabis Businesses		825	425	311	169	--	--	--	--	--	--
City Attorney											
Criminal Prosecution											
Issues resolved in the neighborhood prosecutor program (%) (#)(5)		72	78	104	86	84	97	48	50	46	--
Combined criminal jury and court trials (#)		414	325	343	344	321	352	362	308	342	315
Consumer protection-cases reviewed (#)		290	213	123	200	200	230	100	150	160	159
Consumer cases concluded (#)		86	65	51	130	120	146	--	--	--	--
Environmental cases concluded (#)		463	471	459	465	452	383	412	409	329	488
Housing/rent control cases concluded (#)		905	1,097	855	744	764	1,007	842	608	603	435
General Services											
Building Maintenance											
Maintenance work orders completed (%)		66	78	69	72	73	71	71	71	--	--
Energy conservation audits completed (#)		--	9	19	20	20	20	8	12	--	--
Custodial Services											
Municipal facilities cleaned per day (% of square feet)		100	100	100	100	100	90	90	85	--	--
Fleet Services											
Vehicles available for Bureau of Sanitation operations (%)		84	87	87	88	89	84	83	83	85	--
Vehicles available for Bureau of Street Services operations (%)		86	86	87	81	84	82	85	79	78	--
Vehicles available for Dept of Transportation operations (%)		92	88	88	92	92	93	92	90	91	--
Real Estate Services											
City-as-tenant leases remaining		85	84	71	71	75	77	88	100	--	--
Supply Services											
Days to process orders under \$100,000		24	31	36	44	27	35	--	--	--	--
Information Technology Agency											
3-1-1 Call Center Operations											
Average wait time per caller (# of seconds)		190	158	174	294	370	142	61	70	224	170
Number of calls received (#)		1,444,964	1,456,237	1,179,694	898,435	1,057,107	1,193,757	1,166,105	1,083,097	1,062,894	1,211,000
Total Contacts		2,226,070	2,138,683	1,779,798	1,384,829	1,447,138	1,481,185	1,338,830	1,192,706	1,190,105	--
Neighborhood Empowerment											
Community Impact Statements submitted by Neighborhood Councils		1,163	647	614	408	320	258	343	152	--	114
Office of Finance											
Revenue Billings, Audit and Collections											
Annual Business Tax renewal e-fileings (#)		330,422	322,104	311,931	299,455	280,159	263,870	251,449	232,667	216,140	200,000
Collections from Citywide Collection unit (\$ in thousands)		18,224	17,732	21,656	23,143	23,628	22,017	24,457	27,551	27,385	31,019
Refund claims processed (#)		10,109	19,338	4,331	6,596	5,722	7,417	6,188	8,411	10,667	10,010
Revenue enhancement unit investigations (#)		88,525	98,682	111,916	122,918	149,547	138,278	143,328	157,949	124,389	107,696
Total tax accounts audited (#)		1,384	1,473	1,571	2,133	2,666	3,465	4,472	4,819	4,839	5,146
Personnel											
Employee Selection											
Exams completed in 150 days (#)		67	86	73	73	65	71	69	73	--	--
Employee Training and Development											
Non-mandated courses completed in the Online Training Academy		31,305	34,420	9,188	16,191	20,321	7,996	5,624	4,119	951	--

CITY OF LOS ANGELES

Operating Indicators by Function/Program
Last Ten Fiscal Years

Protection of Persons and Property

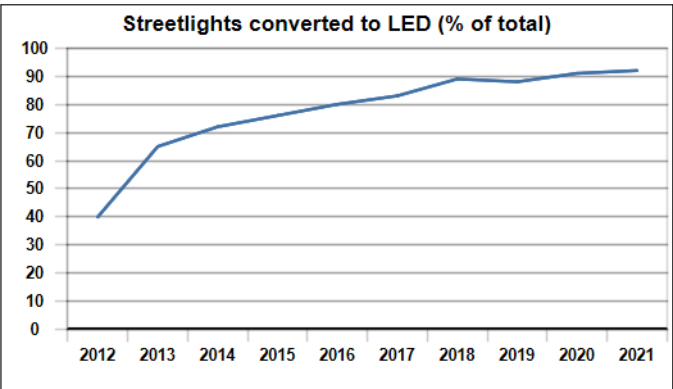
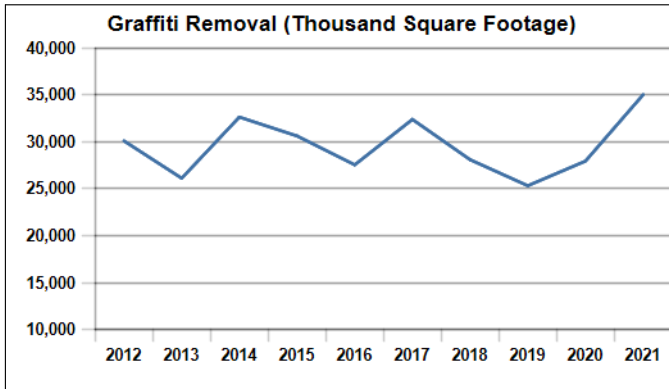


Department/Program	Indicator	Fiscal Year									
		2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Animal Services											
Animal Licensing and Permitting Operations											
Dog licenses issued (#) (1)		84,703	106,515	124,474	120,669	130,242	131,959	120,975	123,008	126,234	123,060
Animal Shelter Operations Program											
Animals adopted (#) (1)		19,226	27,573	35,543	34,811	32,920	31,100	32,826	32,910	32,440	30,414
Animals euthanized (#) (1)		2,195	4,024	6,497	7,015	8,425	10,931	14,083	15,028	17,063	23,955
Animals impounded (#) (1)		33,314	44,682	55,515	53,595	52,460	51,676	57,225	56,813	61,632	64,952
Building and Safety											
Conservation of Existing Structures and Mechanical Devices											
Complaints responded to within 10 days (%)		80	74	78	74	69	59	47	52	51	54
Engineering Plan Checking											
Building Permits issued (#)		147,721	166,417	177,972	177,783	164,890	156,940	141,445	133,575	126,426	121,140
Plan reviews completed within 15 days (%)		73	76	77	81	75	82	78	88	91	89
New Construction Inspection											
Response to inspection requests within 24 hours (%) (1)		97	96	84	84	91	90	94	94	98	98
Fire											
Emergency Medical Services											
EMS Incidents (#) (5)		--	--	--	--	382,968	270,503	341,370	306,759	--	--
Units dispatched to emergency medical incidents (#) (5)		--	--	--	--	722,087	712,035	681,965	644,446	--	--
Average time to leave station after notified - EMS (min)		0.86	0.85	0.90	0.89	0.95	1.04	1.17	1.23	1.25	--
Average travel time to incident - EMS (# in minutes)		4.71	4.60	4.47	4.39	4.47	4.28	4.07	4.08	4.02	--
Fire Suppression											
Actual Fires - Non structure fires (#)		31,213	22,063	17,521	17,016	13,971	13,137	12,917	12,069	10,836	10,991
Actual Fires - Structure fires (#)		3,871	3,896	4,002	4,012	4,449	4,430	4,562	4,698	4,624	4,871
Closure rate in criminal fires investigation (%)		--	--	--	--	--	82	50	40	39	40
Emergency responses - Fires (includes automatic alarms) (#)		106,824	97,667	91,492	133,401	140,933	132,546	127,380	133,080	121,381	122,492
Emergency responses - Hazardous conditions (#)		3,168	3,587	3,103	3,225	4,101	5,238	4,190	4,949	4,734	4,852
Emergency responses - Rescues and others (#)		27,202	26,173	28,558	31,771	35,366	44,604	34,331	40,268	40,822	39,324
Average time to leave station after notified - Fire (# in minutes)		0.86	0.85	0.90	0.88	0.93	1.00	1.15	1.22	1.20	--
Average travel time to incident - Fire (# in minutes)		4.58	4.50	4.49	4.38	4.43	4.26	4.07	4.18	4.10	--
Communications											
Call Processing Time (# in minutes)		1.06	1.05	1.08	1.07	1.03	1.02	1.00	1.25	1.28	--
Police											
Patrol											
Part I crimes reported (#)		112,600	119,849	126,734	130,804	128,997	124,623	111,690	101,228	103,856	104,604
Part II crimes reported (#)		78,881	88,821	92,489	97,218	94,272	98,535	95,257	90,525	84,174	85,938
Response to emergency calls (# in minutes)		5.99	5.99	5.95	5.62	6.15	6.10	5.60	6.50	6.00	6.00
Total arrests (#)		66,808	73,495	86,696	96,003	99,241	126,434	125,567	130,262	150,552	162,698
Specialized Crime Suppression and Investigation											
Number of backlogged fingerprint cases reduced (#)		3,554	3,096	4,049	4,929	4,241	4,105	3,923	3,397	5,070	4,342
Number of backlogged rape kits reduced (#)		833	1,166	1,072	1,254	1,275	1,158	1,105	1,030	1,188	--
Technical Support											
Complaint board calls received - 911 (#)		3,063,867	3,631,870	3,530,072	3,366,438	3,147,224	3,196,225	3,220,084	2,284,913	2,276,363	2,269,872
Traffic Control											
Fatal and injury traffic accidents (#)		13,755	22,050	25,368	25,387	25,217	24,488	22,661	21,104	20,996	21,216
Traffic citations issued (#)		142,938	220,062	200,439	216,673	219,911	234,311	336,683	447,062	428,178	504,312

CITY OF LOS ANGELES

Operating Indicators by Function/Program
Last Ten Fiscal Years

Public Works

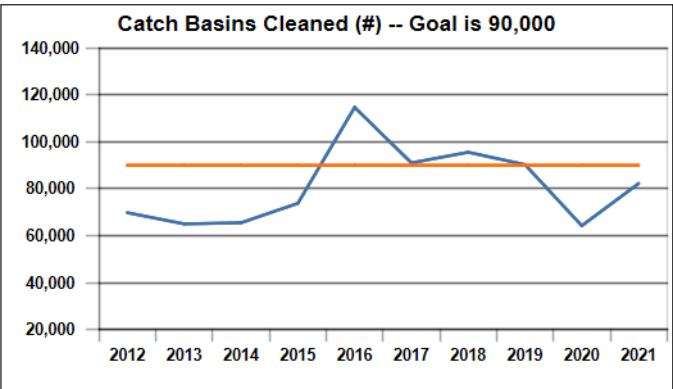
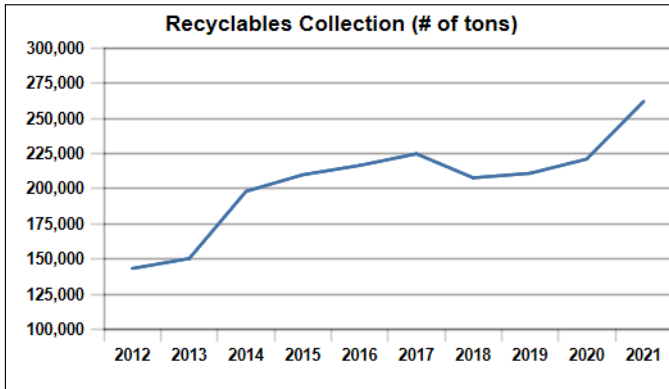


Department/Program	Indicator	Fiscal Year									
		2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Board of Public Works											
Office of Community Beautification											
Graffiti eradicated/square footage (# per 1,000 sq ft)		35,021	27,943	25,319	28,096	32,388	27,545	30,620	32,638	26,117	30,094
Graffiti removal requests completed in 24 hrs (%)		73	68	62	73	77	55	48	66	58	63
Bureau of Contract Administration											
Construction Inspection											
Number of private development inspections (#)		200	172	184	176	175	150	224	147	157	169
Contract Compliance											
Prevailing Wage Restitution Completed (\$ millions)		0.96	0.36	1.21	0.55	1.10	0.53	1.21	1.54	0.93	0.91
Bureau of Engineering											
Clean Water Infrastructure											
Completed capital projects (#)		155	173	115	143	106	144	147	124	116	92
Bureau of Street Lighting											
Design and Construction											
Streetlights converted to LED (% of total)		92	91	88	89	83	80	76	72	65	40
System Operation, Maintenance and Repair											
Percent of streetlights operating (%)		99.28	99.24	99.32	99.34	99.33	99.37	99.30	99.00	99.00	99.10
Street Services											
Maintaining Streets											
Small asphalt repairs (# of square feet)		881,243	824,393	908,679	820,592	1,513,764	1,121,767	1,050,411	1,402,144	1,416,500	1,206,612
Response time to pothole service requests (days)		0.9	1.3	2.9	2.3	1.3	--	--	--	--	--
Street Cleaning Program											
Completion frequency-posted routes (%)		96	96	97	98	99	91	93	96	97	97
Street Improvement Program											
Access ramps constructed (#)		390	362	308	532	526	742	1,035	1,256	1,560	1,724
Bus pads constructed (#)		61	53	86	55	49	58	101	76	97	144
Concrete bus landings installed (#) (4)		11	13	--	--	50	65	170	107	30	11
Sidewalks repaired (# of square feet)		586,000	524,247	313,648	329,410	309,343	118,732	--	--	--	--
Street Resurfacing and Reconstruction Program											
Streets resurfaced (# of lane miles)		557	663	720	660	848	855	855	--	--	--
Streets slurry sealed (# of lane miles)		988	1,080	1,546	1,739	1,560	1,555	1,545	--	--	--
Streets resurfaced (# of centerline miles)		--	--	--	--	--	--	--	245	245	236
Streets slurry sealed (# of centerline miles)		--	--	--	--	--	--	--	455	455	401
Street Tree and Parkway Maintenance Program											
Trees trimmed by contracted forces (#)		31,055	37,038	31,693	31,844	36,036	33,850	23,142	14,847	19,607	12,720

CITY OF LOS ANGELES

Operating Indicators by Function/Program
Last Ten Fiscal Years

Health and Sanitation

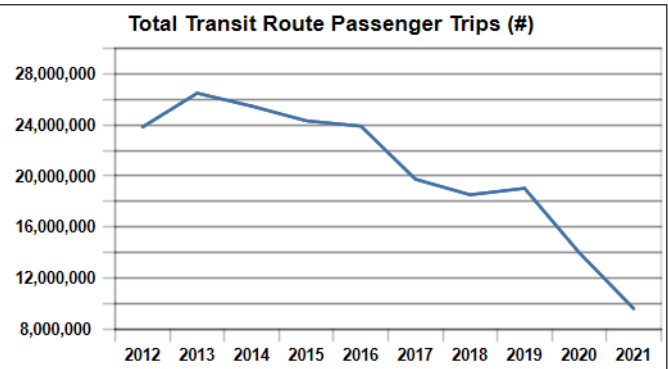
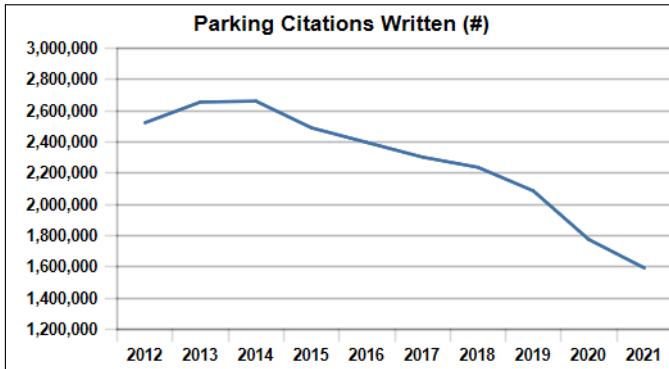


Department/Program	Indicator	Fiscal Year									
		2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Sanitation											
Household Refuse Collection Program											
	Tons collected - Bulky items (# of tons)	55,499	52,090	54,238	53,766	91,224	60,101	46,416	33,720	34,000	27,640
	Tons collected - Recyclables (# of tons)	262,021	221,089	210,944	207,756	224,796	216,542	209,924	198,143	150,380	143,338
	Tons collected - Refuse (# of tons)	1,006,473	964,151	942,041	928,377	953,670	907,611	873,104	852,635	848,890	851,434
	Tons collected - Yard Trimmings (# of tons)	425,133	462,175	411,188	414,729	417,354	417,325	425,070	428,237	522,737	470,527
Solid Resources											
	Convert refuse collection fleet to clean fuels (%)	82	85	83	82	80	78	78	76	78	74
Watershed Protection											
	Catch basin cleaning (#) (6)	82,213	64,222	90,279	95,561	91,021	114,699	73,772	65,492	65,000	69,772

CITY OF LOS ANGELES

Operating Indicators by Function/Program
Last Ten Fiscal Years

Transportation

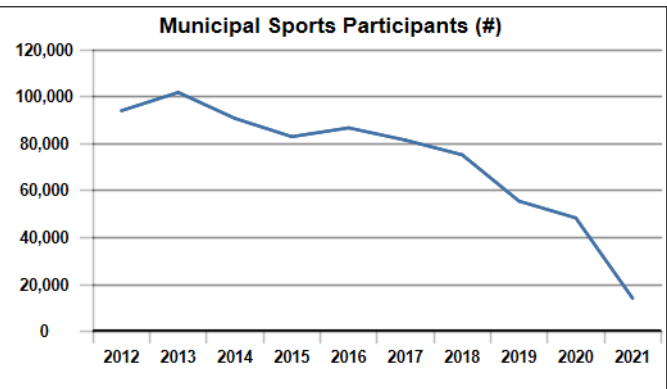
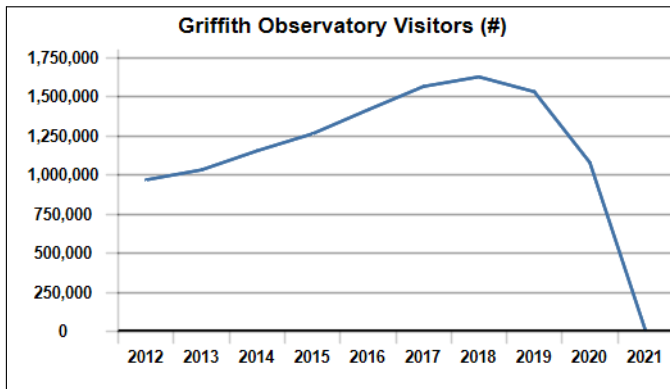


Department/Program	Indicator	Fiscal Year									
		2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Transportation											
Parking Management and Intersection Control											
	Citations written (#)	1,593,817	1,775,106	2,086,277	2,237,086	2,302,206	2,395,778	2,489,390	2,659,718	2,654,910	2,522,302
	Crossing guard assignments (#)	541	544	538	537	529	523	524	507	492	492
	Hours of intersection control (#)	87,624	62,260	43,019	53,901	32,400	25,997	25,997	23,490	23,730	30,370
	Peak hour tows and other tows (#)	45,025	52,591	58,501	61,060	32,647	31,245	49,910	39,999	45,921	48,648
Traffic Control Devices											
	New signals (Traffic Pedestrian) installed (#)	29	16	32	32	19	31	11	19	32	105
	Traffic signals repaired (#)	694	694	735	626	725	766	10,797	8,832	8,769	8,832
Transit Capital Programming											
	Active traffic congestion relief projects (#)	64	68	69	64	62	96	81	79	84	78
	Increase in bicycle lane miles (# of miles)	32	40	10	10	12	9	23	41	101	51
Transit Operations											
	Total transit vehicle passenger trips (#)(6)	9,629,615	14,009,425	19,030,179	18,527,770	19,741,533	23,895,017	24,306,283	25,453,959	26,467,594	23,824,821
Transportation System Operations											
	Red curb miles reinstalled/installed (#)	250	203	99	199	295	362	334	372	392	470
	Signs maintained/replaced (#)	47,876	38,275	20,978	28,115	46,189	52,422	49,029	7,812	43,728	66,556
	Temporary signs installed/removed (#)	290,468	654,822	770,211	726,009	726,200	676,724	365,068	436,589	471,376	423,759
	Thermoplastic longline striping installed/reinstalled (# of miles)	890	654	1,470	933	963	1,326	137	61	151	925

CITY OF LOS ANGELES

Operating Indicators by Function/Program
Last Ten Fiscal Years

Cultural and Recreational Services

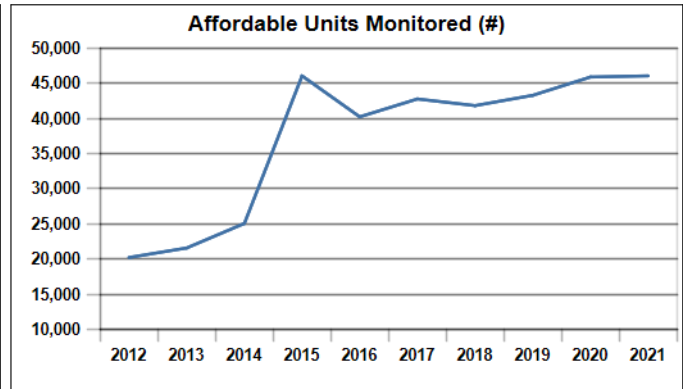
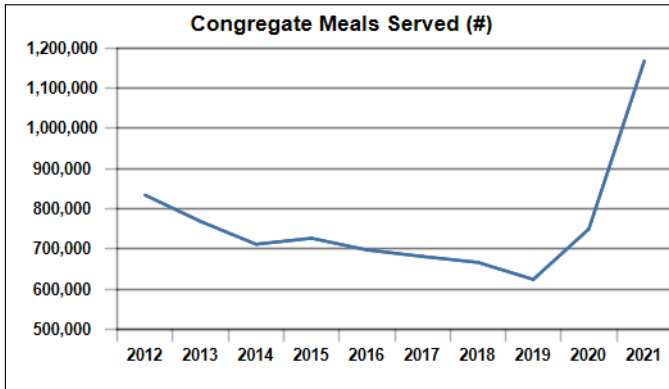


		Fiscal Year									
Department/Program	Indicator	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Convention Center											
Convention and Tourism Development											
Citywide conventions and center events (#)	(6)	--	12	23	27	32	29	25	23	24	23
Delegates attending Citywide conventions	(#) (6)	--	227,059	362,442	440,634	503,036	496,886	320,900	299,274	215,800	291,700
Exhibit hall events hosted (#) (6)		--	89	138	148	153	167	156	126	140	137
Cultural Affairs											
City Arts											
Art class enrollment (#) (6)		136,966	162,216	228,646	185,546	182,078	121,356	212,506	15,000	14,000	13,500
Theater attendance (#)		26,559	149,812	81,379	98,498	112,200	68,129	91,166	150,000	140,000	128,625
Community Arts											
Art exhibitions presented (#) (6)		1,502	2,079	2,852	1,371	692	655	1,082	65	60	52
Special events/festivals (#) (6)		269	146	150	149	133	118	142	20	17	15
Performing Arts											
Music/theatre programs presented		227	308	415	591	751	505	759	--	--	--
El Pueblo											
Events											
Cultural and special events (#) (1)(6)		--	114	93	122	152	137	73	119	--	--
History and Museums											
Museum visitors (#) (1)(6)		20,422	283,557	443,648	493,460	656,322	582,623	627,301	588,517	--	--
Library											
Public Library Services											
Attendance level for cultural programming	(#)(6)	79,116	270,482	349,820	402,881	417,831	368,339	371,810	355,211	531,498	322,937
Items circulated (#)		15,203,658	16,282,884	17,153,200	16,142,466	16,276,897	16,353,158	15,800,499	15,086,605	14,983,679	15,337,032
Number of people visiting library facilities (#)		36,828	6,591,517	10,214,070	11,198,977	13,145,751	13,504,301	14,093,505	14,584,162	14,096,741	13,821,289
Registered borrowers (#)		2,696,713	2,546,442	2,338,648	2,120,032	1,665,288	1,411,764	1,236,890	1,148,250	1,099,165	1,076,578
Recreation and Parks											
Advance Planning											
New parks opened to the public (#)		2	2	4	2	5	8	7	10	8	16
Educational Exhibits											
Observatory attendance (#)(6)		10,575	1,080,718	1,532,916	1,628,315	1,566,700	1,417,282	1,264,376	1,155,104	1,033,429	969,479
Expo Center											
Number of visitors to the Expo Center (#)(6)		68,995	628,184	744,509	709,056	675,291	456,607	416,053	448,860	889,000	819,000
Museums and Educational											
Visitors to museums (excluding Griffith Observatory) (#)(6)		23,271	367,502	456,335	493,822	535,255	585,230	472,044	429,085	310,000	325,000
Recreational Opportunities											
Aquatics - Attendance for recreational swim	(6)	216,335	920,940	2,764,705	2,592,208	2,430,377	2,962,513	2,648,817	2,951,899	3,255,404	2,696,366
Camps - Camper days (# of days)		91,301	67,065	63,060	73,929	70,654	65,283	66,626	62,427	55,624	56,204
Municipal Sports - Team sports participants	(6)	14,148	48,405	55,570	75,306	81,572	86,806	83,045	90,815	101,916	94,141
Zoo											
Educational Exhibits											
Attendance (6)		656,689	1,191,773	1,803,699	1,802,387	1,743,795	1,784,786	1,752,279	1,550,343	1,506,274	1,660,450

CITY OF LOS ANGELES

Operating Indicators by Function/Program
Last Ten Fiscal Years

Community Development

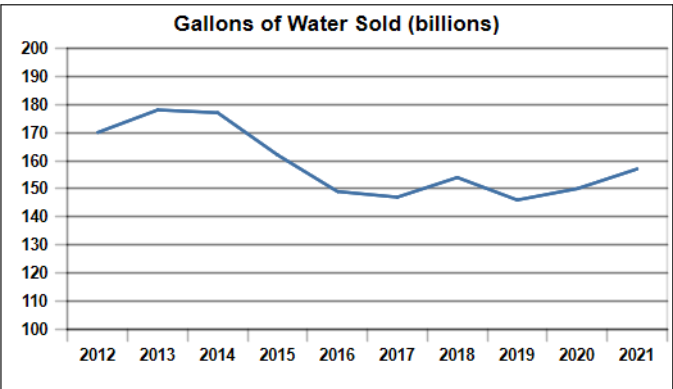
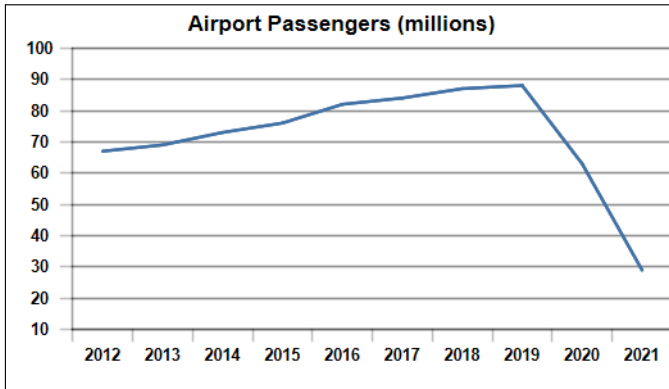


Department/Program	Indicator	Fiscal Year									
		2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Aging											
Family Caregiver Services											
Community education participants (#)		2,596	1,476	4,145	4,515	2,652	2,486	3,327	8,490	7,682	14,820
Senior Social Services											
Congregate meals served		1,167,267	749,667	624,406	666,705	681,524	697,731	726,865	711,895	768,560	834,063
Homebound meals served (#)		998,532	813,338	707,325	721,423	725,079	737,100	740,713	755,480	768,536	756,462
Prop A - One-way transportation trips (#)		93,958	84,038	121,155	125,648	123,253	130,229	132,101	131,269	129,354	128,300
City Planning											
Community Planning											
Community Plans Less than 10 Years Old (#)		9	6	6	6	7	5	2	2	3	4
Geographic Project Planning											
Cases Completed (#)		2,700	3,005	3,113	2,898	2,110	3,522	2,133	1,774	1,549	1,432
Historic Resources											
Major Projects											
Entitlement Cases Requiring and EIR (#)		16	30	19	35	17	11	9	--	--	--
Disability											
ADA Compliance											
Sign language and captioning requests processed (#)		303	397	490	327	94	389	397	245	342	294
AIDS Coordination											
HIV tests/referrals provided (#)		19,491	18,793	18,630	18,000	10,000	--	--	--	10,000	10,840
Individuals serviced by Prevention Program (#)		36,956	27,945	33,640	23,000	25,000	27,528	25,569	46,877	--	--
Syringes removed (# in millions)		2	3	2	1	1	1	1	1	1	1
Economic and Workforce Development (2)											
Economic Development											
Businesses established by Business Source (#)		141	167	128	232	324	291	205	221	231	64
New jobs created through business source and lending (#)		301	898	1,162	1,069	1,364	1,039	2,000	331	--	--
Workforce Development											
HireLA Youth placed in employment (#)		13,262	20,060	17,648	16,834	15,500	15,070	11,382	10,256	--	--
Job training enrollments for adults/dislocated workers (#)		13,860	23,182	26,898	32,340	32,075	34,946	22,302	3,900	4,695	4,218
Housing and Community Investment (3)											
Code Enforcement											
Multi-family unit inspected every 4 years (#)		760,000	750,000	750,000	750,000	720,000	742,523	720,000	180,000	179,728	189,771
Periodic unit inspections (#)		74,077	86,095	155,388	178,646	177,795	169,568	164,655	165,928	180,484	178,160
Compliance Monitoring											
Affordable units monitored (#)		46,043	45,875	43,275	41,812	42,757	40,218	46,041	25,061	21,578	20,226
Finance & Development											
New funded transit oriented development housing units (#)		820	824	1,653	669	459	585	526	828	--	--
Homeownership and Preservation											
Number of housing units made lead safe (# housing units)		26	25	37	48	86	61	84	114	121	195
Housing Preservation and Production											
Low income units financed under the Homeownership Pgm (#)		60	85	72	56	44	81	88	91	--	--
Rent											
Complaints resolved within 120 days (%)		93	87	88	79	78	79	89	88	--	--
Rent adjustments processed (#)		1,106	1,231	1,067	669	559	405	476	381	--	--
Rental units registered (#)		423,829	445,977	514,464	508,064	528,716	532,046	528,395	530,894	529,106	531,603
Tenant complaints processed (#)		6,924	10,163	9,405	9,728	7,661	6,897	6,248	5,874	5,780	5,426
Strategic Planning & Policy Development											
Housing unit at risk of losing affordability restrictions contacts (#)		474	1,491	1,285	82	1,364	3,441	842	344	--	--

CITY OF LOS ANGELES

Operating Indicators by Function/Program
Last Ten Fiscal Years

Business-type Activities



Department/Program	Indicator	Fiscal Year									
		2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Airports											
	Air cargo (# in thousand tons)	2,817	2,285	2,401	2,416	2,508	2,655	2,588	2,393	2,400	2,366
	Aircraft movements (# in thousands)	664	770	954	949	956	970	944	974	939	976
	Passengers (# in millions) (6)	29	63	88	87	84	82	76	73	69	67
Harbor											
	Containerized cargo volume (# in millions of TEUs)	10	9	10	9	9	8	8	8	8	8
	Cruise passengers (6)	6,221	487,013	586,783	479,388	534,484	676,644	578,902	541,418	355,875	515,827
	Inbound tonnage (# in million tons)	114	100	114	103	106	106	103	99	93	98
	Outbound tonnage (# in million tons)	102	84	97	88	92	79	75	74	72	75
	Vessel arrivals (#)	1,668	1,731	1,917	1,904	2,060	2,014	1,846	2,196	2,089	2,100
Power											
	Cumulative Feed in Tariff (FIT) installations (# of kilowatts)	86,800	70,300	65,578	46,700	36,200	14,636	7,532	800	--	--
	Customers- number (# in thousands)	1,548	1,537	1,529	1,516	1,507	1,499	1,493	1,503	1,479	1,471
	Energy production (# of kwh in billions)	24	24	25	25	26	27	27	27	27	28
	Megawatt hours of power from energy efficiency (# of Mwh)	300,300	349,617	476,851	445,630	475,076	412,191	481,336	453,801	--	--
	Kilowatt hours sold (# of hours in billions)	23	22	23	23	24	25	25	26	26	25
	Power poles replaced, installed and reinforced (#)	3,944	4,033	3,757	3,018	2,656	2,436	2,393	1,599	1,135	1,813
	Solar Incentive Program (SIP) cumulative capacity (# of kilowatts)	295,398	271,850	282,858	250,528	221,798	176,330	135,620	108,466	79,605	55,099
	Solar Incentive Program (SIP) installed capacity (# of kilowatts) (6)	7,130	6,000	32,330	28,730	44,599	40,710	27,250	28,861	24,505	18,919
	System Average Interruption Duration Index - SAIDI (# of minutes per customer)	161	102	175	150	162	125	85	62	72	190
	System Average Interruption Frequency Index - SAIFI (# of interruptions per customer)	0.80	0.70	0.90	0.93	0.96	0.91	0.70	0.48	0.48	0.90
Wastewater											
	Wastewater treated (Volume in MGD)	316	327	339	331	337	335	344	355	377	380
	Water recycled (Volume in MGD)	120	120	113	120	118	96	96	99	94	90
	Sewer cleaning - miles of sewers cleaned (# of miles)	6,640	6,393	6,787	6,870	6,830	7,127	6,928	6,614	6,750	6,750
Water											
	DWP water sourced from local groundwater (%)	11	7	7	4	10	16	18	12	10	11
	Recycled water use (# of acre feet)	11,405	9,682	7,511	9,971	8,030	9,910	10,097	10,536	7,480	6,953
	Cumulative miles of water main replaced (# of miles)	30	27	32	41	242	207	174	154	131	102
	Customers - number (# in thousands)	692	689	687	683	680	678	676	679	676	674
	Gallons sold (billions of gallons)	157	150	146	154	147	149	162	177	178	170
	Per capita water use	113	105	105	112	102	104	114	123	131	123
	Water main breaks (# of breaks)	1,064	1,099	1,495	1,450	1,390	1,547	1,241	1,146	1,148	1,319
	Water purchased from MWD (% of total water supply)	63	32	30	36	45	71	71	76	69	39

- (1) Fiscal year 2014 figure adjusted to correct total based on updated data.
- (2) Department name changed from Community Development in fiscal year 2014.
- (3) Department name changed from Housing in fiscal year 2014.
- (4) Indicator no longer tracked.
- (5) Department is developing a new indicator.
- (6) Data significant decreased due to the impact of COVID-19.

-- Data not available or no longer reported.

Sources: Various departments.

CITY OF LOS ANGELES

Capital Assets Information
Governmental Activities
Last Ten Fiscal Years

Function/Asset	Fiscal Year				
	2021	2020	2019	2018	2017
General Government					
Fiber optic cabling (fiber miles)	150	150	150	150	150
Protection of Persons and Property					
Animal shelters	6	6	6	6	6
Fire apparatus ⁽²⁾	416	401	400	400	381
Fire stations	106	106	106	106	106
Patrol units	1,415	1,358	1,382	1,380	1,347
Police stations	29	29	29	29	29
Police training centers	3	3	3	3	3
Public Works					
Bridges	512	512	512	515	515
Street lights	205,025	223,000	223,000	220,000	219,000
Streets (centerline miles)	6,500	6,500	6,500	6,500	6,500
Health and Sanitation					
Refuse collection trucks	738	726	707	727	709
Refuse yards	7	7	7	7	7
Transportation					
Automated traffic signal and control systems	76	75	75	72	68
Bike paths (miles)	15	15	15	15	14
Commuter buses	469	432	392	392	390
Traffic signals	4,816	4,789	4,775	4,744	4,703
Cultural and Recreational Services					
Acres of beach land	232	232	232	232	232
Acres park land including beaches	16,172	16,171	16,169	16,169	15,766
Archery ranges	3	3	3	3	3
Baseball/softball diamonds	256	256	256	256	256
Children's play areas	410	408	400	387	387
Dog parks	12	12	11	9	9
Golf courses	13	13	13	13	13
Hiking trails (miles)	162	162	162	92	92
Historical sites	11	11	11	11	11
Horticulture centers	6	6	6	6	6
Indoor gyms	114	114	114	95	95
Lakes	13	13	13	13	13
Libraries	73	73	73	73	73
Licensed child-care centers	2	2	2	2	2
Museums	12	12	12	12	12
Park sites	490	487	446	446	490
Pools	59	62	62	62	62
Recreational centers	123	123	184	184	184
Recreational parks	7	7	7	5	5
Residential camps	7	7	9	9	9
Senior citizen centers	29	29	30	29	35
Skate parks	27	27	27	26	26
Tennis courts	319	319	321	321	321
Wedding sites	19	19	19	19	19

CITY OF LOS ANGELES

**Capital Assets Information - (Continued)
Governmental Activities
Last Ten Fiscal Years**

Function/Asset	Fiscal Year				
	2016	2015	2014	2013	2012
General Government					
Fiber optic cabling (fiber miles)	150	150	150	150	150
Protection of Persons and Property					
Animal shelters	6	6	6	6	6
Fire apparatus ⁽²⁾	380	377	367	367	337
Fire stations	106	106	106	106	106
Patrol units	1,345	1,374	1,374	1,374	1,374
Police stations	29	28	29	29	29
Police training centers	3	3	3	3	3
Public Works					
Bridges	515	517	517	514	508
Street lights	220,000	210,662	209,397	207,384	206,757
Streets (centerline miles)	6,500	6,500	6,500	6,500	6,500
Health and Sanitation					
Refuse collection trucks	697	698	701	750	750
Refuse yards	7	7	7	7	7
Transportation					
Automated traffic signal and control systems	68	57	50	48	48
Bike paths (miles)	14	14	14	14	13
Commuter buses	399	387	385	371	361
Traffic signals	4,697	4,683	4,677	4,657	4,625
Cultural and Recreational Services					
Acres of beach land	232	232	232	232	232
Acres park land including beaches	16,152	16,152	16,149	16,001	15,865
Archery ranges	3	3	3	3	3
Baseball/softball diamonds	256	256	256	256	256
Children's play areas	387	387	387	383	368
Dog parks	9	9	9	9	9
Golf courses	13	13	13	13	13
Hiking trails (miles)	92	92	92	92	92
Historical sites	11	11	11	11	11
Horticulture centers	6	6	6	6	6
Indoor gyms	95	95	95	95	95
Lakes	13	13	13	13	11
Libraries	73	73	73	73	73
Licensed child-care centers	2	3	2	2	2
Museums	12	12	12	12	12
Park sites	444	444	442	435	427
Pools	62	62	62	62	61
Recreational centers	184	184	184	184	184
Recreational parks	5	5	5	5	5
Residential camps	9	9	9	9	7
Senior citizen centers	30	31	35	31	31
Skate parks	26	26	28	21	18
Tennis courts	321	321	321	321	321
Wedding sites	19	19	19	19	19

CITY OF LOS ANGELES

**Capital Assets Information
Business-Type Activities
Last Ten Fiscal Years**

Function/Asset	Fiscal Year				
	2021	2020	2019	2018	2017
Airports					
Number of airports ⁽¹⁾	2	2	2	2	2
Harbor					
Number of cargo terminals	23	23	23	23	23
Number of major containers terminals	8	8	8	8	8
Power					
Generating units	201	250	269	245	245
Overhead distribution lines (miles)	10,462	10,470	10,350	10,397	10,329
Transmission lines (miles)	3,769	3,769	3,791	3,760	3,632
Underground distribution lines (miles)	3,942	3,857	3,732	3,710	3,693
Wastewater					
Sanitary sewers (miles)	6,700	6,700	6,700	6,700	6,700
Storm drain pipe mainline (miles)	1,220	1,319	1,306	1,306	1,293
Water					
Aqueduct (miles)	472	472	472	472	472
Distribution pipe (miles)	7,340	7,340	7,340	7,337	7,315
Number of storage reservoirs and tanks	118	118	118	118	118
Service connections	712,451	710,917	714,427	719,479	690,728

CITY OF LOS ANGELES

**Capital Assets Information - (Continued)
Business-Type Activities
Last Ten Fiscal Years**

Function/Asset	Fiscal Year				
	2016	2015	2014	2013	2012
Airports					
Number of airports ⁽¹⁾	3	3	3	3	4
Harbor					
Number of cargo terminals	23	23	23	24	24
Number of major containers terminals	8	8	8	8	8
Power					
Generating units	245	241	242	242	235
Overhead distribution lines (miles)	10,300	10,288	10,213	10,220	10,220
Transmission lines (miles)	3,632	3,632	3,632	3,632	3,626
Underground distribution lines (miles)	3,680	3,677	3,608	3,561	3,594
Wastewater					
Sanitary sewers (miles)	6,700	6,700	6,700	6,700	6,700
Storm drain pipe mainline (miles)	1,272	1,260	1,260	1,244	1,200
Water					
Aqueduct (miles)	472	472	472	472	472
Distribution pipe (miles)	7,288	7,270	7,263	7,246	7,225
Number of storage reservoirs and tanks	120	120	114	114	114
Service connections	729,680	704,176	696,989	702,485	701,644

⁽¹⁾ Airports operates LAX and VNY.

⁽²⁾ "Fire trucks" renamed to "Fire apparatus."

Source: City departments

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