



RON GALPERIN  
CONTROLLER

January 28, 2021

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

**Re: Comprehensive Annual Financial Report for Fiscal Year 2020**

My office releases the Comprehensive Annual Financial Report (CAFR) 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 CAFR is fundamental to understanding the economic opportunities and challenges facing the City of Los Angeles. The CAFR 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 CAFR includes revenue and expenditure reports; extensive information about pension and retiree benefits, contributions and funding; fund balances; debt and debt capacity; and operating indicators, metrics and graphs.

**Revenue down, expenses up**

Until the fourth quarter of FY20, the City had experienced nearly eight consecutive years of relatively strong economic growth and an uptick in revenues. The rapid onset of the COVID-19 pandemic halted that trend almost immediately — which is reflected in the precipitous drop in some economically sensitive revenue streams for that quarter. But the full impact of the crisis on the City's coffers is not reflected in this report as it only concerns Los Angeles' finances through June 30, 2020.

In FY20, while General Fund revenues slightly increased and exceeded expenditures by \$280 million, total City revenues decreased by 4% to \$17.5 billion, a dramatic shift from FY19's 13.7% growth. That negative news is compounded by the continued increase in expenses, which grew by 9.9% to \$16.5 billion in FY20, higher than the 7.5% increase in FY19 and 1% increase in FY18. Some primary drivers of this trend were salaries and benefits, and retirement contributions. The cost of salaries and benefits jumped \$253.3 million (7.4%) mainly due to raises enmeshed in labor

agreements, and retirement contributions moved up by \$88.3 million (7.5%). Responding to the public health crisis further stressed the City's finances.

### **Assets and liabilities**

More than two thirds of the value of the City's \$77.1 billion in assets lies in capital assets, such as land, infrastructure and heavy equipment. Total assets grew by \$2.4 billion in FY20, boosted by ongoing capital projects at Los Angeles International Airport and federal grant funding for pandemic relief.

The largest single category of liabilities is the net pension liability, which totaled \$8.5 billion — up from \$7.9 billion the year prior — across the City's three retirement systems. Net liability is defined as total future costs minus system assets. The City's pension systems collectively saw a slight decline in their funding levels as their investment portfolios reported just a 3% return, well under the assumed rates of return. 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.

### **Uncertainty ahead**

While the report reviews FY20's numbers, there are obvious, ongoing concerns about the City's overall financial outlook. The drop in travel and hospitality caused Transient Occupancy Tax revenue to plummet almost immediately, which has continued. Sales Tax receipts started to fall in FY20 and Property Tax and other sources of revenue eventually could suffer, depending on how quickly the economy can begin to reopen safely and recover. All of this affects the General Fund, which saw its balance decrease by nearly \$108 million (to \$992 million) at the close of FY20. It also illustrates the importance of maintaining healthy reserves and building them during growth years.

In addition, the current situation underscores the acute need to examine thoroughly the City's hundreds of special purpose funds — which ended FY20 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. While some work has been accomplished on this front, a more focused approach would benefit the City and its residents.

Despite the unique nature of this downturn, a look at the initial stages of the pandemic's impact on City finances provides critical insight into how to navigate the remainder of the current fiscal year and those directly ahead. A willingness to seek and employ creative solutions, coupled with continued responsible financial management, will bolster the City's ability to maintain the type of quality services that Angelenos expect and deserve.

Explore the CAFR online at [lacontroller.org/cafr2020](http://lacontroller.org/cafr2020).

Respectfully,



RON GALPERIN  
L.A. Controller



# COMPREHENSIVE ANNUAL FINANCIAL REPORT

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City of Los Angeles, California  
Fiscal Year Ended June 30, 2020



**RON**  **GALPERIN**  
LA CONTROLLER

# City of Los Angeles California



## Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2020

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

# CITY OF LOS ANGELES CALIFORNIA

## Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2020

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Prepared by the Office of Los Angeles City Controller Ron Galperin



**Crista Binder**

Chief Deputy Controller

**Matthew Crawford**

Chief Financial Officer and

Director of Financial Analysis and Reporting

### GAAP Compliance Section

**Albert Lee**

Departmental Chief Accountant III

**Marie De Los Reyes**

Principal Accountant II

**Marlene Salandanan**

Principal Accountant II

**Louella Ubaldo**

Principal Accountant II

**Josefina Quiocho**

Senior Accountant II

**Chon Loi Chu Ieng**

Accountant

**Orlando Santiago**

Accountant

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

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**CITY OF LOS ANGELES  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 For the Fiscal Year Ended June 30, 2020**

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# INTRODUCTORY SECTION

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RON GALPERIN  
CONTROLLER

January 28, 2021

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

This past fiscal year was unlike any other year we've experienced. After three quarters of strong, consistent growth, the City, its people, and its economy were thrown into disarray by the emergence of the COVID-19 pandemic. Nonetheless, the City family persevered, pivoting to remote work and video meetings, spending thousands of hours working as Disaster Service Workers, and capably continuing the City's critical functions in this time of disruption.

One of these critical functions is financial reporting, and I am pleased to submit the Comprehensive Annual Financial Report (CAFR) of the City of Los Angeles (the City) for the fiscal year, which ended on June 30, 2020, in accordance with Section 216 of the City Charter. The CAFR 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 2020.

The independent auditor expressed an opinion that the City's financial statements for fiscal year 2020 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 Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2019. This was the twenty-fifth 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 CAFR, 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". The signature is fluid and cursive, with a long horizontal stroke at the end.

RON GALPERIN  
Los Angeles City Controller

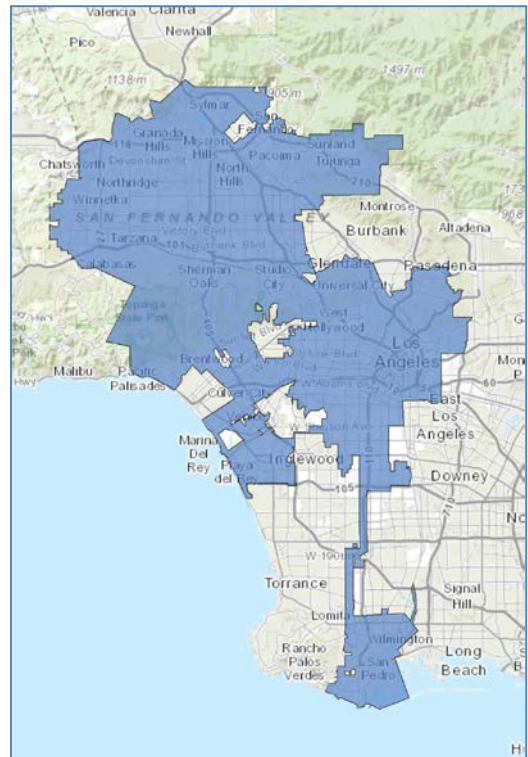
# LETTER OF TRANSMITTAL

The Comprehensive Annual Financial Report (CAFR) 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 CAFR 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 CAFR 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.

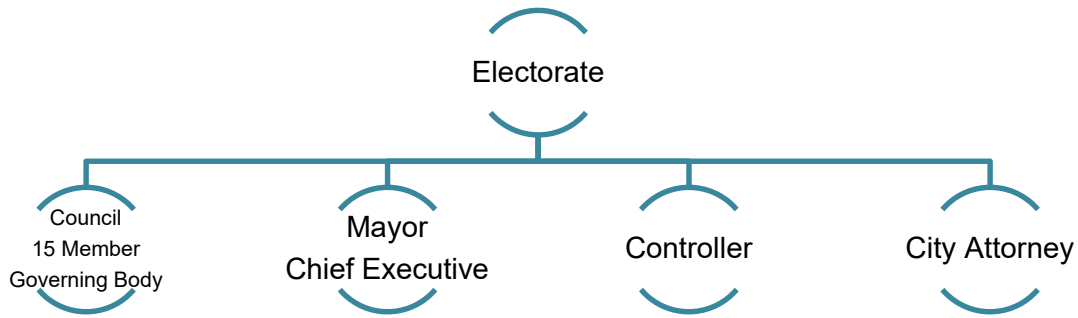
## I. Profile of the Government

The City of Los Angeles is the second most populous city in the nation with an estimated January 1, 2020 population of 4,010,684. 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 terms of 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 is top in cargo value for U.S. waterborne foreign traffic. Los Angeles International Airport (LAX) is the third busiest airport in the world in terms of total number of passengers, and is 13<sup>th</sup> in the world in air cargo tonnage.

The City's economy was thrust into recession in March 2020, along with the rest of the nation and much of the world, due to COVID-19 and the various widespread guidance and orders intended to slow the spread of the virus. Large sectors of the economy were severely curtailed, with the biggest reduction coming in tourism and hospitality. After falling to 4.3 percent in the first half of the fiscal year, the unemployment rate in Los Angeles County jumped to 21.1 percent by May 2020. Since that time, unemployment has slowly decreased, down to 11 percent in November 2020.

City government has initiated a number of programs aimed at mitigating the economic damage that the pandemic has caused across the City, included emergency rental assistance, meal distribution, expansion of temporary living facilities for chronically homeless residents, small business loans and grants, free childcare, and other services.

Widespread vaccine administration began in January 2021, giving the economy reason for hope. However, recent trends with the virus have resulted in increased restrictions and restricted economic activity. The balance of these two trends will determine the direction of the economy over the next six to twelve months.



### III. Major Initiatives

The City is constantly undertaking many significant initiatives, which are discussed at length in the City's annual budget documents. The Mayor has identified four main priority outcomes for the City: to promote a livable and sustainable city, a more prosperous city, a safe city, and a well-run government. All initiatives 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 \$1.3 billion in general obligation bonds to finance construction of housing and service facilities for chronically homeless residents. To date, \$362 million in bonds have been issued, more than \$170 million has been spent, and the entirety of the approved funding has been allocated to projects. The first HHH project was opened in December 2019, and work on numerous other projects is underway.
- LAX's is undertaking a \$14-billion capital improvement program projected to complete in 2023 which 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 \$5.5 billion 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 2019-20 actual compliance and 2020-21 budgetary compliance.

<u>Policy</u>	<u>2019-20</u>	<u>2020-21</u>
<b>Reserve Fund Policy</b>		
July 1st Percent of General Fund Receipts	6.20%	3.93%
<b>Budget Stabilization Fund Policy</b>		
Growth of seven major General Fund tax receipts	5.90%	N/A
Amount of Revenue Growth above 3.4%/*4.3% (millions)	\$ 111.0	\$ - *
Amount of Deposit (millions)	\$ 7.0	\$ -
<b>Capital and Technology Improvement Policy</b>		
1.5 Percent of General Fund Receipts	1.11%	1.50%
<b>Financial Management Policy</b>		
One-Time Revenue (millions)	\$ 63.0	\$ 60.0
One-Time Expenditures (millions)	\$ 141.0	\$ 70.0
<b>Debt Management Policy</b>		
Non-Voter	3.42%	3.58%
Total Approved	5.57%	5.39%

#### **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 2019-20 adjusted Reserve Fund Balance of \$407.3 million exceeded the five percent policy, while year-start 2020-21 adjusted balance was \$262.5 million, the first time since the year-start 2011-12 below the 5 percent threshold.

#### **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 2020-21, the growth rate used to determine BSF contributions was recalculated to be 4.3 percent, based on the 20-year historical average of these tax revenues. Pursuant to the BSF Financial Policy, the 2020-21 Budget could have included a \$38 million transfer from the BSF to the 2020-21 Budget. In light of the significant uncertainty surrounding the City's finances, this amount was retained in the BSF rather than transferred to the 2020-21 Budget. The BSF began the fiscal year with a balance of \$116.2 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 2019-20 and 2020-21, the City budgeted approximately \$106 million and \$102 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. In the 2019-20 and 2020-21 budgets, one-time expenditures exceeded one-time revenues by \$78 million and \$10 million, respectively.

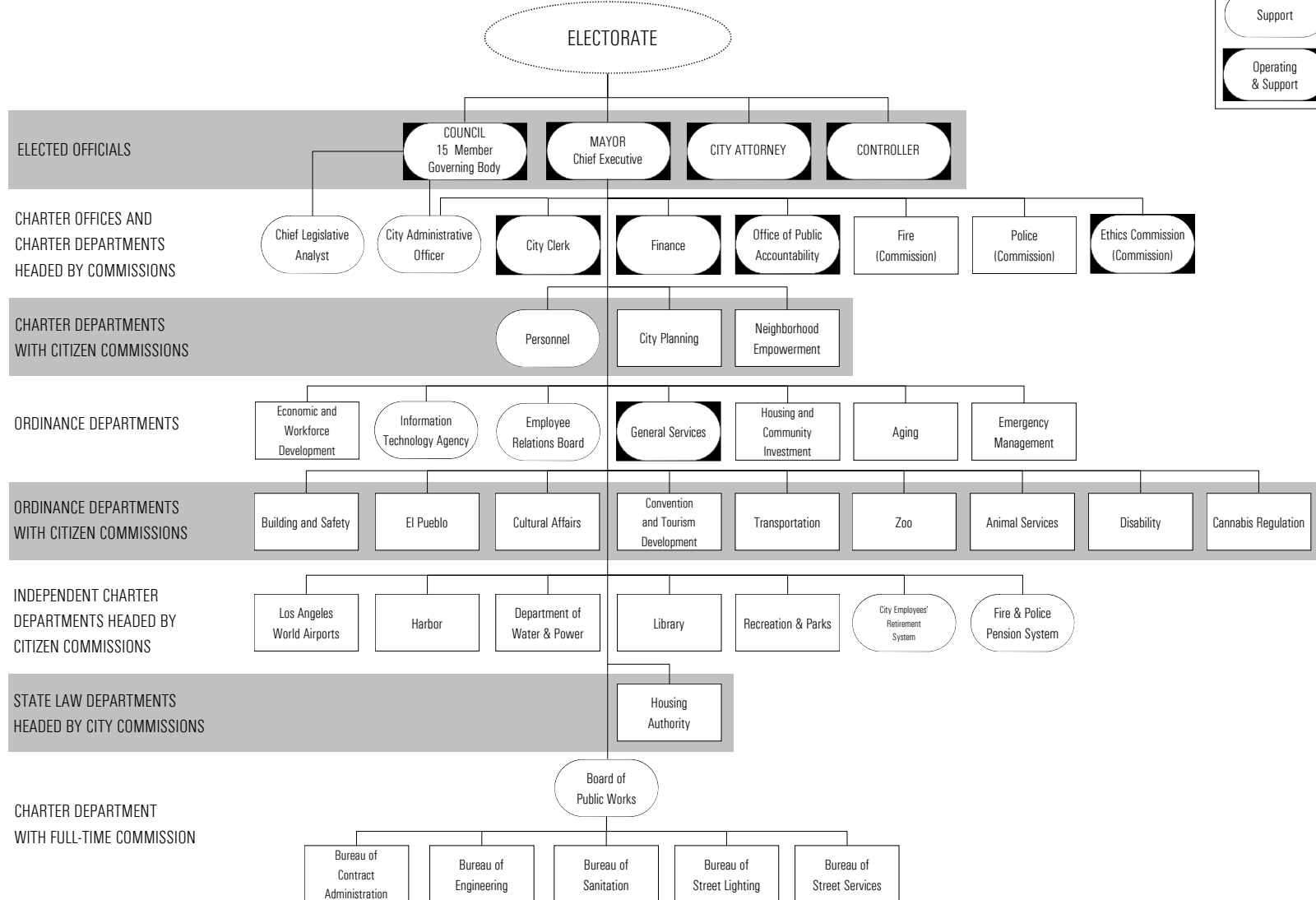
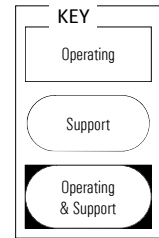
**Debt Management Policy**

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 2019-20 and 2020-21 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 2019-2020



# 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



**Joe Buscaino**  
District 15  
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



**Mitch O'Farrell**  
District 13



**Kevin de Leon**  
District 14

### Non-Elected Fiscal Officers

**Diana Mangioglu**  
Director of Finance  
City Treasurer

**Richard H. Llewellyn, Jr.**  
City Administrative Officer

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



## **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 Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

June 30, 2019

*Christopher P. Morill*

Executive Director/CEO



# FINANCIAL SECTION

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## 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, 2020, 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), 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	81%	70%	85%
Each Major Enterprise Fund:			
Airports	100%	100%	100%
Water	100%	100%	100%
Power	100%	100%	100%
Aggregate Remaining Fund Information:			
Pensions, LACERS, and DWP Plans	89%	91%	58%

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, 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, 2020, 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.

### ***Emphasis of Matters***

As discussed in Note 5.E.6 to the basic financial statements, in March 2020 the World Health Organization (WHO) declared the outbreak of Coronavirus Disease 2019 (COVID-19) as a global pandemic. The State of California, the County of Los Angeles and the City 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 the City and its enterprise departments' operations, such as increasing expenditures and reducing receipts. As of June 30, 2020, the City received approximately \$694.4 million in funding from the Coronavirus Aid, Relief, and Economic Security Act Coronavirus Relief Fund. A national and local state of emergency was declared in March 2020, making Federal Emergency Management Agency funding potentially available to reimburse the City for emergency costs. However, the amount and timing of that assistance is unknown at this time. Our opinion is not modified with respect to this matter.

As discussed in Note 1.E.18 to the basic financial statements, effective July 1, 2019, the City implemented the provisions of Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*, and GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. Our opinion is not modified with respect to this matter.

### ***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 GASB 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 28, 2021, 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.



Los Angeles, California  
January 28, 2021

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# **Management's Discussion and Analysis**

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## Management's Discussion and Analysis (Unaudited)

This section of the Comprehensive Annual 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, 2020. 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 liabilities and deferred inflows of resources at the close of fiscal year 2020 by \$24.1 billion, an increase of \$901.5 million over fiscal year 2019. The net position of \$24.1 billion consisted of: \$21.3 billion net investment in capital assets; \$6.3 billion restricted net position which represents resources that are subject to certain restrictions on how they may be used; \$3.9 billion unrestricted net position which may be used to meet the City's obligations for its business-type activities; and a \$7.4 billion deficit of governmental activities.

Of the \$901.5 million total change in net position, governmental activities represented \$387.5 million, including a beginning net position adjustment of \$31.3 million for the effects of the implementation of GASB Statement No. 84 on fiduciary activities, while the business-type activities represented \$514.0 million including a prior period adjustment of \$43.5 million.

As of June 30, 2020, the aggregate fund balances of the City's governmental funds were \$6.3 billion, a net decrease of \$18.6 million from June 30, 2019. Of the aggregate fund balances, \$73.7 million or 1.2% were nonspendable, \$3.9 billion or 61.8% were restricted, \$1.5 billion or 23.8% were committed, \$360.1 million or 5.7% were assigned to specific purposes, and \$475.2 million or 7.5% were unassigned.

At the end of the fiscal year, the General Fund showed a fund balance of \$992.1 million, of which \$62.9 million were nonspendable, \$356.1 million were assigned for various purposes, \$37.4 million were committed and \$535.7 million were unassigned.

The City's bonded debt and long-term notes payable at June 30, 2020 totaled \$31.9 billion, an increase of \$0.4 billion from the prior year's balance of \$31.5 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.

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 \$24.1 billion at the close of fiscal year 2020.

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 2020	FY 2019	FY 2020	FY 2019	FY 2020	FY 2019
<b>Assets</b>						
Current and other assets	\$ 9,601,868	\$ 8,588,913	\$ 12,198,714	\$ 13,454,569	\$ 21,800,582	\$ 22,043,482
Capital assets	8,335,372	8,182,859	42,852,341	40,378,647	51,187,713	48,561,506
Total assets	<u>17,937,240</u>	<u>16,771,772</u>	<u>55,051,055</u>	<u>53,833,216</u>	<u>72,988,295</u>	<u>70,604,988</u>
Deferred outflows of resources	2,745,567	2,603,974	1,348,259	1,386,510	4,093,826	3,990,484
<b>Liabilities</b>						
Current and other liabilities	1,845,931	917,791	1,895,573	1,728,185	3,741,504	2,645,976
Long-term liabilities	14,791,473	14,434,921	32,410,531	31,821,023	47,202,004	46,255,944
Total liabilities	<u>16,637,404</u>	<u>15,352,712</u>	<u>34,306,104</u>	<u>33,549,208</u>	<u>50,943,508</u>	<u>48,901,920</u>
Deferred inflows of resources	1,251,204	1,616,294	775,794	867,145	2,026,998	2,483,439
<b>Net position</b>						
Net investment in capital assets	6,113,258	5,890,308	15,181,630	14,515,311	21,294,888	20,405,619
Restricted	4,125,522	3,497,396	2,223,134	2,201,180	6,348,656	5,698,576
Unrestricted	(7,444,581)	(6,980,964)	3,912,652	4,086,882	(3,531,929)	(2,894,082)
Total net position	<u>\$ 2,794,199</u>	<u>\$ 2,406,740</u>	<u>\$ 21,317,416</u>	<u>\$ 20,803,373</u>	<u>\$ 24,111,615</u>	<u>\$ 23,210,113</u>

Note: Certain accounts were reclassified to conform with fiscal year 2020 presentation; 2019 figures have not been restated for the effect of GASB 84.

Of the total net position, \$21.3 billion or 88.3% 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, \$6.3 billion or 26.3%, represents resources subject to various restrictions on how they may be used.

The deficit balance in unrestricted net position of \$3.5 billion or (14.6)% is the net amount of the governmental activities deficit of \$7.4 billion, and \$3.9 billion unrestricted net position that may be used to meet the City's obligations for its business-type activities.

Compared to fiscal year 2019, net investment in capital assets increased by \$889.3 million or 4.4%. Restricted net position increased by \$650.1 million or 11.4% mainly due to an increase in net position restricted for community and housing development and transportation programs, while the deficit in unrestricted net position increased by \$637.8 million or 22.0% primarily due to the decrease in the unrestricted net position of governmental activities in fiscal year 2020.

The deficit balance for the governmental activities unrestricted net position of \$7.4 billion was mainly due to the net pension liability of \$6.7 billion, net OPEB liability of \$2.0 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 \$2.6 billion or 5.4%. The increase in governmental activities was \$152.5 million or 1.9%, and the increase in business-type activities was \$2.5 billion or 6.1%. For governmental activities, the increase was primarily due to capital improvement projects, such as construction and rehabilitation of bridges, street reconstruction, stormwater system improvements, and various facilities renovation projects. The equipment and vehicles' acquisition included police vehicles and helicopters, fire apparatus, refuse collection vehicles, public transit vehicles, and equipment for street services and street lighting.

Business-type increases reflect additions and ongoing construction and improvements to modernize the LAX airport, such as renovations at Terminals 1 through 8, construction of the Midfield Satellite Concourse, and the Automated People Mover System, and Harbor's terminal redevelopment and wharf rehabilitation projects. Power and Water made improvements to their distribution systems.

Current and Other Assets

Current and other assets decreased by \$242.9 million or 1.1%. Governmental activities were \$1.0 billion or 11.8% higher, while business-type activities declined by \$1.3 billion or 9.3%. Governmental activities cash and pooled investments increased by \$908.8 million, primarily attributed to unspent Coronavirus Aid, Relief and Economic Security (CARES) Act front-funding of \$721.0 million and the transfer of \$330.0 million due to reclassification of agency funds consistent with GASB 84 implementation. Business-type activities restricted assets decreased by \$1.0 billion, primarily due to a decrease of \$887.7 million in Airports' restricted current assets. The reduction of the year-end investment portfolio held by Airports' fiscal agents of \$879.5 million from the fiscal year 2019 was mainly due to higher unspent bond proceeds resulting from the issuance of LAX subordinate revenue bonds on June 27, 2019. Water and Power's regulatory assets decreased by \$145.5 million, primarily related to pensions and OPEB due to the actual expense being less than actuarially determined contributions. Thus the excess was used to amortize these assets as planned. Deferred outflows of resources increased by \$103.3 million or 0.3% primarily due to net changes in deferred outflows from pensions and OPEB.

Long-term Liabilities

The City's long-term liabilities increased by \$946.1 million or 2.0%. Business-type activities increased by \$589.5 million or 1.9%, while governmental activities increased by \$356.6 million or 2.5% from the prior year. Business-type activities primarily increased in bonds and notes payable due to the issuance of long-term debt by Airports, Water and Power. Governmental activities mainly increased in pension liability of \$709.3 million, offset by decreases in OPEB liability of \$173.1 million, Bonds and Notes payable of \$165.5 million, and other liabilities of \$14.1 million.

Current and Other Liabilities

The City's current and other liabilities increased by \$1.1 billion or 41.4%. Business-type activities increased by \$167.4 million or 9.7%, while governmental activities increased by \$928.1 million or 101.1% from the prior year. Business-type activities primarily increased in accounts payable and accrued expenses of \$152.1 million and accrued interest payable of \$13.0 million. Governmental activities mainly increased in accounts payable and accrued expenses of \$172.5 million, unearned revenue of \$559.8 million, and deposits and advances of \$202.8 million. The unallocated balance of \$567.8 million in the COVID-19 Federal Relief Fund was considered unearned revenue, while \$209.1 million deposits and advances were transferred from agency funds to governmental funds.

Deferred inflows of resources decreased by \$456.4 million or 18.4% primarily due to net changes in deferred inflows from pensions and OPEB .

Net Position

Compared to the prior year, the total net position was higher by \$901.5 million or 3.9%, with governmental activities up by \$387.5 million or 16.1% from the fiscal year 2019 net position of \$2.4 billion, and business-type activities up \$514.0 million or 2.5%. Net investment in capital assets increased by \$223.0 million for governmental activities and went up by \$666.3 million for business-type activities. The restricted net position went up by \$628.1 million for governmental activities, and the deficit in unrestricted net position increased by \$463.6 million. For business-type

activities, restricted net position increased by \$22.0 million. The changes in restricted net position were increases of \$18.0 million for public safety, \$11.7 million for public works and sanitation, \$32.5 million for transportation, \$35.4 million for culture and recreation activities, \$629.8 million for community development and housing, and \$24.5 million for other purposes. Offsetting these increases were decreases of \$67.0 million for capital projects, \$9.7 million for debt service, and \$25.2 million for passenger/customer facility charges.

**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.

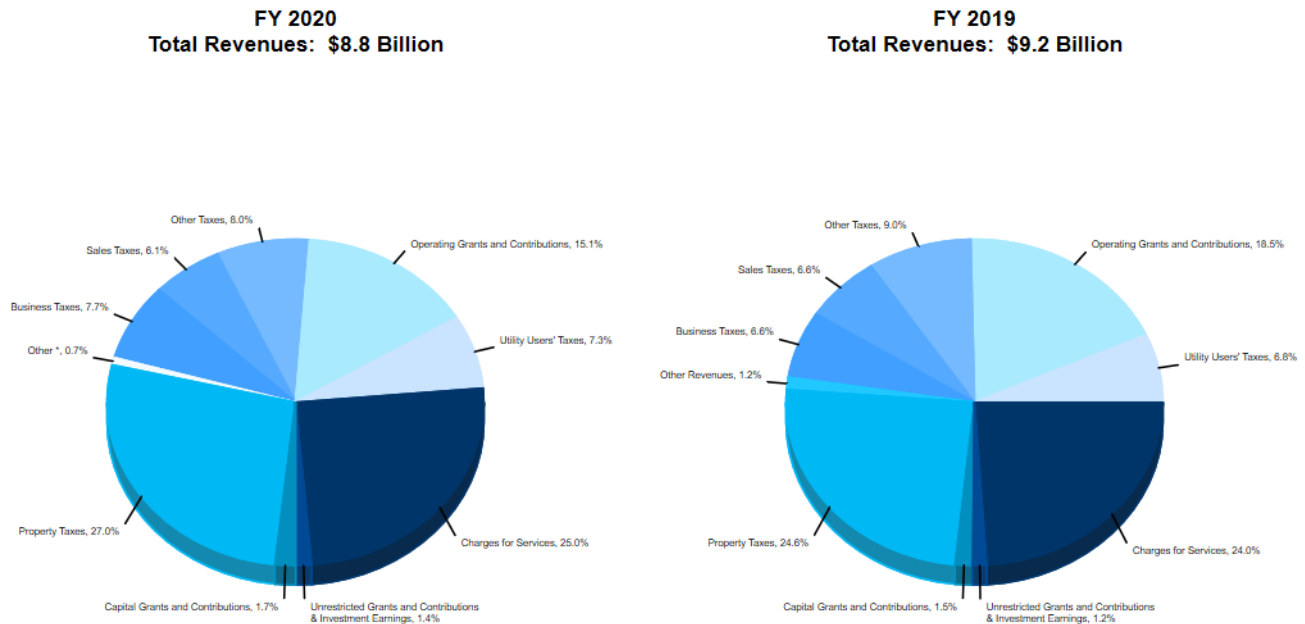
**CITY OF LOS ANGELES**  
**Condensed Statement of Activities**  
 (amounts expressed in thousands)

	Governmental Activities		Business-type Activities		Total	
	FY 2020	FY 2019	FY 2020	FY 2019	FY 2020	FY 2019
<b>Revenues</b>						
Program Revenues						
Charges for Services	\$ 2,204,111	\$ 2,195,352	\$ 7,707,747	\$ 8,114,768	\$ 9,911,858	\$ 10,310,120
Operating Grants and Contributions	1,331,396	1,697,057	--	--	1,331,396	1,697,057
Capital Grants and Contributions	153,045	136,649	226,943	144,066	379,988	280,715
General Revenues						
Property Taxes	2,374,311	2,251,463	--	--	2,374,311	2,251,463
Utility Users' Taxes	642,036	621,192	--	--	642,036	621,192
Business Taxes	677,241	607,786	--	--	677,241	607,786
Sales Taxes	534,631	607,211	--	--	534,631	607,211
Other Taxes	706,645	819,807	--	--	706,645	819,807
Unrestricted Grants and Contributions	24,703	22,001	--	--	24,703	22,001
Unrestricted Investment Earnings	94,910	86,819	322,371	281,122	417,281	367,941
Other Revenues	64,767	112,865	398,696	489,891	463,463	602,756
<b>Total Revenues</b>	<b>8,807,796</b>	<b>9,158,202</b>	<b>8,655,757</b>	<b>9,029,847</b>	<b>17,463,553</b>	<b>18,188,049</b>
<b>Expenses</b>						
General Government	1,686,640	1,409,022	--	--	1,686,640	1,409,022
Protection of Persons and Property	3,660,482	3,176,379	--	--	3,660,482	3,176,379
Public Works	580,169	468,463	--	--	580,169	468,463
Health and Sanitation	634,141	605,078	--	--	634,141	605,078
Transportation	580,613	532,348	--	--	580,613	532,348
Cultural and Recreational Services	746,670	714,265	--	--	746,670	714,265
Community Development	657,301	295,571	--	--	657,301	295,571
Interest on Long-Term Debt	135,580	146,491	--	--	135,580	146,491
Airports	--	--	1,684,907	1,483,713	1,684,907	1,483,713
Harbor	--	--	461,393	408,602	461,393	408,602
Power	--	--	3,816,543	3,916,279	3,816,543	3,916,279
Water	--	--	1,184,170	1,158,635	1,184,170	1,158,635
Sewer	--	--	669,193	678,253	669,193	678,253
Convention Center	--	--	52,138	62,846	52,138	62,846
<b>Total Expenses</b>	<b>8,681,596</b>	<b>7,347,617</b>	<b>7,868,344</b>	<b>7,708,328</b>	<b>16,549,940</b>	<b>15,055,945</b>
Excess of Revenues Over Expenses	126,200	1,810,585	787,413	1,321,519	913,613	3,132,104
TRANSFERS	229,913	232,557	(229,913)	(232,557)	--	--
Increase in Net Position	356,113	2,043,142	557,500	1,088,962	913,613	3,132,104
Net Position - July 1, As Previously Reported	2,406,740	363,598	20,803,373	19,714,411	23,210,113	20,078,009
Change in Accounting Principle, GASB 84 Implementation	31,346	--	--	--	31,346	--
Prior period adjustment	--	--	(43,457)	--	(43,457)	--
Net Position - July 1, Restated	2,438,086	363,598	20,759,916	19,714,411	23,198,002	20,078,009
Net Position - June 30	\$ 2,794,199	\$ 2,406,740	\$ 21,317,416	\$ 20,803,373	\$ 24,111,615	\$ 23,210,113

**Governmental Activities**

For the fiscal year ended June 30, 2020, total revenues of governmental activities were \$8.8 billion while total expenses were \$8.7 billion. Of the \$8.7 billion total expenses, 59.0% was funded by taxes and other general revenues, and the remaining 41.0% 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 2020 and 2019:



Revenues from charges for services of \$2.2 billion, property taxes of \$2.4 billion, and operating grants and contributions of \$1.3 billion were the three largest revenue sources for governmental activities. Together, these accounted for \$5.9 billion or 67.1% of total revenues.

Charges for services slightly rose by \$8.8 million or 0.4% in the fiscal year 2020 compared to the fiscal year 2019, primarily attributed to increases in trench replacing fees collected, reimbursement from charges for emergency services by the Fire Department, and higher contract payments from Los Angeles County Metropolitan Transportation Authority (Metro) for Police services; offset by decreases in revenues from a wide variety of revenue sources due to the pandemic-driven recession, including parking revenue, parking fines, recreation and park fees, emergency medical transportation fees, and various departmental revenues in licenses, permits, and penalties.

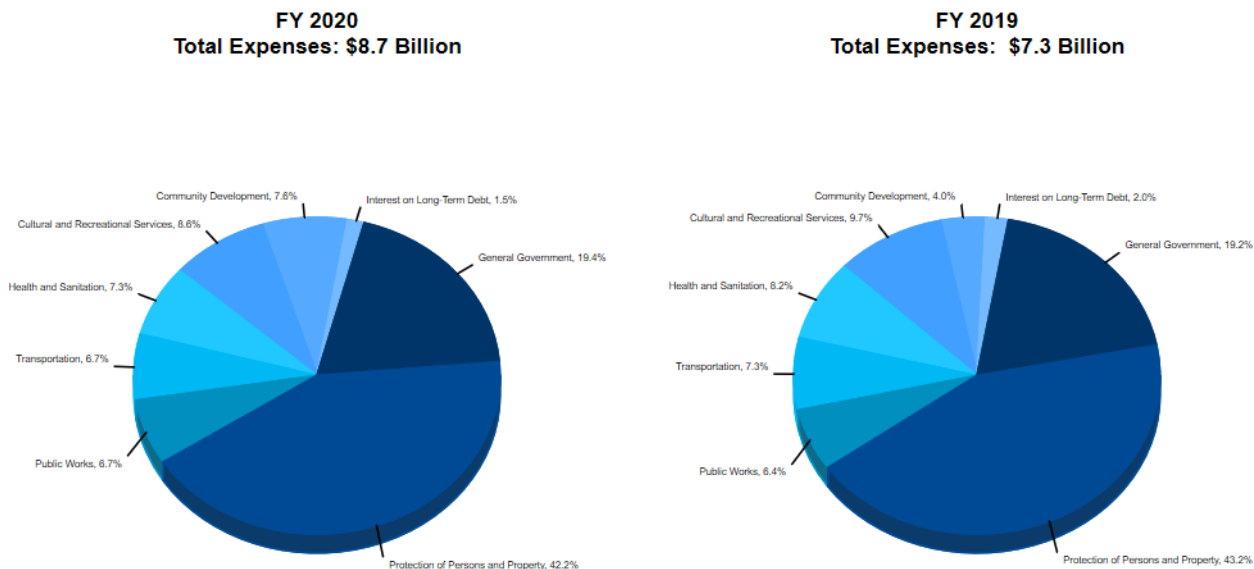
Operating grants and contributions decreased by \$365.7 million or 21.5%, mainly due to a decrease of \$462.2 million from the prior fiscal year in interest revenue. In fiscal year 2019, the City adopted the accounting policy of recording interest receivable for the residual receipts loans, deferred loans, and amortizing loans. The policy change's accumulated effects resulted in the one-time increase in interest revenue accruals. An increase of \$126.6 million in revenue from the COVID-19 Federal Relief Fund offset the decrease. Capital grants and contributions were \$16.4 million higher, attributed to increased revenues of \$17.6 million in Federal grants for various local transportation projects and the Sixth Street Viaduct improvement project.

Management's Discussion and Analysis (Unaudited)

Property Tax revenue increased by \$122.8 million or 5.5% due to growth in the taxable assessed value of properties. The increase of \$69.5 million in Business Tax was boosted by cannabis business retail activity combined with the steady growth in the local economy in the first three quarters. Sales Tax revenues decreased by \$72.6 million due to lower revenues associated with reduced economic activity and the Tax Deferment Program implemented by the State. Utility Users' Taxes increased by \$20.8 million or 3.4%, due to an increase in Electrical Users' Tax revenues offset by a continued long-term decline in Telephone Users' Tax revenues.

Other taxes decreased by \$113.2 million or 13.8%, primarily attributed to decreases in Transient Occupancy Tax, Parking Occupancy Tax, and Documentary Transfer Tax receipts due to pandemic-related restrictions, business closures, and the resulting recession. Unrestricted investment earnings increased by \$8.1 million due to the positive change in investments' fair value. In comparison, other revenues decreased by \$48.1 million, including reducing the \$26.9 million one-time payment from the prior year for a permanent easement in a specific area of Taylor Yard and a decrease of \$14.0 million in surplus property sales, expenditure reimbursements, and various miscellaneous revenues.

The following charts are graphical comparisons of the City's governmental expenses by function for fiscal years 2020 and 2019:



Total expenses increased by \$1.3 billion or 18.2% over the fiscal year 2019, which was comprised of increases in the following functions: general government of \$277.6 million, protection of persons and property of \$484.1 million, public works of \$111.7 million, health and sanitation of \$29.1 million, transportation of \$48.3 million, cultural and recreational services of \$32.4 million, and community development of \$361.7 million, offset by a decrease of \$10.9 million in interest on long-term debt. Three major expense categories accounted for most of the increases, as discussed below.

Salaries and human resources benefits grew by \$458.6 million or 9.1% compared to the prior year because of new labor agreements that included retroactive salary increases and increased healthcare subsidies.

The total pension and OPEB expenses for the Los Angeles City Employees' Retirement System (LACERS) and Fire and Police Pension System (Pensions) increased by \$491.9 million compared to last year due to higher actuarial pension and OPEB expenses.

Expenses for contractual services, operating equipment, and supplies went up by \$354.2 million or 25.1%, primarily attributed to the following: coronavirus response activities, the outlays of grant subsidies to outside organizations for community projects in housing and community development, and bad debt provisions for loan receivables for the Home Investment Partnership program and community development projects.

**Business-type Activities**

The \$7.7 billion combined operating revenues of the City's six business-type activities were \$0.9 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, 2020, the City's governmental funds reported combined fund balances of \$6.3 billion, a decrease of \$18.6 million from the previous fiscal year. Of the total fund balance, \$73.7 million were nonspendable associated with inventories, prepaid items and certain advances to other funds, \$3.9 billion were classified as restricted, \$1.5 billion were committed and \$360.1 million were assigned. The remaining balances of \$475.2 million were classified as unassigned and mainly associated with the General Fund.

Governmental funds revenue totaled \$8.6 billion, while expenditures were \$9.1 billion. Although total revenues were \$467.7 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, 2020, the General Fund reported a total fund balance of \$992.1 million, composed of \$62.9 million nonspendable from inventories of \$42.1 million and advances to other funds of \$20.8 million; \$37.4 million committed; \$356.2 million assigned for general government purposes; and \$535.6 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 2020	FY 2019	%		FY 2020	FY 2019	%
			Change				Change
Revenues				Expenditures			
Property Taxes	\$ 2,213,899	\$ 2,075,764	6.7 %	General Government	\$ 1,553,572	\$ 1,336,331	16.3 %
Sales Taxes	536,362	596,465	(10.1)	Protection of Persons and Property	3,269,764	3,095,356	5.6
Utility Users' Taxes	643,564	606,369	6.1	Public Works	219,657	193,846	13.3
Business Taxes	668,035	617,169	8.2	Health and Sanitation	107,329	111,680	(3.9)
Other Taxes	620,653	729,649	(14.9)	Transportation	102,720	107,590	(4.5)
Licenses and Permits	34,999	34,157	2.5	Cultural and Recreational Services	52,220	61,120	(14.6)
Intergovernmental	27,284	23,062	18.3	Community Development	84,944	54,000	57.3
Charges for Services	351,983	306,462	14.9	Capital Outlay	54,241	110,000	(50.7)
Services to Enterprise Funds	368,706	326,650	12.9	Debt Service - Interest	19,609	23,538	(16.7)
Fines	113,643	135,526	(16.1)	Debt Service - Cost of Issuance	559	518	7.9
Special Assessments	769	1,825	(57.9)	Total Expenditures	5,464,615	5,093,979	7.3
Investment Earnings	99,248	84,257	17.8	Other Financing Uses			
Other	65,406	99,717	(34.4)	Transfers Out	714,147	724,032	(1.4)
				Total Expenditures and Other Financing Uses	<u>\$ 6,178,762</u>	<u>\$ 5,818,011</u>	6.2
Total Revenues	5,744,551	5,637,072	1.9				
Other Financing Sources							
Transfers In	292,948	265,723	10.2				
Loans from Capital Leases	--	78,393	(100.0)				
Total Revenues and Other Financing Sources	<u>\$ 6,037,499</u>	<u>\$ 5,981,188</u>	0.9				
Excess of Revenues Over Expenditures	<u>\$ 279,936</u>	<u>\$ 543,093</u>	(48.5)				
Net Change in Fund Balance	<u>\$ (141,263)</u>	<u>\$ 163,177</u>					

Revenues and Other Financing Sources

Fiscal year 2020 experienced strong revenue growth during the first three quarters, but the enormous disruption caused by the coronavirus resulted in final General Fund revenues coming in just \$107.5 million or 1.9% over the previous fiscal year. Total taxes accounted for nearly \$4.7 billion or 81.5% of General Fund revenue. Overall tax revenues grew by \$57.1 million or 1.2% from the prior year compared to a 6.2% increase in the fiscal year 2019.

Total Property Taxes, which represent 38.5% of General Fund revenue, increased by \$138.1 million or 6.7% mainly due to strong growth in current secured property tax receipts of \$120.7 million.

The economy-sensitive revenues reflected the unique nature of this economic downturn and uncertainties. Sales Tax revenues decreased by \$72.6 million or 10.1% due to reduced economic activity, and the Tax Deferment Program implemented by the State further affected revenues. The increase in Business Tax revenues of \$50.9 million or 8.2% is reflective of the growth in legal recreational cannabis retail activity and moderate growth in non-cannabis business activity during calendar year 2019.

Utility Users' Tax revenues, which consist of electric, gas, and communications users' taxes, posted a net increase of \$37.2 million or 6.1% primarily due to a rise in Electrical Users' Tax revenues of \$52.8 million, offset by a decline of \$16.8 million in Telephone Users' Tax revenues. Other tax revenues were down by \$109.0 million or 14.9%, mainly attributed to an \$85.8 million decrease in Transient Occupancy Tax, the most dramatic impact from the pandemic, since travel and hospitality decreased by more than 70 percent in the last quarter of the fiscal year. A reduction of \$17.2 million in Parking Occupancy Tax also demonstrated the pandemic's impact.

Licenses and permits slightly went up by \$0.8 million or 2.5%, mainly due to an increase in the filming permits fee. Charges for services were \$45.5 million or 14.9% higher, attributed mostly to a \$19.8 million increase in reimbursement from charges for emergency services by the Fire Department and an increase of \$29.9 million in Metro contract payments for Police services. Combined net investment earnings and other revenues were down \$19.3 million due to a decrease of \$20.0 million in surplus property sales revenues.

Expenditures and Other Financing Uses

Fiscal year 2020 total General Fund expenditures were \$5.5 billion, an increase of \$370.6 million or 7.3% from the prior fiscal year.

Salaries and human resources benefits grew by \$253.3 million or 7.4% compared to last year due to new labor agreements that included retroactive salary increases and increases in health care subsidies for civilian and sworn employees. Combined retirement contributions to the LACERS and Pensions increased by \$88.3 million or 7.5% compared to last year primarily due to the higher covered payroll.

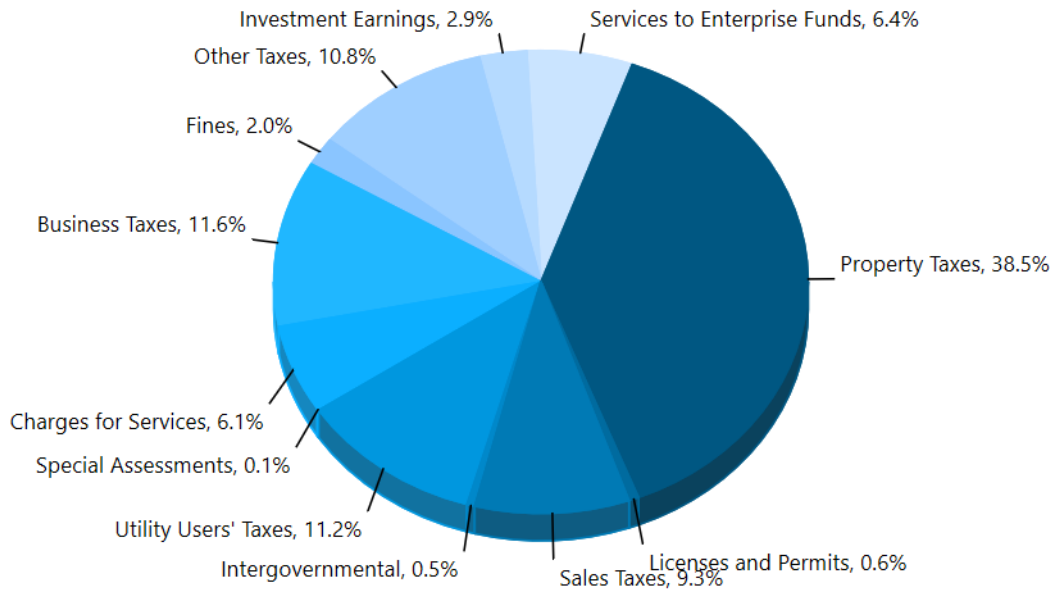
Expenditures for contractual services, operating equipment, and supplies went up by \$248.4 million or 34.8%, primarily attributed to coronavirus response activities, such as testing kits purchases, expanding Great Plates Senior meals program, Childcare, multiple homeless shelter projects, Rental Assistance and Small Business Loans program.

The above increases in various expenditures were offset by higher inter-fund reimbursements of \$178.9 million from special funds. Capital outlays declined by \$55.8 million or 50.7%, primarily due to a decrease of \$78.4 million in capital acquisition from the prior year for Fire and Police radios and Police vehicles.

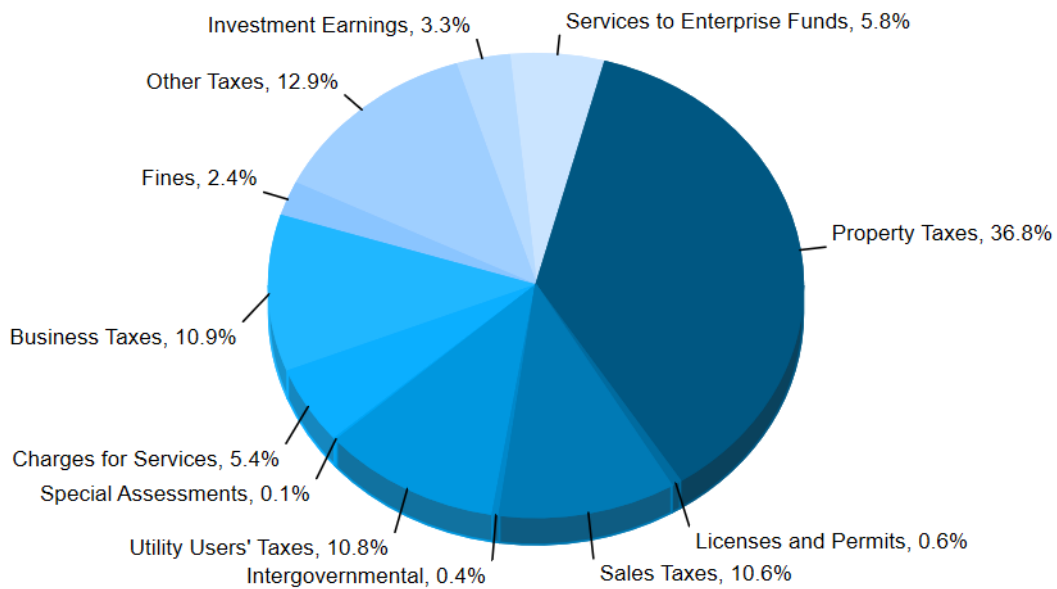
Overall, General Fund revenues exceeded expenditures by \$279.9 million, in comparison to \$543.1 million in fiscal year 2019. Transfers in from other funds amounted to \$292.9 million, while transfers out were \$714.1 million. The Power Enterprise Fund transfer of \$229.9 million largely accounted for total transfers in. The \$714.1 million transfers out included: \$209.1 million for debt service obligations, \$223.5 million for parks and recreational facilities, \$191.5 million for libraries, \$14.7 million for housing and community programs, \$26.0 million for arts and cultural facilities, and \$49.3 million for other departmental operations. The above items' net changes and the cumulative effect of GASB 84 implementation resulted in a year-end fund balance of \$992.1 million, a decrease of \$113.9 million from the prior year's fund balance of \$1.1 billion.

The following charts are graphical comparisons between June 30, 2020 and 2019, for General Fund revenues by source and expenditures by function:

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

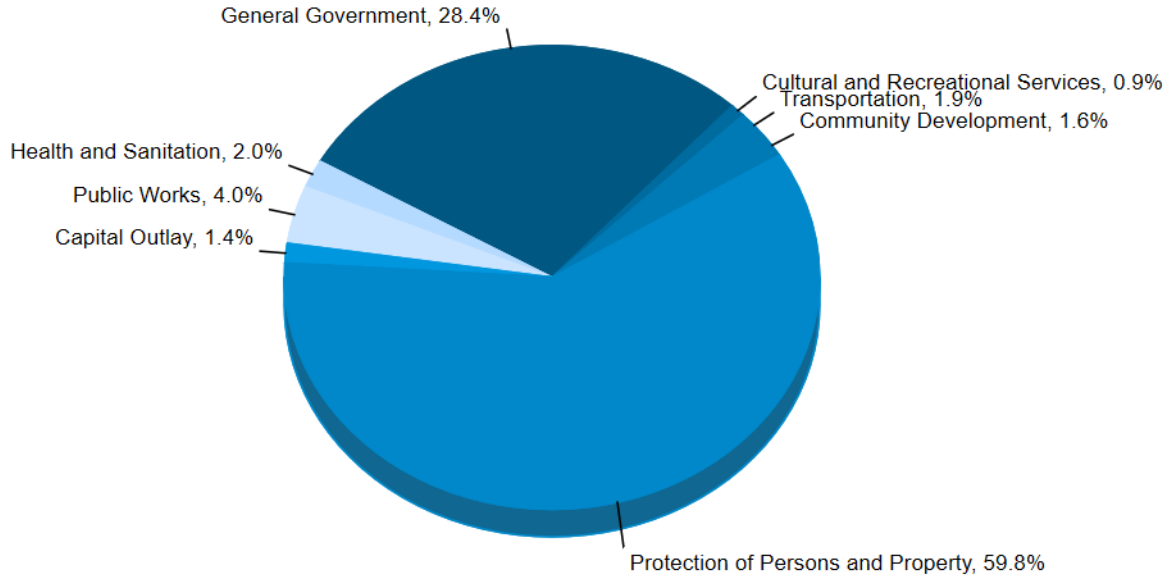


**General Fund Revenues by Source : \$5.6 Billion  
Fiscal Year Ended June 30, 2019**

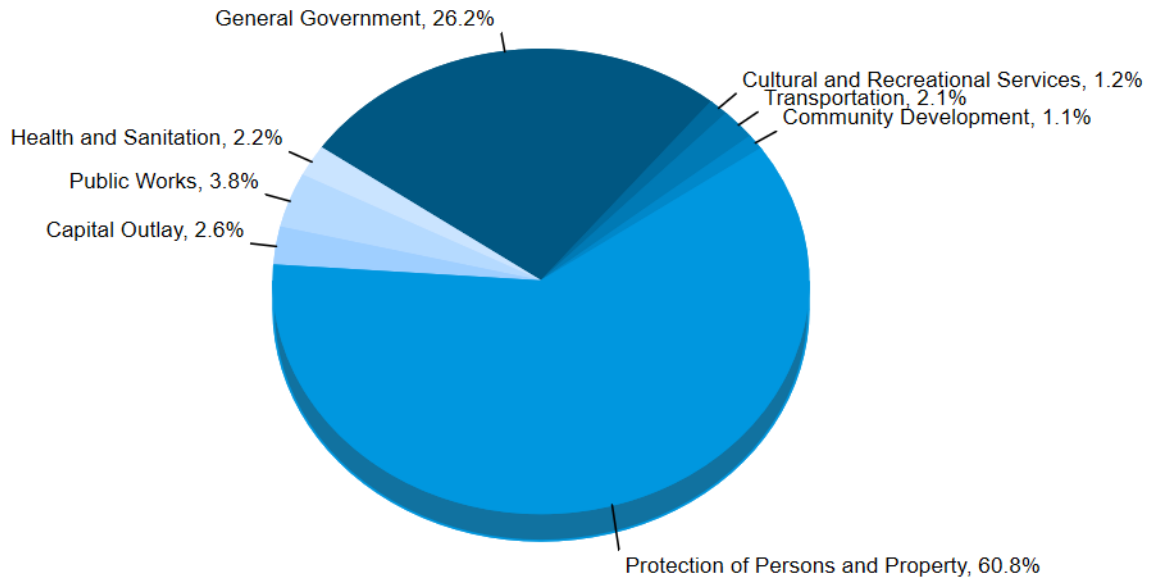




**General Fund Expenditures by Function : \$5.5 Billion  
Fiscal Year Ended June 30, 2020**



**General Fund Expenditures by Function : \$5.1 Billion  
Fiscal Year Ended June 30, 2019**



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. At June 30, 2020, the MICLA Special Revenue and Debt Service Funds reported a total restricted fund balance of \$192.2 million, composed of \$24.1 million special revenue fund and \$168.1 million debt service fund. The fund balances decreased by \$35.7 million from \$227.9 million at June 30, 2019, due to increased debt service payments and capital acquisitions. The Debt Service Fund's aggregate bond principal and interest expenditures for the year were \$237.8 million, while lease payments from the General Fund and certain Special Revenue Funds were \$217.6 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, 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	\$ 103,915	\$ 58,345	\$ 90,152	\$ 208,613	\$ 109,010	\$ (12,535)	\$ 557,500

**Business-type Activities  
Change in Net Position  
For the Fiscal Year Ended June 30, 2019  
(amounts expressed in thousands)**

	Airports	Harbor	Power	Water	Sewer	Nonmajor Convention Center	Total
Operating Revenues	\$ 1,537,949	\$ 506,427	\$ 4,070,930	\$ 1,253,503	\$ 694,963	\$ 50,996	\$ 8,114,768
Operating Expenses	(1,225,675)	(402,404)	(3,558,620)	(944,360)	(551,255)	(62,846)	(6,745,160)
Operating Income (Loss)	312,274	104,023	512,310	309,143	143,708	(11,850)	1,369,608
Net Nonoperating Revenues (Expenses)	128,726	61,261	(111,179)	(167,804)	(103,357)	198	(192,155)
Capital Contributions	36,340	3,523	58,373	25,810	20,020	--	144,066
Transfers Out	--	--	(232,557)	--	--	--	(232,557)
Change in Net Position	\$ 477,340	\$ 168,807	\$ 226,947	\$ 167,149	\$ 60,371	\$ (11,652)	\$ 1,088,962

#### Airports

The Airports Enterprise Fund (Airports) accounts for the operation of Los Angeles International Airport (LAX) and Van Nuys Airport (VNY). Airports voluntarily returned the certificate relating to LA/Palmdale Regional Airport (PMD) to the Federal Aviation Administration (FAA), but may, upon compliance with certain requirements, request to have the PMD certificate issued. LAWA 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 \$1.4 billion, a \$172.5 million or 11.2% decrease from fiscal year 2019. Aviation revenue decreased by \$49.5 million, and non-aviation revenue decreased by \$122.9 million with a \$120.8 million decrease in concessions and a decrease in other operating revenue of \$2.1 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 \$36.5 million or 12.4%. Building rental revenues decreased by \$10.6 million or 1.8% mainly attributable to the decreases in terminal use fees of \$32.3 million or 27.6% as a result of the drop in passenger traffic due to the pandemic, and a reduction in common use activities, offset by the increased costs of \$21.7 million or 4.6% in improvements and refurbishments in the LAX terminals recovered under the Terminal Rate Agreement. Land rental revenue decreased by \$2.3 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 \$120.9 million or 24.1% 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 \$1.4 billion, a \$134.9 million or 11.0% increase over the prior fiscal year. There was a \$77.2 million or 16.6% increase in salaries and benefits. Contractual services increased by \$10.3 million mainly due to the auxiliary curb's opening, LAX-it, to provide a pickup area for taxis and ride apps. Materials and supplies increased by \$2.3 million mainly due to the rental of backup power generators in response to a power outage incident in the Central Terminal Area and increased maintenance and services for the automated border control gates and kiosks. Utility expenses increased by \$1.1 million due to an increase in telephone charges from higher usage, an increase in water charges due to rate increases and sewage billing; offset by a decrease in electricity due to a credit adjustment and increased Central Utility Plant (CUP) efficiency. Depreciation increased by \$42.9 million due to the capitalization of various terminals improvements and the Inglewood noise mitigation projects.

Airports nonoperating revenue decreased by \$68.8 million due to a \$55.1 million decrease in passenger facility charges, a \$14.6 million decrease in customer facility charges, and a \$9.7 million decrease in other nonoperating revenue, offset by a \$10.6 million increase in interest and investment income. Nonoperating expenses increased by \$22.8 million due to \$26.1 million higher interest expense attributed to issuance of bonds, offset by a \$3.3 million decrease in other nonoperating expenses.

As a result of the above financial changes and capital contributions of \$105.3 million, the Airports Enterprise Fund's change in net position for fiscal year 2020 amounted to \$103.9 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 decreased to \$467.7 million, reflecting a 7.7% decrease from the prior year's revenue of \$506.4 million. The decline was primarily due to the economic impact of the pandemic and the ongoing trade war between China and the United States. The Port derives its operating revenues mainly from shipping services, rentals, and fees from royalties, concessions, and other fees. Shipping services decreased by \$40.8 million due to lower wharfage rates realized on cargo volumes moved through terminals.

Harbor's operating expenses, excluding depreciation, increased by \$33.1 million to \$273.6 million from \$240.4 million in the fiscal year 2019. Salaries and benefits expenses, including pension and OPEB expenses, increased by \$22.8 million, or 18.5% higher than prior-year due to salary and benefit increases and retroactive salary payments for certain classes of represented employees. Payments for City services increased by \$3.1 million related to higher fire services and recreation and park services utilization. Outside services decreased by \$1.6 million due to lower

spending across various divisions offset by increased legal services for environmental matters and investigation services. Other operating expenses increased by \$11.4 million due to higher customer incentives and higher provisioning for bad debt, pollution remediation obligations, workers' compensation liabilities, and litigation and claim expenses. These increases were partially offset by payments related to the clean truck program.

Nonoperating revenues decreased by \$15.7 million due to a one-time recovery revenue of \$26.9 million in the prior year from an intermodal gateway project. Higher grant revenues partially offset these decreases by \$3.2 million, higher interest and investment income by \$6.7 million, and higher other nonoperating revenues by \$1.3 million. Nonoperating expenses increased by \$26.2 million in the fiscal year 2020 primarily due to higher interest expense by \$23.4 million and higher pass-through grant expenses by \$3.1 million.

As a result of the above financial changes and capital contributions of \$3.4 million, the Harbor Enterprise Fund's change in net position for fiscal year 2020 was \$58.3 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 decreased by \$263.6 million or 6.5% from the prior fiscal year primarily due to a decrease of \$203.3 million in revenue from retail customers, a \$50.1 million decrease in wholesale and other revenue and a \$9.7 million increase of uncollectable accounts. The decrease in Sales for Resale is due to the deferral of \$40.0 million to the Rate Stabilization account.

Power operating expenses were \$115.3 million lower as compared to fiscal year 2019, driven primarily by a \$89.5 million decrease in fuel for generation, a \$68.6 million decrease in other operating expenses, a \$22.1 million decrease in purchased power costs, offset by a \$20.2 million increase in maintenance expense and a \$44.7 million increase in depreciation and amortization expense. The \$89.5 million decrease in fuel for generation is primarily due to lower year over year natural gas prices and a continued shift to renewable energy. The \$68.6 million decrease in other operating expense is mainly due to a decrease in decommissioning expense of \$58.0 million caused by implementation of GASB 83 and a decrease in A&G corporate expense of \$41.0 million, offset by an increase in maintenance expense of \$20.0 million, an increase in generation expense of \$15.0 million, and an increase in distribution expense of \$13.0 million.

The major nonoperating activities of Power for fiscal year 2020 included the transfer of \$229.9 million to the City's General Fund, investment income of \$111.3 million, \$33.8 million in federal bond subsidies, \$126.5 million in other nonoperating revenue, and \$370.1 million in debt expenses. The \$17.1 million increase in investment income is due mainly to changes in market values of investments and income from the Intermountain Power Agreement's long-term notes. The \$13.0 million increase in other nonoperating income is due mainly due to an increase in the net sale of CO2 emission allowances. The \$19.7 million increase in debt expenses is mainly due to the interest expense on new bonds issued during the fiscal year net of a year-over-year decrease in capitalized interest of \$5.0 million.

As a result of the above financial changes, including capital contributions of \$57.7 million, Power's change in net position for fiscal year 2020 amounted to \$90.2 million.

Water

During fiscal year 2020, operating revenues increased by \$21.6 million, or 1.7%, from fiscal year 2019, primarily due to an increase in pass through rates as a result of higher capital expenditures and operating and maintenance expenses for Water Quality projects.

Operating expenses for fiscal year 2020 were \$13.4 million higher, attributed to an increase of \$4.6 million, or 3% in purchased water expense due to a 3% decrease in water supplied by the aqueduct and runoff available from snowfall. The increase of \$21.2 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 \$12.4 million lower as compared to the prior year. The decrease is primarily composed of a decrease in administrative and general corporate expense of \$17 million and offset by an increase of \$5 million in maintenance of source of water supply.

Nonoperating revenue net was \$21.9 million higher than in fiscal year 2019. The \$21.9 million increase in nonoperating income can be primarily attributed to a \$12.1 million increase in investment income, increase in overall other nonoperating income of \$11.9 million and an increase in nonoperating expenses of \$2.2 million. Debt expenses increased by \$9.9 million from an increase in interest expense due to the issuance of new debt and a decrease in the allowance for funds used during construction.

As a result of the above financial changes and capital contributions of \$47.1 million, the Water Enterprise Fund's change in net position for the fiscal year 2020 was \$208.6 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.

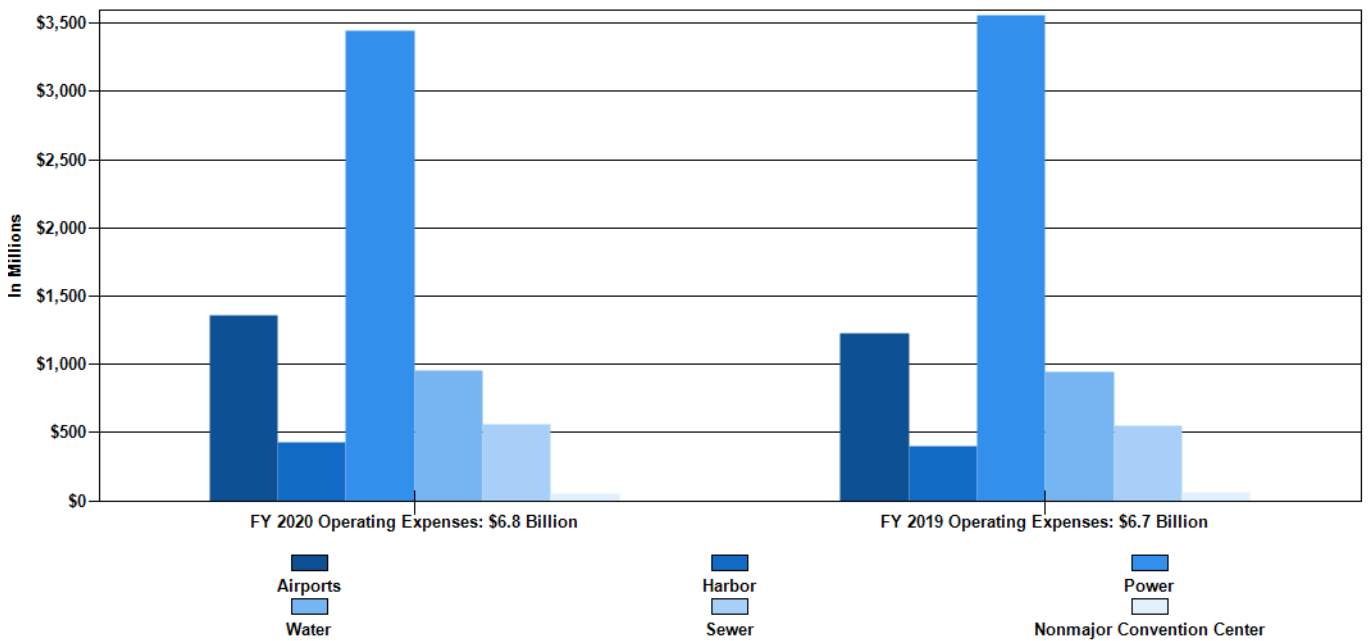
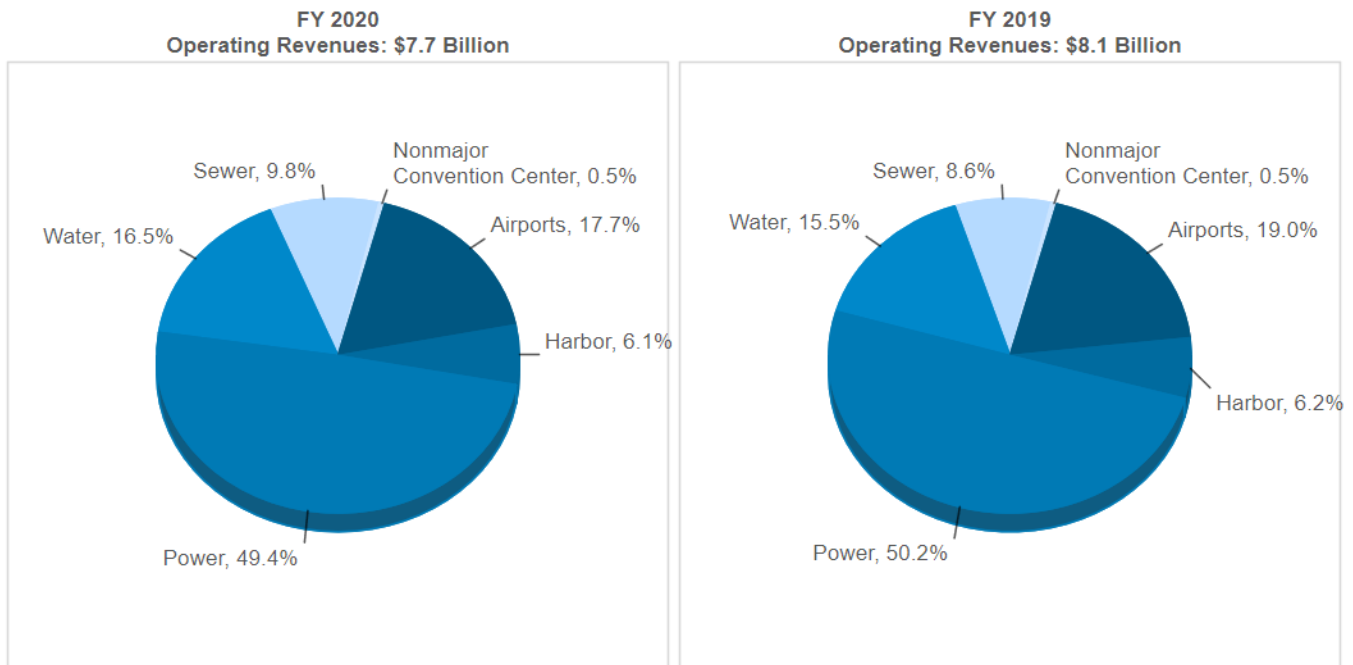
For fiscal year 2020, Sewer generated total operating revenues of \$752.7 million, an increase of \$57.8 million or 8.3% from fiscal year 2019. Sewer Service Charges increased by \$63.0 million or 10.2% from fiscal year 2019, generating \$681.0 million or 91.0% of the total operating revenues. Ordinance No. 182076 dated March 1, 2012 authorized an increase of 4.5% in Sewer Service Charge from wastewater dischargers, 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 fiscal year 2020 were \$560.7 million, a slight increase of \$ 9.4 million or 1.7% compared to fiscal year 2019 mainly due to higher reimbursements to the General Fund and higher depreciation expense offset by lower operations and maintenance expenses recognized from accrual in fiscal year 2020 resulting from a decrease in volume of contracts payable processed. Operations and maintenance expense comprised 65.8% and depreciation expense was 34.2% 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 Sewer's investment income for fiscal year 2020 decreased by \$5.2 million or 34.4% due to lower interest rates and investments. The Sewer's interest expense for fiscal year 2020 decreased by \$18.5 million or 14.5% as compared to fiscal year 2019 due to lower amortization of deferred charges on debt refunding. Total other nonoperating expenses were \$9.3 million, slightly higher than the \$9.2 million in fiscal year 2019 mainly due to loss on abandonment of fixed assets, financial advisory, and bond expenses offset by a decrease in litigation expenses.

As a result of the above financial changes, including capital contributions of \$13.3 million, Sewer's change in net position for fiscal year 2020 was \$109.0 million.

The following charts are graphical comparisons between June 30, 2020 and 2019, 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."

2020 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, 2020  
(amounts expressed in thousands)**

	Budgeted Amounts		Budgetary	Variance with
	Original	Final	Basis Actual Amounts	Final Budget Above (Below)
Revenues and Other Financing Sources				
Taxes	\$ 4,860,842	\$ 4,775,505	\$ 4,721,143	\$ (54,362)
Licenses, Permits, Fees and Fines	1,350,667	1,350,783	1,313,136	(37,647)
Intergovernmental	17,675	20,524	21,596	1,072
Interest	36,700	42,661	46,412	3,751
Other	10,953	10,616	10,102	(514)
Total Revenues	6,276,837	6,200,089	6,112,389	(87,700)
Power Transfer	235,600	229,913	229,913	--
Transfers from Other Funds	1,271,811	1,924,511	1,645,057	(279,454)
Loans from Other Funds	--	170	108,397	108,227
Total Revenues and Other Financing Sources	7,784,248	8,354,683	8,095,756	(258,927)
Expenditures and Other Financing Uses				
General Government	1,915,532	2,127,029	1,968,928	(158,101)
Protection of Persons and Property	2,580,890	2,724,317	2,677,955	(46,362)
Public Works	427,885	480,374	464,456	(15,918)
Health and Sanitation	317,127	329,973	314,604	(15,369)
Transportation	186,965	193,249	173,502	(19,747)
Cultural and Recreational Services	51,816	51,798	48,223	(3,575)
Community Development	187,225	198,341	174,081	(24,260)
Pension and Retirement Contributions	2,731	2,518	2,325	(193)
Capital Outlay	96,867	147,841	65,012	(82,829)
Total Expenditures	5,767,038	6,255,440	5,889,086	(366,354)
Transfers to Other Funds	2,088,660	2,099,243	2,099,198	(45)
Total Expenditures and Other Financing Uses	7,855,698	8,354,683	7,988,284	(366,399)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(71,450)	--	107,472	107,472
Fund Balance, July 1	71,450	71,450	--	(71,450)
Appropriation of Fund Balance and Carryforward Appropriations	--	(71,450)	--	71,450
Encumbrances Lapsed	--	--	30,937	30,937
Reversion to Reserve Fund	--	--	(138,409)	(138,409)
Fund Balance, June 30	\$ --	\$ --	\$ --	\$ --

General Fund Revenues and Other Financing Sources

In fiscal year 2020, total actual revenues and other financing sources were \$258.9 million or 3.1% below the final budget primarily due to transfers from other funds finishing the year \$279.5 million lower than the final budget. Lower than anticipated revenues from other sources such as taxes and licenses, permits, fees, and fines were offset by unbudgeted loans from other funds.

Total actual tax revenues were below the final budget by \$54.4 million, mainly attributed to a slowing economy due to the pandemic and policy actions to mitigate the spread of the coronavirus.

Property Taxes were \$28.1 million below the budget due to lower supplemental receipts and a delay in property tax receipts. Sales Tax receipts were \$30.2 million lower than expected due to the decline in retail sales caused by the pandemic. Transient Occupancy Tax was \$19.1 million below plan compared to the final budget due to widespread safer-at-home orders and travel restrictions that were imposed beginning in March, 2020. Utility Users' Tax was short \$2.6 million compared to the final budget. Partially offsetting the shortfalls, Business Tax was \$28.0 million over budget due to continued growth in recreational cannabis activities and moderate growth in other business activities during calendar year 2019.

Licenses, Permits, Fees, and Fines fell under the budget by \$37.6 million primarily because of the pandemic's continuing impact on service levels and resulting reduction to related fines, fees, and departmental reimbursements of related costs.

General Fund Expenditures and Other Financing Uses

The General Fund's actual expenditures were \$366.4 million or 5.9% below budget. All categories of spending were lower than the final budget. General government's actual expenditures were \$158.1 million lower than estimates, mainly due to the unexpended appropriations during the fiscal year, including unused and set-aside resources in salaries, medical equipment and supplies, accessible housing programs, crisis and bridge housing projects, emergency response funds, construction materials, and other various programs. During the fiscal year, capital outlay expenditures were \$82.8 million below the budget, mainly due to various construction projects that were not fully implemented. Protection of Persons and Property was \$46.4 million less than budget due to underspending on salaries and overtime in the Police, Fire, and Building and Safety Departments.

The lower expenditures and other financing uses of \$366.4 million and lapsed encumbrances of \$30.9 million were offset by lower budget revenues and other financing sources of \$258.9 million. As a result, a total of \$138.4 million was reverted from the General Fund to the Reserve Fund at fiscal year-end.



**LONG-TERM DEBT**

At June 30, 2020 the City's bonded indebtedness and long-term notes payable totaled \$31.9 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 2020	FY 2019	FY 2020	FY 2019	FY 2020	FY 2019
Debt Backed by the City						
General Obligation Bonds	\$ 751,022	\$ 865,478	\$ --	\$ --	\$ 751,022	\$ 865,478
Judgment Obligation Bonds	--	6,256	--	--	--	6,256
Debt Secured by Specified Revenue Sources						
Certificates of Participation and Lease Revenue Bonds	1,421,902	1,570,635	--	--	1,421,902	1,570,635
Direct Placements	97,689	97,621	--	--	97,689	97,621
Revenue Bonds and Notes Payable	539,571	435,731	28,990,380	28,363,265	29,529,951	28,798,996
Other Loan Obligations	134,219	152,095	--	--	134,219	152,095
<b>Total</b>	<b>\$ 2,944,403</b>	<b>\$ 3,127,816</b>	<b>\$ 28,990,380</b>	<b>\$ 28,363,265</b>	<b>\$ 31,934,783</b>	<b>\$ 31,491,081</b>

Significant new issuances during the year included the following:

- MICLA issued Direct Placement Bonds 2019 Streetlights of \$17.8 million with an interest rate of 2.010% maturing on June 1, 2029. The bonds were issued for the financing of the City's acquisition and installation of approximately 4,500 streetlights with light-emitting diode (LED) and/or high voltage conversion and other related improvements. During the year, MICLA issued additional \$170.0 million of commercial paper notes for the acquisition of capital assets.
- Airports issued \$411.6 million of LAX subordinate revenue bonds Series 2019-F and \$738.6 million of LAX senior Refunding Revenue Bonds Series 2020A. The bonds were issued to fund capital projects at LAX, refinancing of certain outstanding subordinate commercial paper notes, and various defeasing and refunding of prior-year issuances.
- Power issued \$325.0 million of Power System Revenue Bonds, 2019 Series C to be used for capital improvements, \$281.5 million of Power System Revenue Bonds, 2019 Series D were used to pay for capital improvements, and refund a portion of the outstanding Power System Revenue Bonds, 2015 Series A, \$338.5 million of Power System Revenue Bonds, 2020 Series A were used to refund a portion of the outstanding Power System Revenue Bonds, 2010 Series B, a portion of the outstanding Power System Revenue Bonds, 2013 Series B, a portion of the outstanding Power System Revenue Bonds, 2001 Series B and a portion of the outstanding Power System Revenue Bonds, 2002 Series A.
- In July 2019, Water issued \$229.8 million of Water System Variable Rate Revenue Bonds 2019 Series A to pay for budgeted capital improvements and refund all of the outstanding 2009 Revenue Bonds Series B.

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, 2020, 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
<b><u>Governmental Activities</u></b>				
General Obligation Bonds	Aa2	AA	AA	AA+
MICLA Lease Revenue Obligations (Real Property) <sup>1</sup>	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
<b><u>Business-type Activities</u></b>				
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-	n/a
Water	Aa2	AA+	AA	AA+
Sewer Senior Revenue Bonds	Aa2	AA+	AA+	AA+
Sewer Subordinate Revenue Bonds	Aa3	AA	AA	AA

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

In August 2020, S&P downgraded LAX credit rating from AA to AA- for senior revenue bonds and from AA- to A+ for subordinate revenue bonds, while the other two agencies affirmed their ratings. According to S&P's press release, the downgrade was a result of S&P's outlook on the impact of the pandemic on the aviation industry overall and its effects on LAX, which are outside of management's control.

In December 2020, Fitch Ratings affirmed the City's credit ratings of AA on its Issuer Default Rating (IDR) and general obligation bonds, and credit ratings of AA- on its lease obligation bonds while revised rating outlook to negative from stable. According to Fitch's press release, the outlook revision reflects the extensive budget-balancing actions necessitated by the current economic downturn, which have the potential to reduce the City's financial resilience during the subsequent economic recovery period. Nevertheless, given the underlying economy's strength and diversity, Fitch would expect the City to rebound over time.

**Debt Policies**

The City's Debt Management Policies establish guidelines for the structure and management of the City's 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 2020, the ratios were 5.6% for overall debt and 3.4% for non-voter approved debt. As of June 30, 2020, the City had \$729.5 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, 2020, 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, 2020 amounted to \$51.2 billion, net of accumulated depreciation and amortization. This investment in capital assets, which accounts for 70.1% 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 2020	FY 2019	FY 2020	FY 2019	FY 2020	FY 2019
Not Depreciated / Amortized						
Land	\$ 874,237	\$ 873,272	\$ 3,001,876	\$ 2,956,949	\$ 3,876,113	\$ 3,830,221
Infrastructure	432,477	395,986	--	--	432,477	395,986
Construction in Progress	1,057,531	1,081,022	6,747,384	5,120,869	7,804,915	6,201,891
Intangible Assets	52,061	46,063	60,144	60,144	112,205	106,207
Nuclear Fuel	--	--	43,323	42,406	43,323	42,406
Natural Gas Field	--	--	151,724	166,299	151,724	166,299
Subtotal	2,416,306	2,396,343	10,004,451	8,346,667	12,420,757	10,743,010
Depreciated / Amortized, Net						
Buildings, Facilities and Equipment	3,704,390	3,675,353	32,603,517	31,811,119	36,307,907	35,486,472
Infrastructure	2,166,901	2,053,835	--	--	2,166,901	2,053,835
Intangible Assets	47,775	57,328	244,373	220,861	292,148	278,189
Subtotal	5,919,066	5,786,516	32,847,890	32,031,980	38,766,956	37,818,496
Total	\$ 8,335,372	\$ 8,182,859	\$ 42,852,341	\$ 40,378,647	\$ 51,187,713	\$ 48,561,506

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 \$166.7 million. These building projects included \$46.7 million for recreational, cultural and community centers, \$55.4 million for various municipal facilities, \$41.8 million for transportation facilities, and \$22.8 million for fire facilities.
- Capitalized charges for various projects under construction totaled \$301.5 million. These projects included \$77.6 million for recreational, cultural and community centers, \$32.4 million for municipal facilities projects, \$173.6 million for various public work projects, \$12.0 million for transportation projects, and \$5.9 million for animal shelters.
- Total capitalized infrastructure assets amounted to \$231.6 million.
- Acquisition of machinery and equipment that were capitalized totaled \$117.3 million, while those retired, salvaged, deleted or sold amounted to \$35.2 million.
- Intangible assets including net additions to work in progress amounted to \$11.8 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 are in compliance with the adopted City's Condition Level Policy. The needed costs for preservation and maintenance were \$1.6 million, and \$1.1 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 \$1.3 billion, or 11.9%. Major capital assets activities at LAX included \$430.0 million for renovations at Terminals 1 to 8, \$383.0 million for construction of the Midfield Satellite Concourse (MSC), \$200.1 million for construction of Automated People Mover System (APM), \$166.5 million for project costs related to the Landside Access Modernization Program (LAMP), \$139.8 million for construction of Consolidated Rental Car Facility (ConRAC), \$53.6 million for interior improvements and security upgrades at Tom Bradley International Terminal (TBIT) and Bradley West, \$44.7 million for construction of runways and taxiways, \$26.1 million for residential acquisition, soundproofing and noise mitigation, and \$20.3 million IT network and system projects. Major capital assets activities at VNY included \$22.4 million for taxiway and landside improvements.
- Harbor's net capital assets were \$3.8 billion. The major capital assets activities during the fiscal year were: \$25.5 million for various transportation projects and other facility and street improvements, \$10.0 million for design and construction at the San Pedro and Wilmington waterfronts, \$9.5 million for redevelopment projects at the Everport Container Terminal, \$9.2 million for various homeland security projects, \$8.5 million for redevelopment projects at various terminals including wharf rehabilitation, facility expansion, and infrastructure improvements, \$5.1 million for various projects for sidewalk improvements, berth pile and log replacement, and dockside facility improvements, \$1.4 million for various projects of at the Port's World Cruise Center, and \$1.4 million for various projects at berths with liquid bulk oil cargo handling facilities.
- Power's plant additions totaled \$1.2 billion. Approximately \$336.6 million of the \$1.2 billion in additions were construction work in progress (CWIP) expenditures and the remaining \$822.4 million were direct additions to utility plant categories. Major CWIP additions/expenditures during the year included \$29.0 million Substation Automation System, \$18.0 million for re-expansion of Barren Ridge switching station, \$16.0 million for Victorville to LA Basin Power injection upgrade, \$13.0 million for utility built solar, and \$11.0 million to install a new 230kv line between Castaic-Haskell line 3, \$11.0 million for design and construction of new transformers and rack installation for receiving stations, \$11.0 million for implementation costs for the Casio-run Energy Imbalance Market (EIM), \$11.0 million to install new 230kv line between Haskell Canyon and Sylmar switching stations, and \$10.0 million for high-voltage transformer replacement program for switching and receiving stations. CWIP projects totaling \$325.0 million were transferred from CWIP to plant accounts. Transfers from CWIP included \$99.0 million for replacement of AC filters at Sylmar Converter station, \$60.0 million for cable replacement project of 138kv underground transmission lines, \$28.0 million for modification of a receiving station, \$20.0 million for Owens Gorge flow restoration upgrade, and \$20.0 million for cybersecurity installation cost. The completion of these large projects along with current year CWIP additions caused the balance in the CWIP account to decrease by \$2.3 million. Approximately, \$616.0 million and \$47.0 million were direct additions to distribution and transmission plant accounts, respectively. Major direct additions included \$165.0 million for replacement of deteriorated poles and crossarms, \$88.0 million for new business line customer facilities, \$70.0 million for reliability replacement of 4.8KV and 34.5KV cables, \$63.0 million for customer stations design and construction, \$16.0 million to enhance circuit capacity, and \$16.0 million for automatic reading meter installations.
- Water added utility plant costs of \$699.4 million, of which approximately \$387.4 million were construction work in progress (CWIP) and the balance of \$277.5 million comprised direct additions to utility plant categories. Approximately, \$204.0 million in CWIP projects were transferred from CWIP to plant accounts. Major CWIP additions/expenditures during the year included: \$47.0 million for River Supply Conduit Upper Reach Unit 7, \$41.0 million for mainline replacement program, \$32.0 million for LA Reservoir Ultraviolet Light Treatment plant, formerly, Granada Hills reservoir, \$32.0 million for North Hollywood West Wellhead treatment plant, \$24.0 million for Headworks West reservoir to replace Ivanhoe and Silver Lake reservoir, and \$15.0 million to replace pipes at Foothill trunk line. Approximately, \$139.0 million and \$51.0 million of additions were transferred from CWIP to distribution plant accounts and source of supply, respectively. Major projects transferred from CWIP included \$51.0 million for Upper Stone Canyon Reservoir, \$48.0 million for San Fernando Basin Groundwater System Improvement, and \$47.0 million for mainline replacement at various water districts. Direct additions are mostly related to improvements in distribution infrastructure as part of the Water System's reliability program. Approximately, \$173.0 million of the additions are for improvements to the distribution system. During fiscal year

Management's Discussion and Analysis (Unaudited)

2020, the Water System invested \$148.0 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 \$330.7 million. Of this amount, \$55.7 million was a reduction from construction in progress, \$183.9 million was capitalized for collection system, \$172.1 million relates to treatment plants and equipment, \$5.2 million for pumping plants, and \$25.2 million was used for site improvements and to acquire other equipment and vehicles. The ongoing capital improvement program of Sewer for fiscal year 2020 includes Secondary Sewer Renewal Program for \$15.4 million, the HWRP Digester Gas Utilization Plant Facility for \$9.0 million, the North Outfall Sewer Rehabilitation for \$72.7 million, the HWRP Clean Water Control System Replacement for \$56.0 million, the La Cienega Interceptor Sewer Rehabilitation Blackwelder to Olympic for \$33.7 million, the HWRP Headworks Improvements for \$18.6 million, the DCT Clean Water Control System Replacement for \$15.4 million, DCT Blower Air Cleanup System for \$13.8 million, and the DCT Electrical Power System Modifications for \$13.1 million.

Significant commitments that include construction contracts are discussed in Note 5C of the Notes to the Basic Financial Statements. As of June 30, 2020, the City's contractual commitments for various capital projects amounted to \$225.3 million for governmental activities and \$505.4 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 2021 total budget is \$10.5 billion. Of this amount, \$5.1 billion (48.1%) is appropriated for departmental expenditures. The remaining \$5.4 billion (51.9%) 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 \$6.7 billion in General Fund receipts, \$3.2 billion in special fund revenues, and \$628.4 million in special fund available balances. The \$243.5 million budget for the fiscal year 2021 Reserve Fund balance represents 3.6% of the General Fund receipts, below the City's policy of setting aside at least 5.0% of General Fund receipts in the Reserve Fund.

The 2021 budget, developed during the early stages of the pandemic, was based on an assumption that stay at home orders would be lifted by May 2020 and the fiscal year would be characterized by a year-long recovery from the economic crisis. Accordingly, it projected General Fund receipts of \$6.7 billion, \$307.0 million (4.8%) higher than the 2020 actual receipts, as shown below (in millions):

	FY 2021 Budget	FY 2020 Receipts	Increase (Decrease)	
			Amount	Percentage
Taxes	\$ 4,898.8	\$ 4,721.1	\$ 177.7	3.8 %
Licenses, permits, fees and fines	1,475.8	1,313.1	162.7	12.4
Intergovernmental	15.7	21.6	(5.9)	(27.3)
Interest	34.6	46.4	(11.8)	(25.4)
Other	10.6	10.1	0.5	5.0
Transfers from other funds	251.8	268.0	(16.2)	(6.0)
<b>Total</b>	<b>\$ 6,687.3</b>	<b>\$ 6,380.3</b>	<b>\$ 307.0</b>	<b>4.8 %</b>

Note: Transfers from other funds include the Power Fund and Special Parking Revenue Fund

Even by the time the fiscal year began in July 2020, it was clear that the budgetary assumptions would not be met, and the fiscal year has so far been dominated by downward revenue revisions and austerity measures required to offset the decreased revenue. In December 2020, the City Administrative Officer (CAO) projected a \$600 million revenue shortfall, a \$75 million emergency loan from the Public Works Trust Fund which was determined to be due by the end of the fiscal year, and \$16 million in current year net overspending without solutions. The CAO's proposed solutions included a mix of reductions to departmental and non-departmental appropriations, transfers from reserves, labor negotiations, potential layoffs, and utilization of the City's Commercial Paper program to provide working capital. Other than the reduced appropriations, these actions have not yet occurred, and it is uncertain which specific budget balancing actions will be executed, though it is relatively certain that many of these adjustments will be required in order to complete the fiscal year. The CAO proposal, prior to amendment by the City Council and Mayor, was as follows:

Budget Reduction (non-layoff):	
Departmental Reductions (Salary savings due to vacant positions and reductions on other appropriations)	\$ 52
Lease Revenue Bond Budgetary Savings (reallocation of unspent proceeds, reserves and refunding savings)	42
Capital Project Reductions (General Fund pay-as-you-go)	4
Other Non-Departmental Reductions	5
	<u>\$ 103</u>
COVID Reimbursements	69
General Fund Reserves:	
Reserve Fund, Entire Contingency Reserve	142
Budget Stabilization Fund, Entire	117
Debt Options - Working Capital	150
Labor Cost Savings:	
Layoffs	45
Additional Labor Concessions (to be negotiated)	49
	<u>94</u>
<b>Total Solutions</b>	<b>\$ 675</b>

**Management's Discussion and Analysis (Unaudited)**

Since the issuance of the CAO's December 2020 report, confirmed coronavirus case numbers, hospitalizations, and deaths have all increased well beyond any prior numbers, both nationally and locally, resulting in additional guidance and orders from state and local public health officials further restricting business, travel, and other activities. The Federal Government authorized additional emergency funding and extended the expenditure deadline on the previously-approved CARES Act, and has approved various vaccines for widespread administration.

The combination of all these factors results in a tremendous amount of uncertainty in economic projections for the City. The future of emergency restrictions is unclear, as is the potential for additional Federal funding through legislation and/or FEMA is unclear, and the speed and strength of the future economic recovery is completely unknown.

Given the lagging nature of some of the City's most significant revenues, including Property Tax and Business Tax, it is likely that the economic recovery, once it begins, will have a delayed and uneven impact on the City's finances, consistent with previous recessions and subsequent recoveries. However, even this assumption is uncertain due to the singular nature of the current economic crisis.

**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.



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# Basic Financial Statements

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**CITY OF LOS ANGELES**  
**Statement of Net Position**  
**June 30, 2020**  
(amounts expressed in thousands)

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and Pooled Investments	\$ 6,134,306	\$ 3,748,993	\$ 9,883,299
Other Investments	451	1,249	1,700
Receivables, Net	3,284,381	1,534,552	4,818,933
Inventories	44,022	254,142	298,164
Prepaid Items and Other Assets	8,813	408,654	417,467
Restricted Assets	19,591	4,297,120	4,316,711
Investment in Joint Ventures	--	6,790	6,790
Properties Held for Housing Development	110,304	--	110,304
Regulatory Assets	--	1,947,214	1,947,214
Capital Assets			
Not Depreciated / Amortized	2,416,306	10,004,451	12,420,757
Depreciated / Amortized, Net	5,919,066	32,847,890	38,766,956
<b>TOTAL ASSETS</b>	<b>17,937,240</b>	<b>55,051,055</b>	<b>72,988,295</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Outflows from Debt Refunding	51,260	152,204	203,464
Deferred Outflows from Derivative Instruments	--	3,928	3,928
Deferred Outflows from Asset Retirement Obligation	--	28,460	28,460
Deferred Outflows from Pensions	2,126,700	876,647	3,003,347
Deferred Outflows from OPEB	567,607	287,020	854,627
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>2,745,567</b>	<b>1,348,259</b>	<b>4,093,826</b>
<b>LIABILITIES</b>			
Accounts Payable and Accrued Expenses	720,284	1,224,498	1,944,782
Obligations Under Securities Lending Transactions	40,244	34,694	74,938
Accrued Interest Payable	24,442	415,586	440,028
Internal Balances	93,055	(93,055)	--
Unearned Revenue	589,632	--	589,632
Deposits and Advances	252,330	260,092	512,422
Other Liabilities	125,944	53,758	179,702
Long-term Liabilities			
Due Within One Year	896,359	932,413	1,828,772
Due In More Than One Year			
Bonds and Notes Payable (Net of Amount Due Within One Year)	2,537,212	28,234,939	30,772,151
Net Pension Liability	6,666,583	1,874,417	8,541,000
Net OPEB Liability	2,013,976	660,058	2,674,034
Asset Retirement Obligation	--	237,361	237,361
Other (Net of Amount Due Within One Year)	2,677,343	471,343	3,148,686
<b>TOTAL LIABILITIES</b>	<b>16,637,404</b>	<b>34,306,104</b>	<b>50,943,508</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Inflows from Business Activities	--	145,696	145,696
Deferred Inflows from Debt Refunding	--	64,132	64,132
Deferred Inflows from Pensions	820,297	354,213	1,174,510
Deferred Inflows from OPEB	430,907	211,753	642,660
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>1,251,204</b>	<b>775,794</b>	<b>2,026,998</b>
<b>NET POSITION</b>			
Net Investment in Capital Assets	6,113,258	15,181,630	21,294,888
Restricted for:			
Capital Projects	407,609	--	407,609
Debt Service	346,878	871,541	1,218,419
Public Safety	99,802	--	99,802
Public Works and Sanitation	120,795	--	120,795
Transportation Programs	560,250	--	560,250
Culture and Recreation Activities	418,078	--	418,078
Community Development and Housing	2,172,110	--	2,172,110
Passenger/Customer Facility Charges	--	788,862	788,862
Other Purposes	--	562,731	562,731
Unrestricted (Deficit)	(7,444,581)	3,912,652	(3,531,929)
<b>TOTAL NET POSITION</b>	<b>\$ 2,794,199</b>	<b>\$ 21,317,416</b>	<b>\$ 24,111,615</b>

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, 2020  
(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
<b>GOVERNMENTAL ACTIVITIES</b>							
General Government	\$ 1,686,640	\$ 249,774	\$ 51,708	\$ --	\$ (1,385,158)	\$ --	\$ (1,385,158)
Protection of Persons and Property	3,660,482	691,176	153,963	542	(2,814,801)	--	(2,814,801)
Public Works	580,169	264,334	201,161	39,176	(75,498)	--	(75,498)
Health and Sanitation	634,141	506,121	31,526	3,576	(92,918)	--	(92,918)
Transportation	580,613	138,652	326,911	53,336	(61,714)	--	(61,714)
Cultural and Recreational Services	746,670	167,934	20,436	54,888	(503,412)	--	(503,412)
Community Development	657,301	186,120	545,691	1,527	76,037	--	76,037
Interest on Long-Term Debt	135,580	--	--	--	(135,580)	--	(135,580)
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>8,681,596</b>	<b>2,204,111</b>	<b>1,331,396</b>	<b>153,045</b>	<b>(4,993,044)</b>	<b>--</b>	<b>(4,993,044)</b>
<b>BUSINESS-TYPE ACTIVITIES</b>							
Airports	1,684,907	1,365,494	--	105,346	--	(214,067)	(214,067)
Harbor	461,393	467,666	--	3,440	--	9,713	9,713
Power	3,816,543	3,807,291	--	57,692	--	48,440	48,440
Water	1,184,170	1,275,067	--	47,148	--	138,045	138,045
Sewer	669,193	752,727	--	13,317	--	96,851	96,851
Convention Center	52,138	39,502	--	--	--	(12,636)	(12,636)
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>	<b>7,868,344</b>	<b>7,707,747</b>	<b>--</b>	<b>226,943</b>	<b>--</b>	<b>66,346</b>	<b>66,346</b>
<b>TOTAL</b>	<b>\$ 16,549,940</b>	<b>\$ 9,911,858</b>	<b>\$ 1,331,396</b>	<b>\$ 379,988</b>	<b>(4,993,044)</b>	<b>66,346</b>	<b>(4,926,698)</b>
<b>GENERAL REVENUES</b>							
Property Taxes					2,374,311	--	2,374,311
Utility Users' Taxes					642,036	--	642,036
Business Taxes					677,241	--	677,241
Sales Taxes					534,631	--	534,631
Other Taxes							
Documentary Transfer					197,229	--	197,229
Transient Occupancy					260,728	--	260,728
Parking Occupancy					107,101	--	107,101
Franchise Income					133,553	--	133,553
Miscellaneous					8,034	--	8,034
Grants and Contributions Not Restricted to Specific Programs							
Other					24,703	--	24,703
Unrestricted Investment Earnings					94,910	322,371	417,281
Other					64,767	398,696	463,463
<b>TRANSFERS</b>					<b>229,913</b>	<b>(229,913)</b>	<b>--</b>
<b>TOTAL GENERAL REVENUES AND TRANSFERS</b>					<b>5,349,157</b>	<b>491,154</b>	<b>5,840,311</b>
<b>CHANGE IN NET POSITION</b>					<b>356,113</b>	<b>557,500</b>	<b>913,613</b>
<b>NET POSITION, JULY 1, AS PREVIOUSLY REPORTED</b>					<b>2,406,740</b>	<b>20,803,373</b>	<b>23,210,113</b>
<b>CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE, GASB 84 IMPLEMENTATION</b>					<b>31,346</b>	<b>--</b>	<b>31,346</b>
<b>PRIOR PERIOD ADJUSTMENT</b>					<b>--</b>	<b>(43,457)</b>	<b>(43,457)</b>
<b>NET POSITION JULY 1, AS RESTATED</b>					<b>2,438,086</b>	<b>20,759,916</b>	<b>23,198,002</b>
<b>NET POSITION, JUNE 30</b>					<b>\$ 2,794,199</b>	<b>\$ 21,317,416</b>	<b>\$ 24,111,615</b>

**CITY OF LOS ANGELES**

**Balance Sheet  
Governmental Funds  
June 30, 2020  
(amounts expressed in thousands)**

	<b>Municipal Improvement Corporation</b>		
	<b>General</b>	<b>Special Revenue</b>	<b>Debt Service</b>
<b>ASSETS</b>			
Cash and Pooled Investments	\$ 1,433,584	\$ 36,607	\$ 55,282
Other Investments	451	--	--
Taxes Receivable (Net of Allowance for Uncollectibles of \$14,266)	682,470	--	--
Accounts Receivable (Net of Allowance for Uncollectibles of \$380,919)	127,181	--	--
Special Assessments Receivable	2,863	--	--
Investment Income Receivable	10,014	40	2
Intergovernmental Receivable	152,247	--	613
Loans Receivable (Net of Allowance for Uncollectibles of \$1,180,129)	42	--	--
Due from Other Funds	196,394	--	--
Inventories	42,053	--	--
Prepaid Items and Other Assets	11	--	--
Advances to Other Funds	20,831	--	112,346
Restricted Assets	--	--	--
Properties Held for Housing Development	--	--	--
<b>TOTAL ASSETS</b>	<b>\$ 2,668,141</b>	<b>\$ 36,647</b>	<b>\$ 168,243</b>
<b>LIABILITIES</b>			
Accounts, Contracts and Retainage Payable	\$ 254,392	\$ 11,057	\$ 93
Obligations Under Securities Lending Transactions	13,799	74	--
Accrued Salaries and Overtime Payable	252,022	--	--
Accrued Compensated Absences Payable	7,912	--	--
Claims and Judgments Payable	35,741	--	--
Intergovernmental Payable	1,010	--	--
Due to Other Funds	188,702	1,415	--
Unearned Revenue	--	--	--
Deposits and Advances	9,184	--	--
Interest Payable	--	--	--
Advances from Other Funds	131,093	--	--
Other Liabilities	53,177	27	--
Liability for Excess CRA Bond Proceeds	--	--	--
<b>TOTAL LIABILITIES</b>	<b>947,032</b>	<b>12,573</b>	<b>93</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Property Tax	88,615	--	--
Taxes Other than Property	398,251	--	--
Receivables from Other Government Agencies	129,309	--	--
Interest Receivable on Loans and Others	112,805	--	--
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>728,980</b>	<b>--</b>	<b>--</b>
<b>FUND BALANCES</b>			
Nonspendable	62,895	--	--
Restricted	--	24,074	168,150
Committed	37,386	--	--
Assigned	356,167	--	--
Unassigned	535,681	--	--
<b>TOTAL FUND BALANCES</b>	<b>992,129</b>	<b>24,074</b>	<b>168,150</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 2,668,141</b>	<b>\$ 36,647</b>	<b>\$ 168,243</b>

Continued...

**CITY OF LOS ANGELES**

**Balance Sheet - (Continued)**

**Governmental Funds**

**June 30, 2020**

**(amounts expressed in thousands)**

	<b>Nonmajor Governmental Funds</b>	<b>Total</b>
<b>ASSETS</b>		
Cash and Pooled Investments	\$ 4,608,833	\$ 6,134,306
Other Investments	--	451
Taxes Receivable (Net of Allowance for Uncollectibles of \$14,266)	15,588	698,058
Accounts Receivable (Net of Allowance for Uncollectibles of \$380,919)	121,356	248,537
Special Assessments Receivable	8,952	11,815
Investment Income Receivable	10,860	20,916
Intergovernmental Receivable	143,108	295,968
Loans Receivable (Net of Allowance for Uncollectibles of \$1,180,129)	2,009,045	2,009,087
Due from Other Funds	131,921	328,315
Inventories	1,969	44,022
Prepaid Items and Other Assets	8,802	8,813
Advances to Other Funds	160,708	293,885
Restricted Assets	19,591	19,591
Properties Held for Housing Development	110,304	110,304
<b>TOTAL ASSETS</b>	<b>\$ 7,351,037</b>	<b>\$ 10,224,068</b>
<b>LIABILITIES</b>		
Accounts, Contracts and Retainage Payable	\$ 173,343	\$ 438,885
Obligations Under Securities Lending Transactions	26,371	40,244
Accrued Salaries and Overtime Payable	25,547	277,569
Accrued Compensated Absences Payable	--	7,912
Claims and Judgments Payable	--	35,741
Intergovernmental Payable	2,820	3,830
Due to Other Funds	217,403	407,520
Unearned Revenue	589,632	589,632
Deposits and Advances	243,146	252,330
Interest Payable	319	319
Advances from Other Funds	176,642	307,735
Other Liabilities	15,177	68,381
Liability for Excess CRA Bond Proceeds	57,563	57,563
<b>TOTAL LIABILITIES</b>	<b>1,527,963</b>	<b>2,487,661</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Property Tax	12,111	100,726
Taxes Other than Property	8	398,259
Receivables from Other Government Agencies	81,223	210,532
Interest Receivable on Loans and Others	620,394	733,199
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>713,736</b>	<b>1,442,716</b>
<b>FUND BALANCES</b>		
Nonspendable	10,771	73,666
Restricted	3,696,713	3,888,937
Committed	1,458,310	1,495,696
Assigned	3,982	360,149
Unassigned	(60,438)	475,243
<b>TOTAL FUND BALANCES</b>	<b>5,109,338</b>	<b>6,293,691</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 7,351,037</b>	<b>\$ 10,224,068</b>

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

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CITY OF LOS ANGELES

Reconciliation of the Balance Sheet of Governmental Funds  
to the Statement of Net Position  
June 30, 2020  
(amounts expressed in thousands)

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<b>Total Fund Balances - Governmental Funds</b>	\$ 6,293,691
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.	8,335,372
Deferred outflows of resources reported in the statement of net position, but not recognized in the governmental funds.	2,745,567
Unavailable revenues are reported as deferred inflows of resources in the governmental funds, but are recognized as revenues when earned in governmental activities.	1,442,716
Deferred inflows of resources reported in the statement of net position, but not recognized in the governmental funds.	(1,251,204)
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.	<u>(14,771,943)</u>
<b>Net Position of Governmental Activities</b>	<u>\$ 2,794,199</u>

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, 2020  
(amounts expressed in thousands)**

	<b>Municipal Improvement Corporation</b>		
	<b>General</b>	<b>Special Revenue</b>	<b>Debt Service</b>
<b>REVENUES</b>			
Property Taxes	\$ 2,213,899	\$ --	\$ --
Sales Taxes	536,362	--	--
Utility Users' Taxes	643,564	--	--
Business Taxes	668,035	--	--
Other Taxes	620,653	--	--
Licenses and Permits	34,999	--	--
Intergovernmental	27,284	--	821
Charges for Services	351,983	--	--
Services to Enterprise Funds	368,706	--	--
Fines	113,643	--	--
Special Assessments	769	--	--
Investment Earnings	99,248	1,233	793
Program Income	--	--	--
Other	65,406	--	--
<b>TOTAL REVENUES</b>	<b>5,744,551</b>	<b>1,233</b>	<b>1,614</b>
<b>EXPENDITURES</b>			
Current			
General Government	1,553,572	--	2,422
Protection of Persons and Property	3,269,764	--	--
Public Works	219,657	--	--
Health and Sanitation	107,329	--	--
Transportation	102,720	--	--
Cultural and Recreational Services	52,220	--	--
Community Development	84,944	--	--
Capital Outlay	54,241	175,833	--
Debt Service			
Principal	--	--	171,088
Interest	19,609	--	66,723
Cost of Issuance	559	95	81
<b>TOTAL EXPENDITURES</b>	<b>5,464,615</b>	<b>175,928</b>	<b>240,314</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>279,936</b>	<b>(174,695)</b>	<b>(238,700)</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	292,948	244	217,589
Transfers Out	(714,147)	(27,774)	(153)
Proceeds from Long-Term Debt	--	187,845	--
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(421,199)</b>	<b>160,315</b>	<b>217,436</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(141,263)</b>	<b>(14,380)</b>	<b>(21,264)</b>
<b>FUND BALANCES, JULY 1, AS PREVIOUSLY REPORTED</b>	<b>1,106,041</b>	<b>38,454</b>	<b>189,414</b>
<b>CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE, GASB 84 IMPLEMENTATION</b>	<b>27,351</b>	<b>--</b>	<b>--</b>
<b>FUND BALANCES, JULY 1 RESTATED</b>	<b>1,133,392</b>	<b>38,454</b>	<b>189,414</b>
<b>FUND BALANCES, JUNE 30</b>	<b>\$ 992,129</b>	<b>\$ 24,074</b>	<b>\$ 168,150</b>

CITY OF LOS ANGELES

**Statement of Revenues, Expenditures  
and Changes in Fund Balances - (Continued)  
Governmental Funds  
For the Fiscal Year Ended June 30, 2020  
(amounts expressed in thousands)**

	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>REVENUES</b>		
Property Taxes	\$ 144,400	\$ 2,358,299
Sales Taxes	--	536,362
Utility Users' Taxes	--	643,564
Business Taxes	--	668,035
Other Taxes	70,892	691,545
Licenses and Permits	66,811	101,810
Intergovernmental	1,153,115	1,181,220
Charges for Services	1,045,879	1,397,862
Services to Enterprise Funds	6,469	375,175
Fines	6,329	119,972
Special Assessments	147,030	147,799
Investment Earnings	166,175	267,449
Program Income	33,936	33,936
Other	46,806	112,212
	<b>2,887,842</b>	<b>8,635,240</b>
<b>EXPENDITURES</b>		
Current		
General Government	40,229	1,596,223
Protection of Persons and Property	416,415	3,686,179
Public Works	262,349	482,006
Health and Sanitation	446,365	553,694
Transportation	411,544	514,264
Cultural and Recreational Services	603,825	656,045
Community Development	552,320	637,264
Capital Outlay	277,457	507,531
Debt Service		
Principal	167,496	338,584
Interest	44,054	130,386
Cost of Issuance	--	735
	<b>3,222,054</b>	<b>9,102,911</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(334,212)</b>	<b>(467,671)</b>
<b>OTHER FINANCING SOURCES (USES)</b>		
Transfers In	602,957	1,113,738
Transfers Out	(141,751)	(883,825)
Proceeds from Long-Term Debt	--	187,845
	<b>461,206</b>	<b>417,758</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>126,994</b>	<b>(49,913)</b>
<b>FUND BALANCES, JULY 1, AS PREVIOUSLY REPORTED</b>	<b>4,978,349</b>	<b>6,312,258</b>
<b>CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE, GASB 84 IMPLEMENTATION</b>	<b>3,995</b>	<b>31,346</b>
<b>FUND BALANCES, JULY 1 RESTATED</b>	<b>4,982,344</b>	<b>6,343,604</b>
<b>FUND BALANCES, JUNE 30</b>	<b>\$ 5,109,338</b>	<b>\$ 6,293,691</b>

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



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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, 2020  
(amounts expressed in thousands)

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**Net Change in Fund Balances - Total Governmental Funds** \$ (49,913)

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.	152,513
Amortization of losses on refunding of debt is reported as interest expense in governmental activities, but is not reported for governmental funds.	(4,791)
Change in unavailable revenues are reported as changes in deferred inflows of resources for governmental funds, but were recognized as revenues for governmental activities.	132,616
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	\$ (403)
Net amortization of bond premiums and discounts	<u>32,675</u>
Total net interest expenses and amortization of discount/premium	32,272
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.	150,739
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.	(34,779)
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.	<u>(22,544)</u>
<b>Change in Net Position of Governmental Activities</b>	<b><u>\$ 356,113</u></b>

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, 2020  
(amounts expressed in thousands)**

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary) Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes	\$ 4,860,842	\$ 4,775,505	\$ 4,721,143	\$ (54,362)
Licenses, Permits, Fees and Fines	1,350,667	1,350,783	1,313,136	(37,647)
Intergovernmental	17,675	20,524	21,596	1,072
Interest	36,700	42,661	46,412	3,751
Other	10,953	10,616	10,102	(514)
<b>TOTAL REVENUES</b>	<u>6,276,837</u>	<u>6,200,089</u>	<u>6,112,389</u>	<u>(87,700)</u>
<b>EXPENDITURES</b>				
Current				
General Government	1,915,532	2,127,029	1,968,928	158,101
Protection of Persons and Property	2,580,890	2,724,317	2,677,955	46,362
Public Works	427,885	480,374	464,456	15,918
Health and Sanitation	317,127	329,973	314,604	15,369
Transportation	186,965	193,249	173,502	19,747
Cultural and Recreational Services	51,816	51,798	48,223	3,575
Community Development	187,225	198,341	174,081	24,260
Pension and Retirement Contributions	2,731	2,518	2,325	193
Capital Outlay	96,867	147,841	65,012	82,829
<b>TOTAL EXPENDITURES</b>	<u>5,767,038</u>	<u>6,255,440</u>	<u>5,889,086</u>	<u>366,354</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>509,799</u>	<u>(55,351)</u>	<u>223,303</u>	<u>278,654</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from Other Funds	1,507,411	2,154,424	1,874,970	(279,454)
Loans from Other Funds	--	170	108,397	108,227
Transfers to Other Funds	(2,088,660)	(2,099,243)	(2,099,198)	45
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(581,249)</u>	<u>55,351</u>	<u>(115,831)</u>	<u>(171,182)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	<u>(71,450)</u>	<u>--</u>	<u>107,472</u>	<u>107,472</u>
<b>FUND BALANCE, JULY 1</b>	71,450	71,450	--	(71,450)
Appropriation of Fund Balance and Carryforward Appropriations	--	(71,450)	--	71,450
Encumbrances Lapsed	--	--	30,937	30,937
Reversion to Reserve Fund	--	--	(138,409)	(138,409)
<b>FUND BALANCE, JUNE 30</b>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

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, 2020**  
(amounts expressed in thousands)

	<b>Business-type Activities - Enterprise Funds</b>			
	<b>Airports</b>	<b>Harbor</b>	<b>Power</b>	<b>Water</b>
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash, Pooled and Other Investments				
Unrestricted	\$ 991,169	\$ 928,706	\$ 1,124,874	\$ 619,644
Restricted	1,051,142	12,066	470,358	193,727
Investments Held by Escrow and Fiscal Agents				
Unrestricted	1,249	--	--	--
Restricted	1,054,833	--	--	--
Loans and Notes Receivable	71	--	155,920	--
Accounts Receivable				
Accounts Receivable				
(Net of Allowance for Uncollectibles of \$246,024)	101,906	17,582	385,374	102,666
Accrued Unbilled Revenue	208	--	233,342	101,390
Investment Income Receivable	5,821	3,729	4,054	654
Intergovernmental Receivable	86,416	2,715	4,804	387
Restricted Passenger/Customer Facility Charges Receivable	3,132	--	--	--
Due from Other Funds	--	--	1,608	--
Inventories	1,421	2,757	204,387	25,438
Prepaid Items and Other Assets	5,970	505	263,890	72,468
<b>TOTAL CURRENT ASSETS</b>	<b>3,303,338</b>	<b>968,060</b>	<b>2,848,611</b>	<b>1,116,374</b>
<b>NONCURRENT ASSETS</b>				
Restricted Assets				
Pooled Cash and Cash Equivalents, and Other Investments	--	11,172	399,521	72,038
Investments Held by Escrow and Fiscal Agents	--	42,281	653,245	53,414
Total Restricted Assets	--	53,453	1,052,766	125,452
Long-term Investment				
Investment in Joint Ventures	--	6,790	--	--
Capital Assets				
Land	1,273,775	1,106,805	241,103	199,742
Construction in Progress	3,713,818	274,649	673,890	1,587,837
Buildings, Facilities and Equipment	10,586,733	4,873,778	20,355,423	10,408,757
Natural Gas Field	--	--	151,724	--
Nuclear Fuel	--	--	43,323	--
Intangible Assets	111,306	25,360	214,419	--
Accumulated Depreciation	(3,419,760)	(2,522,562)	(8,852,962)	(3,270,303)
Total Capital Assets	12,265,872	3,758,030	12,826,920	8,926,033
Other Noncurrent Assets				
Loans and Notes Receivable	--	--	110,962	--
Intergovernmental Receivable	21,204	--	--	--
Advances to Other Funds	--	--	--	--
Regulatory Assets	--	--	1,503,228	443,986
Other Assets	--	--	65,691	--
Total Other Noncurrent Assets	21,204	--	1,679,881	443,986
<b>TOTAL NONCURRENT ASSETS</b>	<b>12,287,076</b>	<b>3,818,273</b>	<b>15,559,567</b>	<b>9,495,471</b>
<b>TOTAL ASSETS</b>	<b>15,590,414</b>	<b>4,786,333</b>	<b>18,408,178</b>	<b>10,611,845</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred Outflows from Debt Refunding	35,732	11,787	18,109	20,136
Deferred Outflows from Derivative Instruments	--	--	3,928	--
Deferred Outflows from Asset Retirement Obligation	--	--	28,460	--
Deferred Outflows from Pensions	152,781	46,379	457,417	220,070
Deferred Outflows from OPEB	31,537	10,533	165,180	79,770
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>220,050</b>	<b>68,699</b>	<b>673,094</b>	<b>319,976</b>

Continued...

**CITY OF LOS ANGELES**  
**Statement of Net Position - (Continued)**  
**Proprietary Funds**  
**June 30, 2020**  
**(amounts expressed in thousands)**

	<b>Business-type Activities - Enterprise Funds</b>		
	<b>Sewer</b>	<b>Nonmajor Convention Center</b>	<b>Total</b>
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash, Pooled and Other Investments			
Unrestricted	\$ 65,514	\$ 19,086	\$ 3,748,993
Restricted	171,446	--	1,898,739
Investments Held by Escrow and Fiscal Agents			
Unrestricted	--	--	1,249
Restricted	--	--	1,054,833
Loans and Notes Receivable	--	--	155,991
Accounts Receivable			
Accounts Receivable			
(Net of Allowance for Uncollectibles of \$246,024)	139,196	3,438	750,162
Accrued Unbilled Revenue	52,173	--	387,113
Investment Income Receivable	540	--	14,798
Intergovernmental Receivable	--	--	94,322
Restricted Passenger/Customer Facility Charges Receivable	--	--	3,132
Due from Other Funds	79,208	--	80,816
Inventories	20,139	--	254,142
Prepaid Items and Other Assets	--	130	342,963
<b>TOTAL CURRENT ASSETS</b>	<b>528,216</b>	<b>22,654</b>	<b>8,787,253</b>
<b>NONCURRENT ASSETS</b>			
Restricted Assets			
Pooled Cash and Cash Equivalents, and Other Investments	103,464	--	586,195
Investments Held by Escrow and Fiscal Agents	5,281	--	754,221
<b>Total Restricted Assets</b>	<b>108,745</b>	<b>--</b>	<b>1,340,416</b>
Long-term Investment			
Investment in Joint Ventures	--	--	6,790
Capital Assets			
Land	40,859	139,592	3,001,876
Construction in Progress	497,190	--	6,747,384
Buildings, Facilities and Equipment	8,392,869	597,196	55,214,756
Natural Gas Field	--	--	151,724
Nuclear Fuel	--	--	43,323
Intangible Assets	--	--	351,085
Accumulated Depreciation	(4,263,753)	(328,467)	(22,657,807)
<b>Total Capital Assets</b>	<b>4,667,165</b>	<b>408,321</b>	<b>42,852,341</b>
Other Noncurrent Assets			
Loans and Notes Receivable	--	--	110,962
Intergovernmental Receivable	--	--	21,204
Advances to Other Funds	13,850	--	13,850
Regulatory Assets	--	--	1,947,214
Other Assets	--	--	65,691
<b>Total Other Noncurrent Assets</b>	<b>13,850</b>	<b>--</b>	<b>2,158,921</b>
<b>TOTAL NONCURRENT ASSETS</b>	<b>4,789,760</b>	<b>408,321</b>	<b>46,358,468</b>
<b>TOTAL ASSETS</b>	<b>5,317,976</b>	<b>430,975</b>	<b>55,145,721</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Outflows from Debt Refunding	66,440	--	152,204
Deferred Outflows from Derivative Instruments	--	--	3,928
Deferred Outflows from Asset Retirement Obligation	--	--	28,460
Deferred Outflows from Pensions	--	--	876,647
Deferred Outflows from OPEB	--	--	287,020
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>66,440</b>	<b>--</b>	<b>1,348,259</b>

Continued...

**CITY OF LOS ANGELES**

**Statement of Net Position - (Continued)  
Proprietary Funds  
June 30, 2020  
(amounts expressed in thousands)**

	<b>Business-type Activities - Enterprise Funds</b>			
	<b>Airports</b>	<b>Harbor</b>	<b>Power</b>	<b>Water</b>
<b>LIABILITIES</b>				
<b>CURRENT LIABILITIES</b>				
Accounts, Contracts and Retainage Payable	\$ 443,922	\$ 42,214	\$ 426,701	\$ 115,600
Obligations Under Securities Lending Transactions	12,906	5,645	11,313	4,830
Accrued Salaries and Overtime Payable	39,286	10,947	54,549	24,771
Accrued Compensated Absences Payable	5,794	13,289	77,218	39,866
Due to Other Funds	--	--	--	1,608
Deposits and Advances	--	--	--	258,351
Accrued Interest Payable	44,630	14,507	226,601	118,465
Bonds and Notes Payable - Current Portion	204,222	45,410	233,205	135,456
Other Current Liabilities	43,577	25,318	--	11,740
<b>TOTAL CURRENT LIABILITIES</b>	<b>794,337</b>	<b>157,330</b>	<b>1,029,587</b>	<b>710,687</b>
<b>LONG-TERM LIABILITIES</b>				
Bonds and Notes Payable - Noncurrent Portion (Net of Unamortized Premiums and Discounts of \$2,746,324)	7,963,523	743,079	10,528,489	6,198,644
Net Pension Liability	821,564	227,984	564,130	260,739
Net OPEB Liability	69,609	22,103	388,693	179,653
Asset Retirement Obligation	--	--	237,361	--
Derivative Instrument Liabilities	--	--	3,928	--
Other Long-term Liabilities	144,726	110,735	140,151	24,346
<b>TOTAL LONG-TERM LIABILITIES</b>	<b>8,999,422</b>	<b>1,103,901</b>	<b>11,862,752</b>	<b>6,663,382</b>
<b>TOTAL LIABILITIES</b>	<b>9,793,759</b>	<b>1,261,231</b>	<b>12,892,339</b>	<b>7,374,069</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred Inflows from Business Activities	--	--	145,696	--
Deferred Inflows from Debt Refunding	24,271	--	26,692	12,799
Deferred Inflows from Pensions	37,177	21,964	200,159	94,913
Deferred Inflows from OPEB	31,532	9,814	114,381	56,026
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>92,980</b>	<b>31,778</b>	<b>486,928</b>	<b>163,738</b>
<b>NET POSITION</b>				
Net Investment in Capital Assets	5,119,799	2,979,268	2,056,699	2,624,870
Restricted for:				
Debt Service	--	42,281	720,197	88,002
Passenger/Customer Facility Charges	788,862	--	--	--
Other Purposes	242,754	--	230,282	33,636
Unrestricted (Deficit)	(227,690)	540,474	2,694,827	647,506
<b>TOTAL NET POSITION</b>	<b>\$ 5,923,725</b>	<b>\$ 3,562,023</b>	<b>\$ 5,702,005</b>	<b>\$ 3,394,014</b>

Continued..

**CITY OF LOS ANGELES**  
**Statement of Net Position - (Continued)**  
**Proprietary Funds**  
**June 30, 2020**  
(amounts expressed in thousands)

	<b>Business-type Activities - Enterprise Funds</b>		
	<b>Sewer</b>	<b>Nonmajor Convention Center</b>	<b>Total</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Accounts, Contracts and Retainage Payable	\$ 63,894	\$ 2,073	\$ 1,094,404
Obligations Under Securities Lending Transactions	--	--	34,694
Accrued Salaries and Overtime Payable	--	541	130,094
Accrued Compensated Absences Payable	--	328	136,495
Due to Other Funds	3	--	1,611
Deposits and Advances	--	1,741	260,092
Accrued Interest Payable	11,383	--	415,586
Bonds and Notes Payable - Current Portion	137,148	--	755,441
Other Current Liabilities	13,600	--	94,235
<b>TOTAL CURRENT LIABILITIES</b>	<b>226,028</b>	<b>4,683</b>	<b>2,922,652</b>
<b>LONG-TERM LIABILITIES</b>			
Bonds and Notes Payable - Noncurrent Portion (Net of Unamortized Premiums and Discounts of \$2,746,324)	2,801,204	--	28,234,939
Net Pension Liability	--	--	1,874,417
Net OPEB Liability	--	--	660,058
Asset Retirement Obligation	--	--	237,361
Derivative Instrument Liabilities	--	--	3,928
Other Long-term Liabilities	47,457	--	467,415
<b>TOTAL LONG-TERM LIABILITIES</b>	<b>2,848,661</b>	<b>--</b>	<b>31,478,118</b>
<b>TOTAL LIABILITIES</b>	<b>3,074,689</b>	<b>4,683</b>	<b>34,400,770</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Inflows from Business Activities	--	--	145,696
Deferred Inflows from Debt Refunding	370	--	64,132
Deferred Inflows from Pensions	--	--	354,213
Deferred Inflows from OPEB	--	--	211,753
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>370</b>	<b>--</b>	<b>775,794</b>
<b>NET POSITION</b>			
Net Investment in Capital Assets	1,992,673	408,321	15,181,630
Restricted for:			
Debt Service	21,061	--	871,541
Passenger/Customer Facility Charges	--	--	788,862
Other Purposes	56,059	--	562,731
Unrestricted (Deficit)	239,564	17,971	3,912,652
<b>TOTAL NET POSITION</b>	<b>\$ 2,309,357</b>	<b>\$ 426,292</b>	<b>\$ 21,317,416</b>

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, 2020  
(amounts expressed in thousands)**

	<b>Business-type Activities - Enterprise Funds</b>			
	<b>Airports</b>	<b>Harbor</b>	<b>Power</b>	<b>Water</b>
<b>OPERATING REVENUES</b>				
Charges for Services	\$ 259,185	\$ 369,565	\$ 3,807,291	\$ 1,275,067
Rents, Concessions and Royalties	1,087,636	73,103	--	--
Other Operating Revenues	18,673	24,998	--	--
<b>TOTAL OPERATING REVENUES</b>	<b>1,365,494</b>	<b>467,666</b>	<b>3,807,291</b>	<b>1,275,067</b>
<b>OPERATING EXPENSES</b>				
Fuel for Generation	--	--	207,043	--
Purchased Power/Water	--	--	1,242,068	160,228
Maintenance and Repairs	--	--	353,587	223,822
Operating and Administrative	909,985	273,570	1,010,716	375,881
Depreciation and Amortization	450,606	158,613	629,896	197,835
<b>TOTAL OPERATING EXPENSES</b>	<b>1,360,591</b>	<b>432,183</b>	<b>3,443,310</b>	<b>957,766</b>
<b>OPERATING INCOME (LOSS)</b>	<b>4,903</b>	<b>35,483</b>	<b>363,981</b>	<b>317,301</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Investment Income	120,052	42,104	111,295	38,949
Interest Expense	(320,892)	(24,707)	(370,110)	(218,425)
Other Income (Expenses), Net	194,506	2,025	157,207	23,640
<b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>	<b>(6,334)</b>	<b>19,422</b>	<b>(101,608)</b>	<b>(155,836)</b>
<b>INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS</b>	<b>(1,431)</b>	<b>54,905</b>	<b>262,373</b>	<b>161,465</b>
Capital Contributions	105,346	3,440	57,692	47,148
Transfers Out	--	--	(229,913)	--
<b>CHANGE IN NET POSITION</b>	<b>103,915</b>	<b>58,345</b>	<b>90,152</b>	<b>208,613</b>
<b>NET POSITION, JULY 1</b>	<b>5,863,267</b>	<b>3,503,678</b>	<b>5,611,853</b>	<b>3,185,401</b>
<b>PRIOR PERIOD ADJUSTMENT</b>	<b>(43,457)</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>NET POSITION, JUNE 30</b>	<b>\$ 5,923,725</b>	<b>\$ 3,562,023</b>	<b>\$ 5,702,005</b>	<b>\$ 3,394,014</b>

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, 2020**  
**(amounts expressed in thousands)**

	<b>Business-type Activities - Enterprise Funds</b>		
	<b>Sewer</b>	<b>Nonmajor Convention Center</b>	<b>Total</b>
<b>OPERATING REVENUES</b>			
Charges for Services	\$ 743,132	\$ 3,559	\$ 6,457,799
Rents, Concessions and Royalties	--	22,361	1,183,100
Other Operating Revenues	9,595	13,582	66,848
<b>TOTAL OPERATING REVENUES</b>	<b>752,727</b>	<b>39,502</b>	<b>7,707,747</b>
<b>OPERATING EXPENSES</b>			
Fuel for Generation	--	--	207,043
Purchased Power/Water	--	--	1,402,296
Maintenance and Repairs	--	801	578,210
Operating and Administrative	368,658	38,460	2,977,270
Depreciation and Amortization	192,004	12,877	1,641,831
<b>TOTAL OPERATING EXPENSES</b>	<b>560,662</b>	<b>52,138</b>	<b>6,806,650</b>
<b>OPERATING INCOME (LOSS)</b>	<b>192,065</b>	<b>(12,636)</b>	<b>901,097</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Investment Income	9,870	101	322,371
Interest Expense	(108,531)	--	(1,042,665)
Other Income (Expenses), Net	2,289	--	379,667
<b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>	<b>(96,372)</b>	<b>101</b>	<b>(340,627)</b>
<b>INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS</b>	<b>95,693</b>	<b>(12,535)</b>	<b>560,470</b>
Capital Contributions	13,317	--	226,943
Transfers Out	--	--	(229,913)
<b>CHANGE IN NET POSITION</b>	<b>109,010</b>	<b>(12,535)</b>	<b>557,500</b>
<b>NET POSITION, JULY 1</b>	<b>2,200,347</b>	<b>438,827</b>	<b>20,803,373</b>
<b>PRIOR PERIOD ADJUSTMENT</b>	<b>--</b>	<b>--</b>	<b>(43,457)</b>
<b>NET POSITION, JUNE 30</b>	<b>\$ 2,309,357</b>	<b>\$ 426,292</b>	<b>\$ 21,317,416</b>

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, 2020  
(amounts expressed in thousands)**

	<b>Business-type Activities - Enterprise Funds</b>			
	<b>Airports</b>	<b>Harbor</b>	<b>Power</b>	<b>Water</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from Customers and Users	\$ 1,330,960	\$ 491,406	\$ 4,264,004	\$ 1,384,152
Receipts for Interfund Services	--	--	807,408	510,512
Payments to Suppliers	(190,699)	(71,751)	(2,175,001)	(237,339)
Payments to Employees	(476,509)	(133,658)	(778,185)	(374,422)
Payments for Interfund Services	(122,973)	(48,366)	(962,553)	(739,375)
<b>NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES</b>	<b>540,779</b>	<b>237,631</b>	<b>1,155,673</b>	<b>543,528</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfers Out	--	--	(229,913)	--
Interest Paid on Noncapital Revenue Bonds	--	--	(5,419)	--
Cash Received from Noncapital Grants	10,860	1,439	--	--
Cash Receipts from Nonoperating Revenues	--	--	--	--
<b>NET CASH PROVIDED BY (USED FOR) NONCAPITAL FINANCING ACTIVITIES</b>	<b>10,860</b>	<b>1,439</b>	<b>(235,332)</b>	<b>--</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition and Construction of Capital Assets	(1,653,300)	(104,277)	(1,225,658)	(644,708)
Proceeds from Sales of Capital Assets	--	605	--	--
Receipts from Passenger/Customer Facility Charges	214,599	--	--	--
Proceeds from Sale of Bonds, Notes and Loans	520,679	--	662,783	314,372
Payments on Bonds, Notes and Loans - Interest	(362,113)	(37,773)	(442,940)	(252,554)
Payments on Bonds, Notes and Loans - Principal	(231,510)	(67,955)	(171,925)	(88,356)
Payments of Bonds and Notes - Expenses	(1,591)	--	--	--
Capital Contributions/Grants Received	48,186	2,862	57,692	47,148
Federal Bond Subsidies	--	--	33,831	17,437
Other	--	962	--	--
<b>NET CASH (USED FOR) CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<b>(1,465,050)</b>	<b>(205,576)</b>	<b>(1,086,217)</b>	<b>(606,661)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Investment income	123,406	41,348	102,379	38,794
Cash Collateral Paid Under Securities Lending Transactions	(7,209)	(2,571)	--	--
(Purchase) Sale of Investment Securities	249,402	1,970	(9,453)	(1,262)
Proceeds from Notes Receivable	--	--	159,309	--
Receipts from Bond Reserve Fund	--	21,066	--	--
<b>NET CASH PROVIDED BY (USED FOR) INVESTING ACTIVITIES</b>	<b>365,599</b>	<b>61,813</b>	<b>252,235</b>	<b>37,532</b>

Continued...

**CITY OF LOS ANGELES**

**Statement of Cash Flows - (Continued)  
Proprietary Funds  
For the Fiscal Year Ended June 30, 2020  
(amounts expressed in thousands)**

	<b>Business-type Activities - Enterprise Funds</b>		
	<b>Sewer</b>	<b>Nonmajor Convention Center</b>	<b>Total</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from Customers and Users	\$ 734,559	\$ 40,973	\$ 8,246,054
Receipts for Interfund Services	--	--	1,317,920
Payments to Suppliers	(70,945)	(22,126)	(2,767,861)
Payments to Employees	--	(13,469)	(1,776,243)
Payments for Interfund Services	(354,751)	(6,422)	(2,234,440)
<b>NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES</b>	<b>308,863</b>	<b>(1,044)</b>	<b>2,785,430</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfers Out	--	--	(229,913)
Interest Paid on Noncapital Revenue Bonds	--	--	(5,419)
Cash Received from Noncapital Grants	--	--	12,299
Cash Receipts from Nonoperating Revenues	11,588	--	11,588
<b>NET CASH PROVIDED BY (USED FOR) NONCAPITAL FINANCING ACTIVITIES</b>	<b>11,588</b>	<b>--</b>	<b>(211,445)</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Acquisition and Construction of Capital Assets	(343,198)	(404)	(3,971,545)
Proceeds from Sales of Capital Assets	--	--	605
Receipts from Passenger/Customer Facility Charges	--	--	214,599
Proceeds from Sale of Bonds, Notes and Loans	30,000	--	1,527,834
Payments on Bonds, Notes and Loans - Interest	(130,824)	--	(1,226,204)
Payments on Bonds, Notes and Loans - Principal	(106,346)	--	(666,092)
Payments of Bonds and Notes - Expenses	(2,000)	--	(3,591)
Capital Contributions/Grants Received	18,833	--	174,721
Federal Bond Subsidies	5,544	--	56,812
Other	--	--	962
<b>NET CASH (USED FOR) CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<b>(527,991)</b>	<b>(404)</b>	<b>(3,891,899)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Investment income	11,974	101	318,002
Cash Collateral Paid Under Securities Lending Transactions	--	--	(9,780)
(Purchase) Sale of Investment Securities	--	--	240,657
Proceeds from Notes Receivable	--	--	159,309
Receipts from Bond Reserve Fund	--	--	21,066
<b>NET CASH PROVIDED BY (USED FOR) INVESTING ACTIVITIES</b>	<b>11,974</b>	<b>101</b>	<b>729,254</b>

Continued...

**CITY OF LOS ANGELES**

**Statement of Cash Flows - (Continued)  
Proprietary Funds  
For the Fiscal Year Ended June 30, 2020  
(amounts expressed in thousands)**

	<b>Business-type Activities - Enterprise Funds</b>			
	<b>Airports</b>	<b>Harbor</b>	<b>Power</b>	<b>Water</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	\$ (547,812)	\$ 95,307	\$ 86,359	\$ (25,601)
CASH AND CASH EQUIVALENTS, JULY 1	3,638,936	845,465	1,908,394	911,010
<b>CASH AND CASH EQUIVALENTS, JUNE 30</b>	<b>\$ 3,091,124</b>	<b>\$ 940,772</b>	<b>\$ 1,994,753</b>	<b>\$ 885,409</b>
<b>CASH AND CASH EQUIVALENTS COMPONENTS</b>				
Unrestricted Cash, Pooled and Other Investments	\$ 991,169	\$ 928,706	\$ 1,124,874	\$ 619,644
Restricted Cash, Pooled and Other Investments	1,051,142	12,066	869,879	265,765
Unrestricted Investments, Held by Escrow and Fiscal Agents	1,249	--	--	--
Restricted Investments Held by Escrow and Fiscal Agents	1,047,564	--	--	--
<b>TOTAL CASH AND CASH EQUIVALENTS, JUNE 30</b>	<b>\$ 3,091,124</b>	<b>\$ 940,772</b>	<b>\$ 1,994,753</b>	<b>\$ 885,409</b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES</b>				
Operating Income (Loss)	\$ 4,903	\$ 35,483	\$ 363,981	\$ 317,301
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided By (Used For) Operating Activities:				
Depreciation and Amortization	450,606	158,613	629,896	197,835
Depletion	--	--	14,613	--
Amortization of Nuclear Fuel	--	--	13,412	--
Bad Debts Provision	1,977	25	37,699	2,436
Other Nonoperating Revenues	4,075	--	--	--
Decrease (Increase) in Assets				
Loans Receivable	7,238	--	--	--
Accounts Receivable	(98,964)	23,715	(117,035)	(32,088)
Accrued Unbilled Revenue	50,504	--	(15,555)	(7,289)
Due from Other Funds	--	--	653	--
Inventories	--	(101)	(19,399)	2,175
Prepaid Items and Other Assets	1,508	(15)	278,456	(1,248)
Increase (Decrease) in Liabilities and Deferred Amounts				
Other Assets	--	--	--	101,955
Asset Retirement Obligation	--	--	(29,324)	--
Accounts, Contracts and Retainage Payable	54,251	10,981	21,577	9,678
Accrued Salaries and Overtime Payable	15,692	7,534	11,117	(5,788)
Accrued Compensated Absences Payable	8,258	--	7,917	--
Due to Other Funds	--	--	--	(653)
Deferred Inflows, Credits and Other Liabilities	--	(3,239)	(36,534)	(3,467)
Deposits and Advances	--	--	--	23,215
Pension/OPEB Liabilities and Changes in Deferred Outflows and Inflows of Resources	33,885	4,635	(4,768)	(57,550)
Other Liabilities	6,846	--	(1,033)	(2,984)
<b>TOTAL ADJUSTMENTS</b>	<b>535,876</b>	<b>202,148</b>	<b>791,692</b>	<b>226,227</b>
<b>NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES</b>	<b>\$ 540,779</b>	<b>\$ 237,631</b>	<b>\$ 1,155,673</b>	<b>\$ 543,528</b>
<b>NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Net Proceeds of Refunding Bonds Deposited with an Irrevocable Trust Account	\$ 926,983	\$ 194,155	\$ 159,900	\$ --
Defeased Debt and Costs Paid Through Escrow with Revenue Bonds	(926,983)	(194,155)	(159,400)	--
Acquisition of Capital Assets Included in Accounts and Contracts Payable	269,838	4,964	83,542	57,175
Changes in Contributions in Relation to Capital Assets	(57,160)	2,862	--	--
Write-Off (Loss) on Discontinued Construction Project	--	3,599	--	--
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, 2020  
(amounts expressed in thousands)**

	<b>Business-type Activities - Enterprise Funds</b>		
	<b>Sewer</b>	<b>Nonmajor Convention Center</b>	<b>Total</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>			
CASH AND CASH EQUIVALENTS, JULY 1	\$ 535,990	\$ 20,433	\$ 7,860,228
<b>CASH AND CASH EQUIVALENTS, JUNE 30</b>	<b>\$ 340,424</b>	<b>\$ 19,086</b>	<b>\$ 7,271,568</b>
<b>CASH AND CASH EQUIVALENTS COMPONENTS</b>			
Unrestricted Cash, Pooled and Other Investments	\$ 65,514	\$ 19,086	\$ 3,748,993
Restricted Cash, Pooled and Other Investments	274,910	--	2,473,762
Unrestricted Investments, Held by Escrow and Fiscal Agents	--	--	1,249
Restricted Investments Held by Escrow and Fiscal Agents	--	--	1,047,564
<b>TOTAL CASH AND CASH EQUIVALENTS, JUNE 30</b>	<b>\$ 340,424</b>	<b>\$ 19,086</b>	<b>\$ 7,271,568</b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES</b>			
Operating Income (Loss)	\$ 192,065	\$ (12,636)	\$ 901,097
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided By (Used For) Operating Activities:			
Depreciation and Amortization	192,004	12,877	1,641,831
Depletion	--	--	14,613
Amortization of Nuclear Fuel	--	--	13,412
Bad Debts Provision	1,192	--	43,329
Other Nonoperating Revenues	--	--	4,075
Decrease (Increase) in Assets			
Loans Receivable	--	--	7,238
Accounts Receivable	(19,360)	1,471	(242,261)
Accrued Unbilled Revenue	--	--	27,660
Due from Other Funds	--	--	653
Inventories	(2,700)	--	(20,025)
Prepaid Items and Other Assets	--	11	278,712
Increase (Decrease) in Liabilities and Deferred Amounts			
Other Assets	--	--	101,955
Asset Retirement Obligation	--	--	(29,324)
Accounts, Contracts and Retainage Payable	(35,211)	(1,087)	60,189
Accrued Salaries and Overtime Payable	--	(47)	28,508
Accrued Compensated Absences Payable	--	(236)	15,939
Due to Other Funds	(19,127)	--	(19,780)
Deferred Inflows, Credits and Other Liabilities	--	--	(43,240)
Deposits and Advances	--	(1,397)	21,818
Pension/OPEB Liabilities and Changes in Deferred Outflows and Inflows of Resources	--	--	(23,798)
Other Liabilities	--	--	2,829
<b>TOTAL ADJUSTMENTS</b>	<b>116,798</b>	<b>11,592</b>	<b>1,884,333</b>
<b>NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES</b>	<b>\$ 308,863</b>	<b>\$ (1,044)</b>	<b>\$ 2,785,430</b>
<b>NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Net Proceeds of Refunding Bonds Deposited with an Irrevocable Trust Account	\$ --	\$ --	\$ 1,281,038
Defeased Debt and Costs Paid Through Escrow with Revenue Bonds	--	--	(1,280,538)
Acquisition of Capital Assets Included in Accounts and Contracts Payable	42,994	--	458,513
Changes in Contributions in Relation to Capital Assets	--	--	(54,298)
Write-Off (Loss) on Discontinued Construction Project	13,225	--	16,824
Amortization of Deferred Charges on Refunding	11,035	--	11,035
Sewage Disposal Contracts Capital Contributions	3,325	--	3,325

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, 2020  
(amounts expressed in thousands)**

	<b>Pension and Other Postemployment Benefits Trust Funds</b>	<b>Custodial Funds</b>
<b>ASSETS</b>		
Cash and Pooled Investments	\$ 97,660	\$ 14,460
Accounts Receivable	114,081	--
Special Assessments Receivable	--	166
Investment Income Receivable	163,288	18
Advance to Other Entities	666,948	--
Investments		
Short-Term Investments	2,692,076	--
US and Other Government Obligations	5,674,514	--
Domestic Stocks and Bonds	23,589,085	--
International Stocks and Bonds	13,309,610	--
Real Estate	3,352,945	--
Venture Capital and Alternative Investments	7,371,552	--
Securities Lending Collateral	2,350,452	--
Fixed Income and Other Investments	1,468,654	--
Prepaid Expense	26	--
Prepaid Health Subsidy	12,518	--
Capital Assets (Net of Accumulated Depreciation of \$9,136)	68,864	--
<b>TOTAL ASSETS</b>	<b>60,932,273</b>	<b>14,644</b>
<b>LIABILITIES</b>		
Accounts Payable and Accrued Expenses	172,139	--
Benefits in Process of Payment	22,607	--
Due to Brokers	1,044,234	--
Fiduciary Liabilities	--	184
Obligations Under Securities Lending Transactions	2,350,452	49
Due to Other Entities	--	2,542
Mortgage Loan Payable - Current Portion	1,062	--
Mortgage Loan Payable - Noncurrent Portion	193,308	--
Deposits and Advances	37	4,071
<b>TOTAL LIABILITIES</b>	<b>3,783,839</b>	<b>6,846</b>
<b>NET POSITION</b>		
Restricted for:		
Pension Plans	49,762,760	--
Disability Plan	49,928	--
Death Benefit Plan	37,365	--
Postemployment Healthcare Plans	7,298,381	--
Individuals, Organizations and Other Governments	--	7,798
<b>TOTAL NET POSITION</b>	<b>\$ 57,148,434</b>	<b>\$ 7,798</b>

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, 2020  
(amounts expressed in thousands)**

	<b>Pension and Other Postemployment Benefits Trust Funds</b>	<b>Custodial Funds</b>
<b>ADDITIONS</b>		
Contributions		
Employer	\$ 1,945,671	\$ --
Plan Member	538,948	--
Other	411	--
Total contributions	<u>2,485,030</u>	<u>--</u>
Self-Funded Insurance Premium	10,364	--
Health Insurance Premium Reserve	2,137	--
Taxes Collections from Community Facilities Districts	--	8,169
Investment Income		
Net Appreciation (Depreciation) in Fair Value of Investments	632,494	--
Interest Income	429,067	324
Income from Alternative Investments	24,042	--
Dividend Income	594,500	--
Securities Lending Income	25,367	49
Other Investment Income	51,441	--
Income from Real Estate Investments	93,734	--
Investment Income	<u>1,850,645</u>	<u>373</u>
Investment Expense	(263,342)	--
Securities Lending Expense	(9,764)	--
Net Investment Income	<u>1,577,539</u>	<u>373</u>
Other Income	792	--
<b>TOTAL ADDITIONS</b>	<u>4,075,862</u>	<u>8,542</u>
<b>DEDUCTIONS</b>		
Benefits Payments	(3,137,897)	--
Refunds of Member Contributions	23,663	--
Administrative Expenses	58,422	--
Debt Service Payments for Community Facilities Districts	--	7,461
<b>TOTAL DEDUCTIONS</b>	<u>(3,055,812)</u>	<u>7,461</u>
<b>CHANGE IN NET POSITION</b>		
Pension Plans	617,661	--
Disability Plan	1,645	--
Death Benefit Plan	8,558	--
Postemployment Healthcare Plans	228,016	--
Individuals, Organizations and Other Governments	--	1,081
<b>TOTAL CHANGE IN NET POSITION</b>	<u>855,880</u>	<u>1,081</u>
<b>NET POSITION, JULY 1</b>	<u>56,292,554</u>	<u>6,717</u>
<b>NET POSITION, JUNE 30</b>	<u>\$ 57,148,434</u>	<u>\$ 7,798</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: 811 Wilshire Blvd., 6<sup>th</sup> 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, Pension and Other Postemployment Benefits Trust Funds, and Custodial 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, Disability, and Death Benefit Insurance Plan; 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 Benefits 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 \$2.0 billion includes net interest receivable of \$532.8 million at June 30, 2020.

#### 3. Inventories

Inventories for materials and supplies, valued on an average cost 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 market value except for Airports, which uses cost on a first-in, first-out basis. Fuel is recorded at the lower of cost or market value on an average cost basis.

#### 4. Restricted Assets

For governmental activities and governmental funds, assets of \$19.6 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 \$4.3 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.

As described in Note 1E.18 of the notes to the basic financial statements, in fiscal year 2020, the City early implemented GASB Statement No. 89, "Accounting for Interest Cost Incurred before the End of a Construction Period," that requires the interest costs incurred before the end of a construction period as expenses. Accordingly, there was no capitalized interest in fiscal year 2020.

Power and Water provide an allowance for funds used during construction (AFUDC), which represents the cost of borrowed funds used for the construction of utility plants. Power and Water adopted GASB 89 in fiscal year 2020 and any interest on borrowed funds is now expensed as incurred.

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 2020, Power recorded \$14.6 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.

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 and Police sworn employees accumulate vacation from 128 hours to 900 hours and 120 hours to 600 hours, respectively. 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.

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 \$65.7 million as of June 30, 2020 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 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 20<sup>th</sup> 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.
- **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



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## Notes to the Basic Financial Statements

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.

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, 2020, were distributed as follows (in thousands):

	MICLA			Nonmajor Governmental Funds	Total
	General	Special Revenue	Debt Service		
<b>NONSPENDABLE</b>					
Advances to Other Funds	\$ 20,831	\$ --	\$ --	\$ --	\$ 20,831
Inventories	42,053	--	--	1,969	44,022
Prepaid Items and Other Assets	11	--	--	8,802	8,813
	<u>62,895</u>	<u>--</u>	<u>--</u>	<u>10,771</u>	<u>73,666</u>
<b>RESTRICTED</b>					
Affordable Housing, Community Development and Services	--	--	--	2,051,462	2,051,462
Debt Service	--	--	168,150	166,607	334,757
Fee Supported Programs	--	--	--	6,237	6,237
Fire and Crime Prevention and Emergency Services	--	--	--	53,108	53,108
Fire and Police Facilities	--	--	--	8,717	8,717
Governmental Functions and Services	--	--	--	29,179	29,179
Library and Cultural Activities	--	--	--	62,002	62,002
Other Capital Projects and Improvements	--	24,074	--	25,122	49,196
Recreation and Parks	--	--	--	582,832	582,832
Stormwater and Sanitation Projects and Services	--	--	--	174,980	174,980
Street Projects and Maintenance	--	--	--	25,600	25,600
Transit Projects and Services	--	--	--	510,867	510,867
	<u>--</u>	<u>24,074</u>	<u>168,150</u>	<u>3,696,713</u>	<u>3,888,937</u>
<b>COMMITTED</b>					
Affordable Housing, Community Development and Services	31,433	--	--	278,066	309,499
Fee Supported Programs	--	--	--	628,020	628,020
Fire and Crime Prevention and Emergency Services	5,726	--	--	11,777	17,503
Street Projects and Maintenance	--	--	--	120,011	120,011
Governmental Functions and Services	227	--	--	85,115	85,342
Library and Cultural Activities	--	--	--	28,075	28,075
Other Capital Projects and Improvements	--	--	--	9,973	9,973
Recreation and Parks	--	--	--	43,411	43,411
Stormwater and Sanitation Projects and Services	--	--	--	204,323	204,323
Transit Projects and Services	--	--	--	49,539	49,539
	<u>37,386</u>	<u>--</u>	<u>--</u>	<u>1,458,310</u>	<u>1,495,696</u>
<b>ASSIGNED</b>					
Affordable Housing, Community Development and Services	995	--	--	3,966	4,961
Fire and Crime Prevention and Emergency Services	9,132	--	--	--	9,132
Governmental Functions and Services	206,180	--	--	16	206,196
Library and Cultural Activities	3,270	--	--	--	3,270
Other Capital Projects and Improvements	33,744	--	--	--	33,744
Community and Economic Development	19,870	--	--	--	19,870
Health and Sanitation	8,677	--	--	--	8,677
Public Safety	47,103	--	--	--	47,103
Public Works and Transportation	27,196	--	--	--	27,196
	<u>356,167</u>	<u>--</u>	<u>--</u>	<u>3,982</u>	<u>360,149</u>
<b>UNASSIGNED</b>					
Reserve, Emergency and Contingency	415,351	--	--	--	415,351
Economic Stabilization	120,330	--	--	--	120,330
Unassigned	--	--	--	(60,438)	(60,438)
	<u>535,681</u>	<u>--</u>	<u>--</u>	<u>(60,438)</u>	<u>475,243</u>
	<u>\$ 992,129</u>	<u>\$ 24,074</u>	<u>\$ 168,150</u>	<u>\$ 5,109,338</u>	<u>\$ 6,293,691</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, 2020, the City's Emergency and Contingency Reserve cash accounts were \$180.7 million and \$197.7 million, respectively.

### Budget Stabilization Fund

The Charter also establishes a Budget Stabilization Fund (BSF). The intent of the BSF is to moderate fluctuations in revenue, prevent overspending during prosperous years, and provide resources to help maintain service levels during lean years.

On June 7, 2013, the Mayor and Council adopted a BSF Policy (C.F. 13-0455) and amended the anticipated growth rate from 3.4% to 4.5% (C.F. 19-0600) in July 2019. The policy requires that a deposit into the BSF be made in amount equivalent to any gross of the City's seven general tax revenue sources that exceeds 4.5%, as based on the prior year's adopted budget. The policy includes exceptions to deposit requirements in the following circumstances: 1) to maintain the Reserve Fund level at 5% of the General Fund; 2) to meet the 1% infrastructure investment requirement (Capital Improvement Expenditure Program Policy); 3) in the event a fiscal emergency is declared by the Mayor and Council; and 4) if the policy is suspended or by a two-thirds vote by the Council after veto by the Mayor, based on findings that the best interest of the City require such suspension.

The BSF policy restricts expenditures from BSF to no more than 25% of the BSF in any one fiscal year during which there is no declared fiscal emergency, and would allow the City to use the BSF and Reserve funds which are in excess of 15% of the General Fund budget for certain one-time uses such as capital projects, infrastructure repairs, debt repayment, payment of litigation settlements, and equipment purchases. The amount transferred or appropriated may exceed 25% of the balance in the BSF if a fiscal emergency is declared by the Mayor and Council or if the policy is suspended based on same conditions in the preceding paragraph. The City Council adopted a new policy in January 2019, pending the final ordinance to amend the City's administrative code.

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, 2020, the BSF's fund balance was \$120.3 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

## Notes to the Basic Financial Statements

debt refunding, changes in the fair value of hedging derivative instruments, changes in the value of the asset retirement obligations, 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, 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.

For purposes of measuring the net pension and OPEB liabilities, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, 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, 2019.

Power reported deferred inflows of resources from business activities of \$145.7 million at June 30, 2020, 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, 2020, 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, 2020, the governmental activities restricted net position totaled \$4.1 billion, of which \$1.0 billion is restricted by enabling legislation. Business-type activities' restricted net position totaled \$2.2 billion, of which \$1.0 billion 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 2020:

GASB Statement No. 84, "Fiduciary Activities." Issued in January 2017, this statement establishes criteria for identifying fiduciary activities for accounting and financial reporting purposes and describes four fiduciary funds that should be reported, if applicable. The statement is effective beginning fiscal year 2020. The City continues to meet the fiduciary criteria by classifying activities related to pension and other postemployment benefits as fiduciary. Items previously reported as part of the agency fund classification of the Fiduciary Funds statements were reviewed to evaluate if they met the new custodial funds criteria. The City identified 35 custodial funds as non-fiduciary and re-categorized the activities in the appropriate governmental funds. Reclassification amount is available in Note 1E.20

GASB Statement No. 89, "Accounting for Interest Cost Incurred before the End of a Construction Period." Issued in June 2018, this statement (1) enhances the relevance and comparability of information about capital assets and cost of borrowing for a reporting period and (2) simplifies accounting for interest cost incurred before the end of a construction period. The statement has been early implemented at the beginning fiscal year 2020, except for Airports, which elected to early implement in fiscal year 2019 as discussed in Note 1E.20. Interest costs incurred in fiscal year 2020 have been expensed instead of capitalized for the business-type activities.

GASB Statement No. 90, "Majority Equity Interests—an amendment of GASB Statements No. 14 and No. 61." Issued in August 2018, this statement improves the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and improves the relevance of financial statement information for certain component units. The statement is effective beginning fiscal year 2020. The statement has no material impact on the City's financial statements.

GASB Statement No. 95, "Postponement of the Effective Dates of Certain Authoritative Guidance." Issued in May 2020, the objective of this statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later. The effective dates of certain provisions within the following pronouncements were postponed by one year: Statement No. 83, Certain Asset Retirement Obligations, Statement No. 84, Fiduciary Activities, Statement No. 88, Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements, Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period, Statement No. 90, Majority Equity Interests, Statement No. 91, Conduit Debt Obligations, Statement No. 92, Omnibus 2020, and Statement No. 93, Replacement of Interbank Offered Rates. The effective date for GASB Statement No. 87, Leases, was postponed by 18 months. The City has implemented GASB 95, with the exception of the adoption of statements mentioned above and GASB Statement No. 88.

### 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). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021. The statement will be effective beginning fiscal year 2022.

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 arrangement (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, the 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, the 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.

**20. Prior Period Adjustments, Restatements and Effects of New Pronouncements**

The City adjusted the cumulative effect of applying the provision of GASB Statement No. 84 as a restatement of beginning fund balances and net position. The restricted accounts and balances were reclassified from the City’s Fiduciary Net Position to the Governmental Restricted Fund Balance. The reclassification prompted the City to restate the following statements for the fiscal year ended June 30, 2019: Governmental Funds Balance Sheet; Statement of Revenues, Expenditures and Changes in Fund Balances; Fiduciary Funds Statement of Fiduciary Net Position; and Custodial Funds Statement of Changes in Fiduciary Net Position.

The Governmental Funds’ fund balance for the fiscal year 2019 increased from \$6.31 billion to \$6.34 billion due to the reclassification. The change in net position is outlined below and incorporates the restatement.

	Beginning of Year (amounts expressed in thousands)		
	July 1, 2019 As Previously Reported	Cumulative Effect of Change in Accounting Principle	July 1, 2019 As Restated
Governmental Funds, Fund Balances	\$ 6,312,258	\$ 31,346	\$ 6,343,604
Governmental Activities, Net Position	\$ 2,406,740	\$ 31,346	\$ 2,438,086

In the fiscal year 2019, Airports, which operates as a quasi-independent enterprise fund, elected to early implement GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, and recognized the interest costs incurred before the end of a construction period as an expense in the period in which the cost is incurred. However, the City did not report the early implementation in its fiscal year 2019 basic financial statements. The City elected to report this item as a prior period adjustment to conform the City’s basic financial statements for the fiscal year ended June 30, 2020 with the separately issued stand-alone financial statements of the Airports for the fiscal year ended June 30, 2020. Accordingly, the City reduced the Airports beginning net position by \$43.5 million to report interest expense, which had been capitalized in the City’s basic financial statements for the fiscal year ended June 30, 2019.

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 \$14,771,943 difference are as follows (in thousands):

Direct Placements	\$ 97,689
Bonds, Certificates of Participation, and Notes	2,529,475
Add: Issuance Premium/Discount (to be amortized as interest expense)	183,020
Loans Payable to HUD	79,348
Capital Lease Obligations	54,871
Accrued Interest Payable	24,123
Accrued Compensated Absences	711,892
Claims and Judgments Payable	2,352,296
Landfill Liability	43,190
Estimated Pollution Remediation Liability	15,480
Net Pension Liability	6,666,583
Net OPEB Liability	<u>2,013,976</u>
Net adjustments to reduce governmental fund balances to arrive at governmental activities net position	<u>\$ 14,771,943</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 \$152,513 difference are as follows (in thousands):

Capital Outlays	\$ 507,531
Capital Outlays Not Capitalized	(9,902)
Donated Capital Assets	7,265
Depreciation Expense	<u>(352,381)</u>
Net adjustments to increase net change in fund balances of governmental funds to arrive at change in net position of governmental activities	<u>\$ 152,513</u>

## Comprehensive Annual Financial Report

### 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 \$150,739 difference are as follows (in thousands):

Debt Issued or Incurred	
Certificates of Participation, Lease Revenue Bonds, and Direct Placements	\$ (17,845)
MICLA Commercial Paper Notes	(170,000)
Principal Repayments	
General and Judgment Obligation Bonds	111,645
Certificates of Participation, Lease Revenue Bonds, and Direct Placements	147,288
Revenue Bonds	37,975
MICLA Commercial Paper Notes	23,800
Capital Lease Obligations	11,896
HUD Loans	<u>5,980</u>
Net adjustments to increase net change in fund balances of governmental funds to arrive at change in net position of governmental activities	<u>\$ 150,739</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 \$34,779 difference are as follows (in thousands):

Increase in Accrued Compensated Absences	\$ 90,450
Decrease in Estimated Claims and Judgments	(53,937)
Decrease in Accrued Landfill Liability	(1,074)
Decrease in Pollution Remediation Liability	<u>(660)</u>
Net adjustments to decrease net change in fund balances of governmental funds to arrive at change in net position of governmental activities	<u>\$ 34,779</u>

### 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 38 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, 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, HUD Connections Grant Fund, Innovation Fund, LA County Census Funds, LA Performance Partnership Pilot Fund, LA Regional Initiative for Social Enterprise Fund, LEAD Grant 11 Fund, LA Regional Agency Trust Fund, Low and Moderate Income Housing Fund, Medical Intergovernmental Transfer Program Fund, Neighborhood Stabilization Program 3 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, Street Banners Revenue Trust Fund, Temporary Assistance for Needy Families Fund, Traffic Safety Education Program Fund, Transportation Grants 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

Homeless Housing Assistance & Prevention

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 \$55,992 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 \$136.4 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.

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, 2020 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	\$ 107,472
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.	8,995
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" in the debtor fund and "Due from Other Funds" in the creditor fund (GAAP).	(108,397)
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	548,031
Prior year encumbrances expended in current year	(425,602)
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.	(268,212)
Additional Budgeted Funds included as General category but Reported in Nonmajor Special Revenue Funds	
Department of Neighborhood Empowerment	397
City Ethics Commission	(210)
Accessible Housing Fund	(3,737)
Net Change in Fund Balance - GAAP Basis	<u>\$ (141,263)</u>

### C. Deficit Fund Balances

The Special Parking Revenue Fund (SPRF) had a deficit of \$5.2 million. The deficit of \$5.2 million was due primarily to transfers from the SPRF to the Reserve Fund of \$31.3 million. The SPRF deficit will be paid by future parking fees.

The Workforce Innovation Opportunity Act Fund (WIOA) reported a deficit fund balance of \$5.1 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.

4. DETAILED NOTES ON ALL FUNDS

A. Cash, Deposits and Investments

1. Summary of Cash and Investments

At June 30, 2020, 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	\$ 6,134,305	\$ 3,748,993	\$ 97,660	\$ 14,460	\$ 9,995,418
Other investments with Escrow and Fiscal Agents	451	1,249	--	--	1,700
Restricted Assets					
Cash and Pooled Investments	19,591	2,484,934	--	--	2,504,525
Cash and Investments with Escrow and Fiscal Agents	--	1,809,054	--	--	1,809,054
Investments of Retirement Systems	--	--	59,808,888	--	59,808,888
Total Deposits and Investments	<u>\$ 6,154,347</u>	<u>\$ 8,044,230</u>	<u>\$ 59,906,548</u>	<u>\$ 14,460</u>	<u>\$ 74,119,585</u>
Cash on hand					\$ 281
Deposits					57,319
Investments					
Pooled					12,341,919
Other					61,720,066
Total Deposits and Investments					<u>\$ 74,119,585</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 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, 2020, the book balance of the City's deposits was \$57.3 million and the balance per various financial institutions was \$57.2 million. The difference of \$0.1 million represents primarily deposits in transit and other reconciling items. Of the bank balance, \$9.8 million was covered by Federal Deposit Insurance Corporation (FDIC) and \$47.4 million was uninsured. The uninsured deposits of \$47.4 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 market 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. 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 Treasurer shall render to the Council a statement of investment policy (the Policy) annually. Council File No. 11-1740 was adopted on January 15, 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 Treasurer 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, 2020, 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	\$ 251,566	\$ 55,594	\$ 77,004	\$ 118,968	\$ --	\$ --
U.S. Treasury Notes	6,848,137	--	12,788	88,080	5,603,464	1,143,805
U.S. Agencies Securities	1,649,697	407,664	201,828	425,759	463,503	150,943
Medium-Term Notes	1,015,920	--	10,028	60,303	945,589	--
Mutual Funds	2,468	2,468	--	--	--	--
Commercial Paper	1,294,645	823,745	341,298	129,602	--	--
Municipal Bonds	20,606	--	--	--	20,606	--
Asset-Backed Securities	160,486	--	--	--	160,486	--
Supranational Obligations	111,911	18,201	--	--	93,710	--
Short-Term Investment Funds	911,451	911,451	--	--	--	--
Securities Lending Short-Term Repurchase Agreements	75,032	75,032	--	--	--	--
<b>Total General and Special Pools</b>	<b>\$ 12,341,919</b>	<b>\$ 2,294,155</b>	<b>\$ 642,946</b>	<b>\$ 822,712</b>	<b>\$ 7,287,358</b>	<b>\$ 1,294,748</b>

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, 2020, 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)
<b>Investment Subject to Fair Value Hierarchy</b>			
U.S. Treasury Notes	\$ 6,848,137	\$ 167,117	\$ 6,681,020
U.S. Agencies Securities	614,446	--	614,446
Medium-Term Notes	1,015,920	--	1,015,920
Municipal Bonds	20,606	--	20,606
Asset-Backed Securities	160,486	--	160,486
Supranational Obligations	93,710	--	93,710
<b>Total Investments Subject to Fair Value Hierarchy</b>	<b>\$ 8,753,305</b>	<b>\$ 167,117</b>	<b>\$ 8,586,188</b>
<b>Investment Not Subject to Fair Value Hierarchy</b>			
Short-Term Investment Funds *	\$ 911,451		
U.S. Treasury Bills *	251,566		
U.S. Agencies Securities *	1,035,251		
Commercial Paper *	1,294,645		
Supranational Obligations *	18,201		
Securities Lending Short-Term Repurchase Agreement **	75,032		
<b>Total Investments not Subject to Fair Value Hierarchy</b>	<b>3,586,146</b>		
<b>Total Investments Measured at Fair Value</b>	<b>12,339,451</b>		
Investments Measured at the Net Asset Value (NAV) Mutual Funds - AMT-Free, Tax Exempt	2,468		
<b>Total Investments</b>	<b>\$ 12,341,919</b>		

\* 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 \$167.1 million, are valued using observable unadjusted quoted prices in an active market.

Investments classified in Level 2, totaling \$8.6 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 measures 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 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 \$1.6 billion investments in U.S. government sponsored enterprises consist of securities issued by the Federal Home Loan Bank - \$734.9 million, Federal National Mortgage Association (Fannie Mae) - \$574.0 million, Federal Home Loan Mortgage Corporation (Freddie Mac) - \$220.4 million, Federal Farm Credit Bank - \$110.3 million, and Tennessee Valley Authority - \$10.1 million. Of the City's \$1.6 billion investments in U.S. Agencies securities, \$1.0 billion were rated A-1+ by S&P and P-1 by Moody's while the remaining \$614.4 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 \$1.0 billion investments in medium-term notes consist of securities issued by banks and corporations that comply with these requirements and 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. The City's \$1.3 billion investments in commercial paper 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<sub>m</sub> by S&P and Aa<sub>mf</sub> by Moody's.

Municipal bonds have no minimum rating requirement. The City's \$20.6 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 investments in supranational obligations of \$93.7 million were rated AAA by S&P and Aaa by Moody's; \$18.2 million were rated A-1+ by S&P and P-1 by Moody's.

Investments in asset-backed securities of \$57.3 million were rated AAA by S&P and Aaa by Moody's, \$66.5 million were rated Aaa by Moody's and were not rated by S&P, the remaining \$36.7 million were rated AAA by S&P were not rated 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 certificates of deposit, medium-term notes and supranational obligations, 20% in mutual funds, money market mutual funds, mortgage pass-through securities, mortgage-backed securities, reverse repurchase agreements 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, 2020, \$734.9 million (6.0%) was invested in securities issued by Federal Home Loan Bank.

The following table identifies the investment types that are authorized by the Policy as of June 30, 2020:

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% <sup>A</sup>	A1/P1 <sup>B</sup>
Negotiable Certificates of Deposits	5 Years	30% <sup>C</sup>	None
Placement Service Deposits	5 years	30% <sup>D</sup>	None
Placement Service Certificates of Deposit	5 years	30% <sup>D</sup>	None
Repurchase Agreements	1 year	None	None
Reverse Repurchase Agreements and Securities Lending Agreements	92 days	20%	None <sup>E</sup>
Medium-Term Notes	5 years	30%	"A" >
Money Market and Mutual Funds	N/A	20% <sup>F</sup>	Multiple <sup>G, H</sup>
Collateralized Bank Deposits <sup>I</sup>	5 years or Less	None	None
Mortgage-Backed and Asset-Backed Securities	5 years or Less	20%	AA >
Voluntary Investment Program Fund <sup>J</sup>	N/A	None	None
Supranational Obligations	5 years	30%	"AA" rating or better

Other restrictions on investments are summarized as follows:

<sup>A</sup> 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.

<sup>B</sup> 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.



- 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 No more than 10 percent invested in any one mutual fund. This limitation does not apply to money market mutual funds.
- G 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.
- H 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.
- I 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.
- J 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.

*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.

Under the provisions of the SLP, and in accordance with the California Government Code, no more than 20% of the market value of the General Investment Pool (the Pool) is available for lending. The City loans out U.S. Treasury Bills, U.S. Treasury Notes, U.S. Agencies Securities and Supranational Obligations. 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.

Notes to the Basic Financial Statements

During fiscal year 2020, collateralizations on all loaned securities were compliant with the required 102% of the market 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, 2020 (in thousands):

Type of Investment Lent	
For Cash Collateral	
U.S. Treasury Notes	\$ 20,266
U.S. Agencies Securities	40,409
Supranational Obligations	<u>12,837</u>
Total Cash Collateral	73,512
For Non-Cash Collateral	
U.S. Treasury Bills	164,835
U.S. Agencies Securities	240,035
U.S. Agencies Securities *	<u>31,035</u>
Total Non-Cash Collateral	435,905
Total Market Value of Securities Lent	<u>\$ 509,417</u>
Type of Collateral Received	
Cash Collateral *	\$ 75,032
Non-Cash Collateral **	
For Lent U.S. Treasury Bills, U.S. Treasury Notes and U.S. Agencies Securities	<u>444,840</u>
Total Collateral Received	<u>\$ 519,872</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 2020.

\*\* 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.
- 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 are 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.

Notes to the Basic Financial Statements

The City's other investments as of June 30, 2020 are as follows (in thousands):

DWP	\$ 706,659
Pensions	25,313,763
LACERS	18,191,104
DWP Plans	16,304,021
Others	<u>1,204,519</u>
Total	<u>\$ 61,720,066</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, 2020, 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	\$ 81,085	\$ --	\$ 5,014	\$ 55,499	\$ 20,572	\$ --
U.S. Agencies Securities	200,337	6,005	6,498	69,338	110,914	7,582
Supranationals	19,150	--	--	17,126	2,024	--
Medium-Term Notes	156,555	6,021	5,500	54,857	90,177	--
Commercial Paper	20,719	5,996	5,989	8,734	--	--
Negotiable Certificates of Deposit	37,646	13,711	7,516	16,419	--	--
Bankers acceptances	1,223	462	--	761	--	--
California Local Agency Bonds	86,531	1,000	11,115	2,825	71,591	--
California State Bonds	32,641	5,000	5,000	10,460	12,181	--
Other State Bonds	54,725	1,000	8,837	14,328	30,560	--
Money Market Funds	16,047	16,047	--	--	--	--
Total	<u>\$ 706,659</u>	<u>\$ 55,242</u>	<u>\$ 55,469</u>	<u>\$ 250,347</u>	<u>\$ 338,019</u>	<u>\$ 7,582</u>

DWP holds investments and derivative instruments that are measured at fair value 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.

At June 30, 2020, DWP's summary of the fair value hierarchy of investments are as follows (in thousands):

Investments by Fair Value Level	Amount	Fair Value Measurements Using			Not Classified
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Debt Securities					
U.S. Government Securities	\$ 81,085	\$ 81,085	\$ --	\$ --	\$ --
U.S. Agencies Securities	200,337	--	200,337	--	--
Supranationals	19,150	--	19,150	--	--
Medium-Term Notes	156,555	--	156,555	--	--
California Local Agency Bonds	86,531	--	86,531	--	--
California State Bonds	32,641	--	32,641	--	--
Other State Bonds	54,725	--	54,725	--	--
Total Debt Securities	<u>631,024</u>	<u>81,085</u>	<u>549,939</u>	<u>--</u>	<u>--</u>

Notes to the Basic Financial Statements

	Fair Value Measurements Using				Not Classified
	Amount	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Other					
Commercial Paper	20,719	--	20,719	--	--
Negotiable Certificates of Deposit	37,646	--	37,646	--	--
Bankers acceptances	1,223	--	1,223	--	--
Money Market Funds	16,047	--	--	--	16,047
Total Other	75,635	--	59,588	--	16,047
Total Investments by Fair Value Level	\$ 706,659	\$ 81,085	\$ 609,527	\$ --	\$ 16,047

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 have maturities of less than one year 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 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. 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, 2020, \$182.1 million (91.0%) was rated with either the highest or second highest possible credit ratings by the NRSROs that rated them and \$18.2 million (9.1%) was not rated.

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, 2020, all of the DWP's investments in supranational notes were rated with the highest possible credit ratings by each of the NRSROs that rated them.

DWP's investment policy specifies that medium-term notes must be rated in a rating category of A or its equivalent or better by a NRSRO. Of DWP's investments in corporate notes as of June 30, 2020, \$4.06 million (2.6%) was rated in the category of AAA, \$44.8 million (28.6%) was rated in the category of AA, and \$107.7 million (68.8%) 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, 2020, 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.

## Notes to the Basic Financial Statements

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, 2020, DWP's investments in certificates of deposits included \$37.6 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 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, 2020, \$11.9 million (13.8%) was rated in the category of AAA; \$61.0 million (70.5%) was rated in the category of AA and \$13.6 million (15.7%) was rated in the category of A or the equivalent or better short-term rating.

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, 2020, \$21.5 million (66.0%) was rated in the category of AA, \$11.1 million (34.0%) 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, 2020, \$2.8 million (5.1%) was rated in the category of AAA, \$32.7 million (59.7%) was rated in the category of AA, \$19.2 million (35.2%) was rated in the category of A 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, 2020, 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. 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, 2020, \$60.1 million (8.5%) was invested in securities issued by the Federal Home Loan Bank, \$78.5 million (11.1%) was invested in securities issued by the Federal Home Loan Mortgage Corporation, and \$30.7 million (4.3%) was invested in securities issued by the Federal Farm Credit Bank.

### Fire and Police Pension and Health Subsidy Plans (Pensions)

At June 30, 2020, the Pensions' investments are as follows (in thousands):

Investment Type	Health		Total
	Pensions Plan	Subsidy Plan	
Short-Term Investments	\$ 1,401,803	\$ 139,643	\$ 1,541,446
U.S. Government Obligations	2,101,494	209,343	2,310,837
Domestic Corporate Bonds	2,470,731	246,125	2,716,856
Foreign Bonds	60,093	5,986	66,079
Domestic Stocks	7,895,255	786,496	8,681,751
Foreign Stocks	3,867,682	385,284	4,252,966
Real Estate	1,307,944	130,293	1,438,237
Alternative Investments	2,658,133	264,794	2,922,927
Security Lending Collateral	1,257,406	125,258	1,382,664
<b>Total</b>	<b>\$ 23,020,541</b>	<b>\$ 2,293,222</b>	<b>\$ 25,313,763</b>

Notes to the Basic Financial Statements

At June 30, 2020, 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)
<b>Investments by Fair Value Level</b>				
<b>Debt Securities</b>				
U.S. Treasuries	\$ 1,852,774	\$ --	\$ 1,852,774	\$ --
U.S. Agencies	686,277	--	684,926	1,351
Municipal/Provincial Bonds	23,417	--	23,417	--
Collateralized Debt Obligations	239,829	--	239,663	166
Commercial Paper	20,613	--	20,613	--
Corporate Bonds	2,239,627	--	2,217,119	22,508
<b>Total Debt Securities</b>	<b>5,062,537</b>	<b>--</b>	<b>5,038,512</b>	<b>24,025</b>
<b>Equity Securities</b>				
Common Stock	12,878,829	12,862,720	793	15,316
Preferred Stock	54,800	54,781	--	19
Other	1,089	871	--	218
<b>Total Equity Securities</b>	<b>12,934,718</b>	<b>12,918,372</b>	<b>793</b>	<b>15,553</b>
Real Estate	657,939	246,657	--	411,282
Derivatives	3,224	11	(349)	3,562
<b>Total Investments by Fair Value Level</b>	<b>\$ 18,658,418</b>	<b>\$ 13,165,040</b>	<b>\$ 5,038,956</b>	<b>\$ 454,422</b>
<b>Investment Measured at the Net Asset Value (NAV)</b>				
Private Equity Funds	\$ 2,816,952			
Real Estate	780,298			
Hedge Funds	102,750			
Corporate Debt Securities	30,866			
U.S. Agencies Debt Securities	370			
<b>Total Investments Measured at NAV</b>	<b>\$ 3,731,236</b>			

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.

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 market 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.

## Notes to the Basic Financial Statements

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	\$ 2,816,952	\$ 1,827,800	N/A	--
Real Estate <sup>(1)</sup>	780,298	234,630	Quarterly	90-179 days
Hedge Funds	102,750	--	Quarterly	90 days
Corporate Debt Securities	30,866	--	Anytime	--
U.S. Agencies Debt Securities	370	--	N/A	--
Total Investments Measured at NAV	<u>\$ 3,731,236</u>	<u>\$ 2,062,430</u>		

(1) This type of investment includes \$532.0 million of commingled 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	\$ 112,039	12.40
Bank Loans	20,613	4.95
Commercial Mortgage-Backed	62,834	22.49
Corporate Bonds	2,174,920	12.10
Corporate Convertible Bonds	6,796	17.76
Government Agencies Bonds	66,692	9.48
Government Bonds	677,022	13.92
Government Mortgage-Backed Securities	626,170	23.67
Government Issued Commercial Mortgage-Backed	13,906	4.45
Index Linked Government Bonds	1,211,763	9.13
Municipal/Provincial Bonds	24,782	54.90
Non-Government Backed Collateralized Mortgage Obligations	64,677	20.36
Sukuk	412	1.75
Asset/Mortgage-Backed Securities/Other Fixed Income Funds	31,146	N/A
Total	<u>\$ 5,093,772</u>	

Investments that are highly sensitive to interest rate risk at June 30, 2020 are as follows (in thousands):

Investment Type	Amount
Asset-Backed Securities	\$ 112,039
Commercial Mortgage - Backed	62,834
Government Agencies Bonds	66,692
Government Mortgage - Backed Securities	626,170
Index Linked Government Bonds	1,211,763
Non-Government Backed Collateralized Mortgage Obligations	64,677
Total	<u>\$ 2,144,175</u>

## Notes to the Basic Financial Statements

*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, 2020, the quality ratings of Pensions' fixed income investments are as follows:

Credit Rating	Amount (in thousands)	Percentage
AAA	\$ 1,883,786	43.13 %
AA	110,022	2.52
A	589,309	13.49
BBB	835,240	19.12
BB	371,502	8.51
B	254,534	5.83
CCC	72,481	1.66
CC	8,760	0.20
C	4,039	0.09
Not Rated	238,123	5.45
Subtotal	4,367,796	100.00 %
U.S. Government Issued or Guaranteed Securities	725,976	
Total Fixed Income Investments	\$ 5,093,772	

*Concentration of Credit Risk.* As of June 30, 2020, 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, 2020, Pensions' exposure to custodial credit risk comprised of foreign currencies held outside the custodial bank amounted to \$9.7 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, 2020, 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, 2020, Pensions' sole hedge fund investment of \$102.8 million, private equity of \$2.8 billion and commingled real estate funds of \$780.3 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, 2020, are as follows (in thousands):

Foreign Currency	Fair Value
Australian Dollar	\$ 162,909
Brazilian Real	71,918
British Pound Sterling	577,648
Canadian Dollar	122,363
Chilean Peso	2,640
Colombian Peso	1,129
Czech Koruna	3,390
Danish Krone	74,662
Euro	1,109,052
HK offshore Chinese Yuan Renminbi	19,474
Hong Kong Dollar	440,465
Hungarian Forint	1,461
Indian Rupee	98,465
Indonesian Rupiah	21,691
Japanese Yen	661,877
Kenyan Shilling	5,730
Malaysian Ringgit	10,456
Mexican Peso	36,335
New Israeli Shekel	9,376
New Taiwan Dollar	165,704
New Zealand Dollar	13,229
Norwegian Krone	22,457
Philippine Peso	5,021
Polish Zloty	4,643
Singapore Dollar	40,590
South African Rand	46,623
South Korean Won	183,413
Swedish Krona	100,210
Swiss Franc	251,937
Thai Baht	17,889
Turkish Lira	4,039
Total	\$ 4,286,796

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, 2020 was 3.04%. The source for the rate of return was the June 30, 2020 Investment Hierarchy 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 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, 2020, 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, 2020, \$1,382.7 million was cash collateral and \$251.0 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, 2020:

Securities Lent	Cash	Non-Cash	Total Collateral Securities
U.S. Government and Agency Securities	\$ 292,486	\$ 23,668	\$ 316,154
Domestic Corporate Fixed Income Securities	227,862	5,993	233,855
Domestic Equities	800,412	142,925	943,337
International Fixed Income Securities	2,920	--	2,920
International Equities	58,984	78,417	137,401
	<u>\$ 1,382,664</u>	<u>\$ 251,003</u>	<u>\$ 1,633,667</u>

Fair value of loaned securities as of June 30, 2020:

Securities Lent	Cash	Non-Cash	Total Loaned Securities
U.S. Government and Agency Securities	\$ 285,087	\$ 23,120	\$ 308,207
Domestic Corporate Fixed Income Securities	224,097	5,874	229,971
Domestic Equities	788,736	140,927	929,663
International Fixed Income Securities	2,758	--	2,758
International Equities	55,658	73,682	129,340
	<u>\$ 1,356,336</u>	<u>\$ 243,603</u>	<u>\$ 1,599,939</u>

For fiscal year ended June 30, 2020, securities lending income amounted to \$6.7 million, while securities lending expenses amounted to \$0.9 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 market 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, 2020, 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, 2020		Notional Amount
	Classification	Amount	Classification	Amount	
Investment Derivatives:					
Futures - Shorts	--	\$ --	Investment	\$ --	(117,544)
Futures - Longs	Investment Loss	(19,090)	Investment	--	168,459
Forwards	Investment Revenue	94	Investment	(411)	--
Options	Investment Loss	(25)	Investment	(52)	--
Rights/Warrants	Investment Revenue	1,465	Investment	1,088	--
Swaps	Investment Loss	(50,164)	Investment	3,526	--

## Notes to the Basic Financial Statements

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

At June 30, 2020, LACERS' investments are as follows (in thousands):

Investment Type	Retirement Plan	Postemployment Health Care Plan	Total
Short-Term Investments	\$ 554,820	\$ 105,375	\$ 660,195
U.S. Government Obligations	1,343,146	255,100	1,598,246
Domestic Corporate Bonds	909,500	172,738	1,082,238
International Bonds	547,866	104,054	651,920
Other Fixed Income	438,911	83,361	522,272
Bank Loans	3,535	671	4,206
Opportunistic Debts	187,722	35,653	223,375
Domestic Stocks	3,826,132	726,685	4,552,817
International Stocks	4,180,522	793,994	4,974,516
Mortgage-Backed Securities	474,694	90,157	564,851
Government Agencies	31,572	5,996	37,568
Derivative Instruments	1,785	339	2,124
Real Estate	629,395	119,539	748,934
Alternative Investments	1,884,636	357,943	2,242,579
Security Lending Collateral	273,347	51,916	325,263
Total	\$ 15,287,583	\$ 2,903,521	\$ 18,191,104

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, 2020, 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, 2020 (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)
<b>Investments by Fair Value</b>				
<b>Debt Securities</b>				
Government Bonds	\$ 1,894,148	\$ --	\$ 1,894,148	\$ --
Government Agencies	69,978	--	69,978	--
Municipal/Provincial Bonds	3,296	--	3,296	--
Corporate Bonds	1,402,552	--	1,402,402	150
Bank Loans	4,206	--	4,206	--
Government Mortgage Bonds	483,830	--	483,830	--
Commercial Mortgage Bonds	81,020	--	81,020	--
Opportunistic Debts	13,872	--	--	13,872
<b>Total Debt Securities</b>	<b>3,952,902</b>	<b>--</b>	<b>3,938,880</b>	<b>14,022</b>
<b>Equity Securities</b>				
<b>Common Stock</b>				
Basic Industries	1,098,198	1,097,962	32	204
Capital Good Industries	505,702	505,514	180	8
Consumer & Services	2,621,797	2,620,932	3	862
Energy	599,100	599,027	--	73
Financial Services	1,238,692	1,238,631	--	61
Health Care	1,150,242	1,149,985	--	257
Information Technology	1,702,392	1,698,359	--	4,033
Real Estate	539,134	538,491	--	643
Miscellaneous	23,363	21,660	--	1,703
<b>Total Common Stock</b>	<b>9,478,620</b>	<b>9,470,561</b>	<b>215</b>	<b>7,844</b>
Preferred Stock	37,760	37,683	--	77
Stapled Securities	10,867	10,867	--	--
Unit Trust Equity	86	86	--	--
<b>Total Equity Securities</b>	<b>9,527,333</b>	<b>9,519,197</b>	<b>215</b>	<b>7,921</b>
Real Estate Funds	101,157	--	--	101,157
<b>Total Investments by Fair Value Level</b>	<b>\$ 13,581,392</b>	<b>\$ 9,519,197</b>	<b>\$ 3,939,095</b>	<b>\$ 123,100</b>

**Investments Measured at the Net Asset Value (NAV)**

Common Fund Assets	522,272
Private Equity Funds	2,242,578
Real Estate Funds	647,777
Opportunistic Debts	209,503
<b>Total Investments Measured at NAV</b>	<b>3,622,130</b>
<b>Total Investments Measured at Fair Value (1)</b>	<b>\$ 17,203,522</b>

**Investment Derivative Instruments**

Future Contracts (Liabilities)	\$ 2,322	\$ 2,322	\$ --	\$ --
Foreign Exchange Contracts (Liabilities)	(588)	--	(588)	--
Rights/Warrants	390	367	--	23
<b>Total Investment Derivative Instruments</b>	<b>\$ 2,124</b>	<b>\$ 2,689</b>	<b>\$ (588)</b>	<b>\$ 23</b>

(1) Excluded investment derivative instruments of \$2.1 million which is shown separately and \$325.3 million of securities lending collateral.

Investments Measured at NAV (in thousands):

	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Common Fund Assets (1)	\$ 522,272	\$ --	Daily	2 days
Private Equity Funds (2)	2,242,578	1,132,761	N/A	N/A
Real Estate Funds (3)	647,777	9,119	Daily, Quarterly	1-90 days
Opportunistic Debts (4)	209,503	--	Monthly	30 days
<b>Total Investments Measured at NAV</b>	<b>\$ 3,622,130</b>	<b>\$ 1,141,880</b>		

### 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 234 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 37 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). Ten investments, representing approximately 77.1% 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. Twenty-seven investments, representing approximately 22.9% 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 96% of the value of this investment type, can be redeemed monthly. The distressed investment fund, representing approximately 4% 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.

## Comprehensive Annual Financial Report

### 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, 2020 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	\$ 28,360	1.43
Bank Loans	4,205	1.89
Commercial Mortgage-Backed Securities	81,021	4.68
Corporate Bonds	1,353,654	7.09
Government Agencies	69,978	7.27
Government Bonds	1,057,895	7.31
Government Mortgage-Backed Securities	483,830	3.09
Index Linked Government Bonds	836,253	5.17
Municipal/Provincial Bonds	3,296	3.00
Non-Government Backed Collateralized Mortgage Obligations (C.M.O.s)	20,538	2.46
Opportunistic Debts	223,375	0.42
Other Fixed Income (Funds)	522,272	6.08
Total	\$ 4,684,677	

*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 Standard and Poor's (S&P), a nationally-recognized statistical rating organization, as of June 30, 2020, are as follows:

S&P Ratings	Fair Value (in thousands)	Percentage
AAA	\$ 51,548	1.99 %
AA+	45,690	1.76
AA	555,575	21.45
AA-	44,207	1.71
A+	45,871	1.77
A	64,074	2.47
A-	173,544	6.70
BBB+	242,534	9.36
BBB	228,559	8.82
BBB-	223,646	8.63
BB+	60,006	2.32
BB	72,074	2.78
BB-	145,134	5.60
B+	64,777	2.50
B	280,125	10.82
B-	63,422	2.45
CCC+	23,990	0.93
CCC	6,377	0.25
CCC-	3,288	0.13
CC	5,590	0.22
C	146	0.01
D	8,472	0.33
Not Rated	181,465	7.01
	2,590,114	100.00 %
U.S. Government Guaranteed Securities *	2,094,563	
Total Fixed Income Investments	\$ 4,684,677	

\* 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, 2020, 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, 2020, LACERS has exposure to such risk in the amount of \$21.8 million, or 0.4% of the fair value of total international investments. The amount represents non-invested cash denominated in foreign currencies, managed by 14 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, 2020, 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 27% 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, 2020, which represent 27.3% of the fair value of total investments, are as follows (in thousands):

Foreign Currency	Fair Value
Australian Dollar	\$ 149,492
Brazilian Real	63,752
British Pound Sterling	508,936
Canadian Dollar	221,011
Chilean Peso	(1,065)
Chinese Yuan Renminbi	56,440
Colombian Peso	974
Czech Koruna	1,433
Danish Krone	83,488
Egyptian Pound	367
Euro	1,273,731
Hong Kong Dollar	472,358
Hungarian Forint	4,120
Indian Rupee	104,270
Indonesian Rupiah	21,751
Israeli New Shekel	20,886
Japanese Yen	772,866
Malaysian Ringgit	12,620
Mexican Peso	37,221
New Taiwan Dollar	166,384
New Zealand Dollar	6,046
Norwegian Krone	26,245
Peruvian Nuevo Sol	(3,761)
Philippine Peso	7,858
Polish Zloty	6,848
Qatari Riyal	1,712
Russian Ruble	18,582
Singapore Dollar	50,977
South African Rand	49,858
South Korean Won	173,409
Swedish Krona	118,770
Swiss Franc	336,055
Thai Baht	21,399
Turkish Lira	2,791
Total	\$ 4,787,824



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	\$ 28,360
Commercial Mortgage-Backed Securities	81,021
Government Agencies	69,978
Government Mortgage-Backed Securities	483,830
Non-Government Backed C.M.O.s	20,538
Total	<u>\$ 683,727</u>

**Money-Weighted Rate of Return.** For the fiscal year ended June 30, 2020, the aggregate annual money-weighted rate of return on LACERS investments, net of investment expenses was 2.04%. The money-weighted rate of return 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, 2020, are as follows (in thousands):

Derivative Type	Notional Amount	Fair Value	Change in Fair Value
Future Contracts -			
Commodities	\$ 180,392	\$ 2,076	\$ 3,077
Equity Index	26,890	73	15
Foreign Exchange	2,344	1	3
Interest Rate	(39,540)	171	133
Currency Forward			
Contracts	2,344	(587)	(501)
Right / Warrants	N/A	238	41
Swaps-Interest Rate	N/A	152	151
Total Value		<u>\$ 2,124</u>	<u>\$ 2,919</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, 2020, without respect to netting arrangements, LACERS maximum loss on derivative instruments subject to credit risk, namely currency forward contracts, is \$1.5 million. All counterparties of these investment derivatives had the credit rating of "A" or "AA" assigned by S&P.

Notes to the Basic Financial Statements

**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 105% 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 values of securities on loan to brokers are shown at their fair values on the Statement of Fiduciary Net Position. As of June 30, 2020, 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, 2020 (in thousands):

Securities on Loan	Fair Value of Securities on Loan	Cash Collateral Received
U.S. Government and Agency Securities	\$ 105,349	\$ 107,647
Domestic Corporate Fixed Income Securities	52,261	53,458
International Fixed Income Securities	2,764	2,796
Domestic Stocks	134,771	137,344
International Stocks	22,671	24,018
	\$ 317,816	\$ 325,263

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

At June 30, 2020, DWP Plans' investments are as follows (in thousands):

Investment Type	Retirement, Disability, and Death Benefit Insurance Plan	Retiree Health Benefits Plan	Total
Domestic Stocks	\$ 4,505,208	\$ 809,670	\$ 5,314,878
International Stocks	2,374,308	398,283	2,772,591
Mortgage and Asset-Backed Securities	125,006	21,481	146,487
Domestic Corporate Bonds	1,061,964	178,581	1,240,545
International Bonds	507,740	83,798	591,538
Alternative Investments	1,877,334	328,712	2,206,046
Real Estate	997,068	168,706	1,165,774
U.S. Treasuries	628,235	110,269	738,504
U.S. Agency Notes	843,706	145,653	989,359
Municipal / Provincial Bonds	4,612	727	5,339
Short-Term Investments	426,704	63,731	490,435
Security Lending Collateral	519,452	123,073	642,525
Total	\$ 13,871,337	\$ 2,432,684	\$ 16,304,021

Notes to the Basic Financial Statements

DWP Plans has the following recurring fair value measurement as of June 30, 2020 (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	\$ 5,314,878	\$ --	\$ --	\$ 5,314,878
International Equities	2,772,591	--	--	2,772,591
Preferred Securities	38,013	--	--	38,013
Fixed Income Securities				
U.S. Treasuries	--	738,505	--	738,505
U.S. Agencies	--	989,359	--	989,359
Mortgage and Asset-Backed Securities	--	146,487	--	146,487
Corporate Debt - Domestic	--	1,202,533	--	1,202,533
Corporate Debt - International	--	448,044	--	448,044
Government Debt - International	--	143,494	--	143,494
Municipal / Provincial Bonds	--	5,339	--	5,339
Alternative Investments				
GILS	--	455,851	39,125	494,976
Real Estate	60,153	--	--	60,153
Total Investments by Fair Value	\$ 8,185,635	\$ 4,129,612	\$ 39,125	\$ 12,354,372

\* Mutual funds of \$490.4 million and Security Lending Short-Term Investments of \$642.5 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.

Alternative investments classified under level 2 include global inflation linked securities (GILS) managed by Western Assets Management Company with total fair value of \$455.9 million. The fair value determination techniques may include, but not be limited to, matrix pricing and modeled securities. Examples of these models include but are not limited to: a) bespoke total return swaps that are priced using the change in relevant indices, and b) certain restructured securities that can be mapped to prices of other securities; and other valuation techniques. These other valuation techniques include, but are not limited to, discounted cash flow methods using comparable index yields, comparable bond spreads applied to treasuries or comparable prepayment speeds and yields, asset based valuations using the values from securities underlying the security being priced, and relative valuation techniques including total enterprise value for multiple companies and applied to the capital structure of the security being priced.

**Fair Value of Investments Measured at the Net Asset Value (NAV).** Below is a summary of the DWP Plans' investments at June 30, 2020 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	\$ 707,967	\$ 720,026	Not Eligible	Not Eligible
Fund of Funds	173,104	231,510	Not Eligible	Not Eligible
Real Estate				
Open Ended	663,490	25,000	Quarterly	45-90 days
Close Ended	442,131	419,417	Not Eligible	Not Eligible
Real Return				
Commodities	129,116	--	Daily	2 days
Timberland	36,310	--	Not Eligible	Not Eligible
Hedge Fund				
Fund of Funds	664,572	--	Daily	60 days
Total Investments Measured at NAV	\$ 2,816,690	\$ 1,395,953		

## Notes to the Basic Financial Statements

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 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 is 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, Standard & Poor's, 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, Standard & Poor's 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, 2020 are as follows:

Credit Rating	Amount (in thousands)	Percentage
AAA	\$ 103,595	4.19 %
A or Better	229,331	9.27
B or Better	1,379,470	55.76
C or Better	141,811	5.73
Not Rated	620,137	25.05
Subtotal	2,474,344	100.00 %
U.S. Government Issued or Guaranteed Securities	1,727,864	
Total Fixed Income Investments	\$ 4,202,208	

*Custodial Credit Risk.* As of June 30, 2020, DWP Plans' cash balances consist primarily of cash deposits in the City Treasury.

## Notes to the Basic Financial Statements

**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, 2020, 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.

**Interest Rate Risk.** As of June 30, 2020, DWP Plans' exposure to interest rate risk is as follows:

Investment Type	Amount (in thousands)	Weighted Average Maturity (Years)
U.S. Treasuries	\$ 738,505	3.47
U.S. Agency Notes	989,359	23.48
Preferred Securities	38,013	--
Mortgage and Asset Backed Securities	146,487	17.81
Corporate Debt - Domestic	1,202,533	8.89
Corporate Debt - International	448,044	14.46
Government Debt - International	143,494	10.80
Municipal / Provincial Bonds	5,339	15.15
Mutual Funds	490,434	--
Total	<u>\$ 4,202,208</u>	11.23

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 23.3% of total investments in non-U.S. investments. As of June 30, 2020, DWP Plans' exposure to foreign currency risk is 14.0% of the fair value of total investments, as follows (in thousands):

Foreign Currency	Fair Value
Australian Dollar	\$ 26,561
Brazilian Real	19,452
Canadian Dollar	92,820
Chilean Peso	2,552
Chinese Yuan Renminbi	19,975
Danish Krone	18,666
Euro Currency Unit	856,971
Hong Kong Dollar	159,027
Hungarian Forint	593
Indonesian Rupiah	3,248
Japanese Yen	394,518
Malaysian Ringgit	10,905
Mexican New Peso	10,953
New Taiwan Dollar	47,627
New Zealand Dollar	7,461
Norwegian Krone	12,649
Philippine Peso	210
Polish Zloty	7,565
Pound Sterling	317,131
Qatari Riyal	249
Singapore Dollar	4,319
South African Rand	11,172
South Korea Won	47,117
Swedish Krona	30,779
Swiss Franc	156,632
Thailand Baht	15,198
Turkish Lira	4,150
United Arab Emirates Dirham	2,052
Total	<u>\$ 2,280,552</u>

Notes to the Basic Financial Statements

**Money-Weighted Rate of Return.** For the fiscal year ended June 30, 2020, the annual money-weighted rate of return on DWP Plans' investments, net of investment expense, was 3.6%. 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, 2020, 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)	\$ (11,565)	Investment	\$ (11,237)	\$ 875,051

At June 30, 2020, 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' market 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, 2020, 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 66 days as of June 30, 2020.

The fair values of the underlying securities on loan, collateralized by cash and securities as of June 30, 2020 are (in thousands):

Securities on Loan	Amount
Global Agencies	\$ 670
Global Equities	127,151
Global Corporate Fixed	22,177
Global Government Fixed	495,848
U.S. Agency Notes	4,204
U.S. Corporate Fixed	95,413
U.S. Equities	441,987
U.S. Government Fixed	186,461
Total	\$ 1,373,911

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, 2020, 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
Short-Term Investment Funds	\$ 492	\$ 492	\$ --	\$ --	\$ --
U.S. Government and Agency Securities	61,545	9,001	11,889	7,269	33,386
Mutual Funds	889,125	57,150	831,975	--	--
Money Market Funds	37,362	37,362	--	--	--
Common Stock	406	406	--	--	--
State of California LAIF	215,589	--	--	215,589	--
Total	<u>\$ 1,204,519</u>	<u>\$ 104,411</u>	<u>\$ 843,864</u>	<u>\$ 222,858</u>	<u>\$ 33,386</u>

*Credit Risk.* At June 30, 2020, \$3.5 million of U.S. Government and Agency Securities were rated AA+ by S&P and Aaa by Moody's. The remaining \$58.0 million were not rated individually by S&P or Moody's. \$2.4 million of money market funds were rated AA+ by S&P and Aaa by Moody's and the remaining \$35.0 million were not rated by S&P or Moody's. \$832.0 million of Mutual funds were rated AAAm by S&P and Aaa by Moody's.

As of June 30, 2020, investments in the Local Agency Investment Fund (LAIF) held by fiscal agents totaled \$215.6 million. The total amount invested by all public agencies in LAIF was \$32.1 billion. The LAIF is part of the State's Pooled Money Investment Account (PMIA). As of June 30, 2020, the investments in the PMIA totaled \$101.8 billion, of which 96.6% is invested in non-derivative financial products and 3.4% in structured notes and asset-backed securities. The weighted average maturity of LAIF investments was 191 days as of June 30, 2020. 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, 2020, the City had no investment holdings of more than 10% in any one issuer.

**B. Receivables**

**1. Primary Government**

The primary government's net receivables at June 30, 2020 are as follows (in thousands):

	Governmental Activities	Business-type Activities
Gross Receivables		
Taxes	\$ 712,324	\$ --
Accounts	629,456	1,383,299
Special Assessments	11,815	--
Investment Income	20,916	14,798
Intergovernmental	295,968	115,526
Loans and Notes	3,189,216	266,953
Total	<u>4,859,695</u>	<u>1,780,576</u>
Allowance for Uncollectibles		
Taxes	(14,266)	--
Accounts	(380,919)	(246,024)
Loans and Notes	(1,180,129)	--
Total	<u>(1,575,314)</u>	<u>(246,024)</u>
Net Receivables	<u>\$ 3,284,381</u>	<u>\$ 1,534,552</u>
Net Receivables not Scheduled for Collection During the Subsequent Year:		
Loans, Notes and Intergovernmental	\$ 1,429,012	\$ 132,166

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 \$2.0 billion includes net interest receivable of \$532.8 million at June 30, 2020.

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, 2020 (in thousands):

	Governmental Activities	Business-type Activities
Cash and Investments		
Pooled Cash and Cash Equivalents, and Other Investments	\$ 19,591	\$ 2,484,934
Investments Held by Escrow and Fiscal Agents	--	1,809,054
Subtotal	19,591	4,293,988
Other Restricted Assets		
Restricted Passenger/Customer Facility Charge Receivable	--	3,132
Total (Refer to Note 1E)	<u>\$ 19,591</u>	<u>\$ 4,297,120</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, 2020 (in thousands):

Description	Balance June 30, 2019	Additions	Deductions	Balance June 30, 2020
<b>Assets</b>				
Underrecovered Costs - Long-Term	\$ 95,670	\$ --	\$ (29,979)	\$ 65,691
Regulatory Assets - Legal Settlements	80,000	--	(16,000)	64,000
Regulatory Assets - Solar Incentive Program	203,421	1,485	(13,929)	190,977
Regulatory Assets- Energy Efficiency Program	570,890	149,512	(86,134)	634,268
Regulatory Assets - Customer Care and Billing System	31,590	--	(3,037)	28,553
Regulatory Assets - Other	885,901	150,997	(119,100)	917,798
Regulatory Assets - Pension	315,185	--	(67,649)	247,536
Regulatory Assets - OPEB	386,123	--	(48,229)	337,894
Current Portion of Underrecovered Costs	341,775	87,100	(341,775)	87,100
Total Regulatory Assets	<u>\$ 2,024,654</u>	<u>\$ 238,097</u>	<u>\$ (606,732)</u>	<u>\$ 1,656,019</u>
<b>Liabilities</b>				
Deferred Inflows from Business Activities	104,872	40,824	--	145,696
Total Regulatory Liabilities	<u>\$ 104,872</u>	<u>\$ 40,824</u>	<u>\$ --</u>	<u>\$ 145,696</u>

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, customer's 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, overrecovered energy costs was set up to maintain balancing accounts to record the differences between specific costs incurred and amounts billed through rates to recover those costs. Power plans to adjust rates to recover the accumulated balance in underrecovered costs in the next 12 months and thus, overrecovered costs are shown as a current liability and underrecovered costs are shown as a current asset and represent the balance in the balancing accounts when the amount billed through rates is higher or lower than the costs for the year.

## Notes to the Basic Financial Statements

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, 2020, the Power did not recognize any of this revenue.

Underrecovered costs of \$65.7 million were shown as other noncurrent assets in the Statement of Net Position at June 30, 2020.

### 2. Water Enterprise Fund

Below is the summary of Water's regulatory assets at June 30, 2020 (in thousands):

Description	Balance June 30, 2019	Additions	Deductions	Balance June 30, 2020
<b>Assets</b>				
Regulatory Assets - Water Conservation Rebates	\$ 115,642	\$ 8,778	\$ (11,244)	\$ 113,176
Regulatory Assets - Stormwater Capture Program	45,700	4,800	(1,285)	49,215
Regulatory Assets - Customer Care and Billing System	14,192	--	(1,516)	12,676
Regulatory Assets - Other	175,534	13,578	(14,045)	175,067
Regulatory Assets - Pension	150,845	--	(37,834)	113,011
Regulatory Assets - OPEB	179,090	--	(23,182)	155,908
Underrecovered Costs	94,426	40,058	(94,426)	40,058
<b>Total</b>	<b>\$ 599,895</b>	<b>\$ 53,636</b>	<b>\$ (169,487)</b>	<b>\$ 484,044</b>

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 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 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, 2020, underrecovered costs of \$40.1 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, 2020, 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, 2020 was \$6.8 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, 2020, 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, 2020 is as follows (in thousands):

	Balance June 30, 2019	Additions / Transfers	Deductions / Transfers	Balance June 30, 2020
Capital Assets not Depreciated / Amortized				
Land	\$ 873,272	\$ 965	\$ --	\$ 874,237
Infrastructure	395,986	36,491	--	432,477
Construction in Progress	1,081,022	301,459	(324,950)	1,057,531
Intangible Assets	46,063	6,248	(250)	52,061
<b>Total Capital Assets not Depreciated / Amortized</b>	<b>2,396,343</b>	<b>345,163</b>	<b>(325,200)</b>	<b>2,416,306</b>
Capital Assets Depreciated / Amortized				
Buildings and Improvements	5,189,418	166,677	--	5,356,095
Machinery, Furniture and Equipment	1,727,186	117,342	(35,192)	1,809,336
Infrastructure	3,647,119	195,076	(946)	3,841,249
Intangible Assets	155,020	5,836	--	160,856
<b>Total Capital Assets Depreciated / Amortized</b>	<b>10,718,743</b>	<b>484,931</b>	<b>(36,138)</b>	<b>11,167,536</b>
Less: Accumulated Depreciation / Amortization				
Buildings and Improvements	(2,045,904)	(130,206)	--	(2,176,110)
Machinery, Furniture and Equipment	(1,195,347)	(124,776)	35,192	(1,284,931)
Infrastructure	(1,593,284)	(82,010)	946	(1,674,348)
Intangible Assets	(97,692)	(15,389)	--	(113,081)
<b>Total Accumulated Depreciation / Amortization</b>	<b>(4,932,227)</b>	<b>(352,381)</b>	<b>36,138</b>	<b>(5,248,470)</b>
<b>Total Capital Assets Depreciated / Amortized, Net</b>	<b>5,786,516</b>	<b>132,550</b>	<b>--</b>	<b>5,919,066</b>
<b>Governmental Activities Capital Assets, Net</b>	<b>\$ 8,182,859</b>	<b>\$ 477,713</b>	<b>\$ (325,200)</b>	<b>\$ 8,335,372</b>

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

Function/Program	Amount
General Government	\$ 38,252
Protection of Persons and Property	103,758
Public Works	55,095
Health and Sanitation	47,277
Transportation	47,577
Cultural and Recreational Services	57,198
Community Development	3,224
<b>Total Depreciation Expense - Governmental Activities</b>	<b>\$ 352,381</b>

2. Business-type Activities

Capital asset activity for business-type activities for the fiscal year ended June 30, 2020 is as follows (in thousands):

	Balance June 30, 2019*	Additions / Transfers	Deductions / Transfers	Balance June 30, 2020
Capital Assets not Depreciated / Amortized				
Land	\$ 2,956,949	\$ 44,927	\$ --	\$ 3,001,876
Construction in Progress	5,120,869	2,784,489	(1,157,974)	6,747,384
Intangible Assets	60,144	--	--	60,144
Nuclear Fuel	42,406	14,329	(13,412)	43,323
Natural Gas Field	166,299	38	(14,613)	151,724
Total Capital Assets not Depreciated / Amortized	8,346,667	2,843,783	(1,185,999)	10,004,451
Capital Assets Depreciated / Amortized				
Buildings, Facilities and Equipment	53,015,468	2,279,471	(80,183)	55,214,756
Intangible Assets	261,110	3,856	25,975	290,941
Total Capital Assets Depreciated / Amortized	53,276,578	2,283,327	(54,208)	55,505,697
Less: Accumulated Depreciation / Amortization				
Buildings, Facilities and Equipment	(21,204,349)	(1,466,466)	59,576	(22,611,239)
Intangible Assets	(40,249)	(6,319)	--	(46,568)
Total Accumulated Depreciation / Amortization	(21,244,598)	(1,472,785)	59,576	(22,657,807)
Total Capital Assets Depreciated / Amortized, Net	32,031,980	810,542	5,368	32,847,890
Business-type Activities Capital Assets, Net	\$ 40,378,647	\$ 3,654,325	\$ (1,180,631)	\$ 42,852,341

\*Accumulated depreciation was restated for a reclassification for \$36,431 between Buildings, Facilities and Equipment and Intangible Assets.

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

Depreciation Expense Charged to Functions of Business-type Activities:	Amount
Airports	\$ 450,606
Harbor	158,613
Power	629,896
Water	197,835
Sewer	192,004
Convention Center	12,877
Total	\$ 1,641,831

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, 2020:

	Ownership Interest	Share of Capacity (megawatts)	Utility Plant in Service (in thousands)	
			Cost	Accumulated Depreciation
Palo Verde Nuclear Generating Station	5.7 %	224	\$ 616,177	\$ 426,736
Mojave Generating Station	30.0	--	3,409	229
Pacific Intertie DC Transmission Line	40.0	1,240	337,070	90,518
Other Transmission Systems	--	Various	125,872	72,561
Total			\$ 1,082,528	\$ 590,044

**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 \$90.0 thousand 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. Once the building is put to use, LACERS will capitalize all costs associated and begin to record depreciation expense of the headquarters in 2021.

**G. Interfund Receivables, Payables, and Transfers**

The following tables are summaries of the City’s interfund balances at June 30, 2020 (in thousands):

**1. Due From/To Other Funds**

Receivable Fund	Payable Fund	Amount
General	MICLA Special Revenue	\$ 1,415
	Nonmajor Governmental Funds	194,976
	Sewer	3
		<u>196,394</u>
Nonmajor Governmental Funds	General	109,597
	Nonmajor Governmental Funds	22,324
		<u>131,921</u>
Power	Water	<u>1,608</u>
Sewer	General	79,105
	Nonmajor Governmental Funds	103
		<u>79,208</u>
Total		<u><u>\$ 409,131</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, 2020.

**2. Advances To/From Other Funds**

Receivable Fund	Payable Fund	Amount
General	Nonmajor Governmental Funds	\$ 20,831
MICLA Debt Service	Nonmajor Governmental Funds	112,346
Nonmajor Governmental Funds	General	125,001
	Nonmajor Governmental Funds	35,707
		<u>160,708</u>
Sewer	General	6,092
	Nonmajor Governmental Funds	7,758
		<u>13,850</u>
Total		<u>\$ 307,735</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 \$112.3 million MICLA Debt Service advances to other funds represent loans for redeeming Special Parking Revenue Fund bonds, repayment of Street Lighting Maintenance Assessment Fund liabilities to DWP and California Energy Resources and Development Commission; 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	\$ 153
	Nonmajor Governmental Funds	62,882
	Power	229,913
		<u>292,948</u>
MICLA Special Revenue	General	244
MICLA Debt Service	General	189,815
	MICLA Special Revenue Fund	27,774
		<u>217,589</u>
Nonmajor Governmental Funds	General	524,088
	Nonmajor Governmental Funds	78,869
		<u>602,957</u>
Total		<u>\$ 1,113,738</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 2020, significant transfers include the following: 1) \$229.9 million from Power to the General Fund; 2) \$217.6 million from General Fund and MICLA Special Revenue Fund for the purpose of debt requirement obligations; and 3) \$524.1 million budget allocation from the General Fund to finance various departmental programs including \$223.5 million to the Recreation and Parks, \$191.5 million for Library Department, and \$15.4 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, 2020 are broken down as follows (in thousands):

	Governmental Activities	Business-type Activities
Accounts, Contracts and Retainage Payable	\$ 438,885	\$ 1,094,404
Accrued Salaries and Overtime Payable	277,569	130,094
Intergovernmental Payable	3,830	--
Total	<u>\$ 720,284</u>	<u>\$ 1,224,498</u>

In May 2020, Airports offered a Separation Incentive Program (SIP) that would provide cash payments for eligible Airports employees who choose to voluntarily retire from the City of Los Angeles. A total of 333 employees have chosen to participate in the program to voluntarily terminate their employment with Airports, with SIP departures beginning on June 6, 2020. Airports recognized \$17.7 million under the program in fiscal year 2020.



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, 2020 are as follows (in thousands):

	Balance June 30, 2019	Additions	Deductions	Balance June 30, 2020	Due Within One Year
General Obligation Bonds	\$ 834,975	\$ --	\$ (105,455)	\$ 729,520	\$ 102,060
Judgment Obligation Bonds	6,190	--	(6,190)	--	--
Certificates of Participation (COP) and Lease Revenue Bonds	1,407,805	--	(129,510)	1,278,295	132,540
Direct Placements	97,621	17,845	(17,777)	97,689	17,207
Commercial Paper Notes	189,800	170,000	(23,800)	336,000	--
Revenue Bonds	223,635	--	(37,975)	185,660	21,165
Subtotal Bonds and Notes	2,760,026	187,845	(320,707)	2,627,164	272,972
Add: Unamortized Premium and Discount	215,695	--	(32,675)	183,020	--
Total Bonds and Notes	2,975,721	187,845	(353,382)	2,810,184	272,972
Claims and Judgments	2,472,517	255,233	(339,713)	2,388,037	411,610
Loans Payable to HUD	85,328	--	(5,980)	79,348	6,705
Capital Lease Obligations	66,767	--	(11,896)	54,871	12,072
Compensated Absences	629,824	499,521	(409,541)	719,804	191,535
Landfill Liability	44,265	--	(1,075)	43,190	--
Estimated Pollution Remediation Liability	16,140	34,014	(34,674)	15,480	1,465
Total Other Liabilities	3,314,841	788,768	(802,879)	3,300,730	623,387
Net Pension Liability	5,957,279	1,935,878	(1,226,574)	6,666,583	--
Net OPEB Liability	2,187,080	417,894	(590,998)	2,013,976	--
Governmental Activities Long-term Liabilities	<u>\$ 14,434,921</u>	<u>\$ 3,330,385</u>	<u>\$(2,973,833)</u>	<u>\$ 14,791,473</u>	<u>\$ 896,359</u>

General Obligation Bonds (GO Bonds)

The following summarizes the various voter authorizations for GO Bonds that were outstanding as of June 30, 2020 (in thousands):

Election Date	Project	Amount Authorized	Amount Issued as of June 30, 2020	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, 2020 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	\$ 80,355
Series 2012-A, Refunding	9/1/25	3.000% - 5.000%	225,850	98,980
Series 2016-A, Refunding	9/1/31	1.050% - 3.150%	143,815	121,425
Series 2017-A	9/1/37	1.470% - 3.500%	86,370	77,730
Series 2017-B, Refunding	9/1/27	5.000%	81,895	43,505
Series 2018-A	9/1/38	2.900% - 4.000%	276,240	262,425
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>\$ 729,520</u>

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

Fiscal Year	Principal	Interest	Total
2021	\$ 102,060	\$ 26,396	\$ 128,456
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 - 2030	174,950	47,605	222,555
2031 - 2035	101,645	21,763	123,408
2036 - 2039	68,185	4,960	73,145
Subtotal	729,520	170,943	900,463
Unamortized Premium and Discount	21,502	--	21,502
Total	<u>\$ 751,022</u>	<u>\$ 170,943</u>	<u>\$ 921,965</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. This program was subsequently expanded to include real property projects. 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, 2020 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)	10/1/22	3.000% - 5.000%	\$ 7,655	\$ 720
Project 2010-A	11/1/20	3.000% - 5.000%	30,355	3,720
Project 2010-B	11/1/20	1.647% - 6.615%	49,315	6,125
Project 2010-C	11/1/40	1.647% - 7.842%	18,170	15,895
Project 2012-A	3/1/22	2.000% - 5.000%	92,635	23,155
Project 2012-B	3/1/42	2.000% - 5.000%	33,975	28,310
Project 2012-C	3/1/32	1.500% - 5.000%	109,730	61,375
Project 2014-A	5/1/34	2.000% - 5.000%	41,800	32,765
Project 2014-B	5/1/33	2.000% - 5.000%	51,730	17,885
Project 2015-A	11/1/22	1.260% - 3.592%	292,415	113,150
Project 2016-A	11/1/26	2.000% - 5.000%	125,235	91,530
Project 2016-B	11/1/39	2.000% - 5.000%	685,270	601,425
Project 2018-A	11/1/27	5.000%	54,430	46,130
Project 2018-B	11/1/37	5.000%	31,270	29,695
Project 2018-C	11/1/27	2.020% - 3.417%	25,630	21,245
Project 2019-A	11/1/28	5.000%	86,610	84,010
Project 2019-B	11/1/38	5.000%	102,750	101,160
Subtotal Certificates of Participation and Lease Revenue Bonds			1,838,975	1,278,295
Project 2011-A	10/1/28	4.257%	11,920	4,861
Project 2013-D	6/1/21	2.790%	39,795	754
Project 2014-Equipment	11/1/24	2.065%	67,258	31,948
Project 2016 Streetlights	4/1/24	1.890% - 2.100%	26,369	13,698
Project 2017 Streetlights	6/1/27	2.460%	39,298	28,583
Project 2019 Streetlights	6/1/29	2.010%	17,845	17,845
Subtotal Direct Placements			202,485	97,689
Total			\$ 2,041,460	\$ 1,375,984

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 2020 totaled \$237.8 million, while revenue from leases received and investment earnings totaled \$218.4 million.

The COPs and bonds of \$1.28 billion in 2020 are secured with collateral of various facilities and capital equipment subleased and leased by 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 \$97.7 million are secured with collateral of various facilities and capital equipment of the City. For the MICLA Series 2011-A and 2014-Equipment, in the event of default, there is an effective default rate that the City is required to pay. For the MICLA 2016 Streetlight Financing and the MICLA 2017 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 placement bonds are as follows (in thousands):

Fiscal Year	COP and Lease Revenue Bonds		Direct Placements		Total
	Principal	Interest	Principal	Interest	
2021	\$ 132,540	\$ 57,074	\$ 17,207	\$ 2,134	\$ 208,955
2022	127,520	51,520	16,794	1,749	197,583
2023	85,695	46,565	17,142	1,378	150,780
2024	72,800	42,844	17,497	999	134,140
2025	75,205	39,210	10,537	612	125,564
2026 - 2030	337,300	141,713	18,512	737	498,262
2031 - 2035	268,585	72,084	--	--	340,669
2036 - 2040	173,285	15,259	--	--	188,544
2041 - 2042	5,365	352	--	--	5,717
Subtotal	1,278,295	466,621	97,689	7,609	1,850,214
Unamortized Premium and Discount	143,607	--	--	--	143,607
Total	\$ 1,421,902	\$ 466,621	\$ 97,689	\$ 7,609	\$ 1,993,821

On September 30, 2019, MICLA issued Direct Placement Bonds 2019 Streetlights of \$17.8 million with interest rates of 2.010% and maturing on June 1, 2029. The bonds were issued for the financing of the City's acquisition and installation of approximately 4,500 streetlights with light-emitting diode (LED) and/or high voltage conversion and other related improvements.

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 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 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, 2020 of \$99.0 million and estimated fair value of \$469.9 million.

The City has created a second CP program to issue up to \$100 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 the letter of credit expires, and the City is unable to secure replacement letters of credit, the related letters of credit would be drawn upon 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.

Notes to the Basic Financial Statements

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	\$ 17,700	0.340 %	06/30/2022
Series A-1/B-1	150,000	77,100	0.280 %	06/30/2022
Series A-2/B-2	100,000	106,200	0.320 %	06/30/2022
Series A-3/B-3	175,000	135,000	0.320 %	06/30/2022
	<u>\$ 525,000</u>	<u>\$ 336,000</u>		

For the fiscal year ended June 30, 2020, 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 \$170.0 million of commercial paper notes for the acquisition of capital assets. At June 30, 2020, outstanding commercial paper notes amounted to \$336.0 million with interest rates ranging from 0.11% to 7.50%.

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, 2020, MICLA recorded \$0.8 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 5.9% for federal fiscal year 2020.

Revenue Bonds

The revenue bonds outstanding at June 30, 2020 and the original amounts issued are as follows (in thousands):

	Final Maturity	Interest Rates	Original Amount	Outstanding Balance
Solid Waste Resources				
Revenue Bonds				
2009-B Series, Refunding	2/01/20	2.000% - 5.000%	\$ 49,485	\$ --
2013-A Series	2/01/27	2.000% - 5.000%	73,665	50,665
2013-B Series, Refunding	2/01/29	2.000% - 5.000%	78,780	8,190
2015 Series, Refunding	2/01/24	2.000% - 5.500%	76,670	24,480
2018-A Series	2/01/33	3.000% - 5.000%	110,530	102,325
Total			<u>\$ 389,130</u>	<u>\$ 185,660</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

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### Notes to the Basic Financial Statements

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 \$47.5 million and \$327.1 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
2021	\$ 21,165	\$ 7,532	\$ 28,697
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 - 2030	62,655	13,097	75,752
2031 - 2033	29,595	2,188	31,783
Subtotal	185,660	44,101	229,761
Unamortized Premium	17,911	--	17,911
Total	\$ 203,571	\$ 44,101	\$ 247,672

#### Loans Payable to HUD

The Loans Payable to HUD consist of \$25.7 million fixed-rate loans and \$53.6 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
2021	\$ 6,705	\$ 1,122	\$ 7,827
2022	7,105	991	8,096
2023	7,528	849	8,377
2024	7,572	700	8,272
2025	8,526	544	9,070
2026 - 2030	27,681	1,637	29,318
2031 - 2034	14,231	161	14,392
Total	\$ 79,348	\$ 6,004	\$ 85,352

The interest rates on the fixed-rate loans of \$25.7 million range from 2.620% to 7.210% and have maturity dates through 2033. The interim financing loans of \$53.6 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, 2020 of 0.510% 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 amount 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
2021	\$ 12,072	\$ 730	\$ 12,802
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	\$ 54,871	\$ 1,963	\$ 56,834

### Notes to the Basic Financial Statements

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.

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, 2020 are as follows (in thousands):

	Balance June 30, 2019	Additions	Deductions	Balance June 30, 2020	Due Within One Year
Airports Revenue Bonds and Notes	\$ 7,239,791	\$ 1,201,826	\$ (1,215,250)	\$ 7,226,367	\$ 204,222
Harbor Revenue Bonds and Loans	810,110	163,080	(262,110)	711,080	45,410
Power System Revenue Bonds and Revenue Certificates	9,458,013	945,010	(703,490)	9,699,533	233,205
Water System Revenue Bonds and Loans	5,661,998	344,112	(118,096)	5,888,014	135,456
Wastewater System Revenue Bonds, Notes, and Loans	2,795,408	30,000	(106,346)	2,719,062	137,148
Subtotal Revenue Bonds, Notes, and Loans	25,965,320	2,684,028	(2,405,292)	26,244,056	755,441
Add (Less):					
Net Unamortized Premiums and Discounts	2,397,945	591,902	(243,523)	2,746,324	--
Net Revenue Bonds, Notes, and Loans	28,363,265	3,275,930	(2,648,815)	28,990,380	755,441
Compensated Absences	204,187	62,227	(43,031)	223,383	136,495
Claims and Judgments	240,350	40,237	(72,854)	207,733	25,920
Estimated Pollution Remediation Liability	183,405	1,045	(5,998)	178,452	14,557
Other Liabilities	18,796	18,194	(2,171)	34,819	--
Subtotal	29,010,003	3,397,633	(2,772,869)	29,634,767	932,413
Net Pension Liability	1,917,242	42,764	(85,589)	1,874,417	--
Net OPEB Liability	603,542	71,246	(14,730)	660,058	--
Asset Retirement Obligation	266,685	22,817	(52,141)	237,361	--
Derivative Instrument Liabilities	23,551	--	(19,623)	3,928	--
Total	<u>\$ 31,821,023</u>	<u>\$ 3,534,460</u>	<u>\$ (2,944,952)</u>	<u>\$ 32,410,531</u>	<u>\$ 932,413</u>

Airports Revenue Bonds and Notes

Revenue bonds, revenue refunding bonds, and commercial paper notes outstanding at June 30, 2020, and the original amounts issued are as follows (in thousands):

	Final Maturity	Interest Rates	Original Amount	Outstanding Balance
Fixed Rate Revenue Bonds	2049	1.425% - 7.053%	\$ 8,616,135	\$ 7,163,170
Commercial Paper Notes	--	variable	63,197	63,197
Subtotal			<u>\$ 8,679,332</u>	7,226,367
Net Unamortized Bond Premiums and Discounts				941,378
Net Revenue Bonds and Notes				<u>\$ 8,167,745</u>

On December 17, 2019, Airports issued \$411.6 million of LAX subordinate revenues bonds Series 2019F with a premium of \$70.6 million. The bonds were issued to fund certain capital projects at LAX, and to fund the refinancing of certain outstanding subordinate commercial paper notes.

On March 11, 2020, Airports issued \$738.6 million of LAX senior refunding revenue bonds, Series 2020A with a premium of \$239.6 million. The bonds were issued to refund and defease a portion of the Series 2010A senior revenue bonds in the amount of \$492.8 million, and to refund and defease a portion of the Series 2010D senior revenue bonds in the amount of \$491.0 million. This transaction resulted in cash flow savings of \$337.3 million, economic gain of \$298.0 million; and a net gain for accounting purposes of \$21.1 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

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 amounts of \$144.7 million for debt service in fiscal year 2020. In fiscal year 2020, Airports CARES Act grants in the amount of \$42.7 million was used to apply against debt service payments and \$9.7 million was used to apply against LAX maintenance and operations expenses.

The total principal and interest remaining to be paid on the bonds is \$12.5 billion. Principal and interest paid during fiscal year 2020 and the net pledged revenues, after application of the \$144.7 million PFCs funds and \$52.4 million CARES Act grants, were \$503.9 million and \$762.2 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
2021	\$ 204,222	\$ 356,731	\$ 560,953
2022	163,160	349,958	513,118
2023	168,840	342,127	510,967
2024	185,815	333,989	519,804
2025	199,450	324,615	524,065
2026-2030	1,183,135	1,458,383	2,641,518
2031-2035	1,572,635	1,119,400	2,692,035
2036-2040	1,988,675	683,636	2,672,311
2041-2045	1,059,720	264,178	1,323,898
2046-2049	500,715	50,055	550,770
Subtotal	7,226,367	5,283,072	12,509,439
Net Unamortized Bond Premiums and Discounts	941,378	--	941,378
Total	\$ 8,167,745	\$ 5,283,072	\$ 13,450,817

As of June 30, 2020, Airports had outstanding commercial paper (CP) notes of \$63.2 million. The average interest rate in effect as of June 30, 2020 is 0.96%. 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. As of June 30, 2020, Airports had undrawn LOC balances of \$109.0 million from Barclays, \$218.0 million from Sumitomo, and \$154.8 million from Wells Fargo Bank. These LOC agreements expired in September 2020. Airports entered into new LOC agreements with Barclays, Sumitomo and Bank of America as described above.

Airports paid the LOC banks an annual commitment fee ranging from 0.30% and 0.32% on the stated amount of the LOC. LOC fees of \$1.8 million were paid for fiscal year 2020.

## Notes to the Basic Financial Statements

Airports had the following CP activities during fiscal year 2020 (in thousands):

	Balance June 30, 2019	Additions	Deductions	Balance June 30, 2020
Series A	\$ 4,345	\$ 21,404	\$ --	\$ 25,749
Series B	58,147	29,834	(83,419)	4,562
Series C	37,299	438	(4,851)	32,886
	<u>\$ 99,791</u>	<u>\$ 51,676</u>	<u>\$ (88,270)</u>	<u>\$ 63,197</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, 2020 reduced the subsidy. The interest subsidy on the BABs was \$7.2 million in fiscal year 2020. The BABs rate was 5.9% for fiscal year 2020. 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

The commercial paper reimbursement agreements contain a provision that upon the occurrence of an event of default by LAX, the applicable letter of credit (LOC) bank can, 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.

#### 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.

#### 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 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, 2020, 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	\$ 711,080
Net Unamortized Bond Premiums and Discounts				77,409
Net Revenue Bonds				<u>\$ 788,489</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 \$82.8 million and \$250.7 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.

There was no outstanding revolving obligations as of June 30, 2020.

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

Fiscal Year	Principal	Interest	Total
2021	\$ 45,410	\$ 33,660	\$ 79,070
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 - 2030	147,375	87,240	234,615
2031 - 2035	112,850	61,970	174,820
2036 - 2040	124,575	32,897	157,472
2041 - 2045	76,600	9,957	86,557
Subtotal	711,080	336,210	1,047,290
Net Unamortized Bond Premiums and Discounts	77,409	--	77,409
Total	<u>\$ 788,489</u>	<u>\$ 336,210</u>	<u>\$ 1,124,699</u>

## Notes to the Basic Financial Statements

On September 19, 2019, Harbor redeemed an aggregate par amount of \$215.6 million of its outstanding bonds comprised of all of 2009 Series A Bonds for total of \$61.3 million and all of 2009 Series C Bonds for total of \$154.3 million except for the non-callable 2009 Series C Bonds for \$5.0 million maturing in 2021 with coupon of 5.25%. The liability for the defeased portion of all 2009 bonds has been removed from the statements of net position. The reacquiring price exceeded the net carrying amount of the old debt by \$2.9 million. The amount is reported as a deferred outflow of resources and amortized over the remaining life of the refunding debt. The 2019 Refunding Revenue Bonds were issued on September 18, 2019 in aggregate principal amount of \$163.1 million. The 2019 Refunding Bonds were issued in four series; Series A (AMT) for \$115.1 million; Series B (Non-AMT) for \$32.3 million; Series C-1 (AMT) Green Bonds for \$5.0 million; and Series C-2 (Non-AMT) Green Bonds for \$10.7 million. The 2019 Refunding Revenue Bonds were issued without contributing to the Common Reserve and therefore an excess of \$22.2 million was released from the Common Reserve toward the transaction, reducing the total borrowing. The maturity of the refunding bonds remain the same as the maturity of the refunded bonds in 2030. Total present value savings from the transaction was \$43.7 million or 26.8% of the refunding bonds. The nominal savings in debt service due to refunding is \$71.7 million or an average of \$5.9 million per fiscal year.

### 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	2050	1.146% - 4.441%	\$ 9,830,518	\$ 8,957,833
Variable Rate Revenue Bonds	2036	various	1,009,100	541,700
Direct Placements	2039	various	200,000	200,000
Subtotal			<u>\$ 11,039,618</u>	9,699,533
Net Unamortized Bond Premiums and Discounts				<u>1,062,161</u>
Net Revenue Bonds and Notes				<u>\$ 10,761,694</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 October 2019, Power issued \$325.0 million of Power System Revenue Bonds, 2019 Series C. The net proceeds of \$410.5 million, including a \$85.5 million issue premium net of underwriter's discount, were deposited into the construction fund to be used for capital improvements.

In December 2019, Power issued \$281.5 million of Power System Revenue Bonds, 2019 Series D. The net proceeds of \$355.5 million, including a \$73.9 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, 2015 Series A, amounting to \$104.4 million. The transaction resulted in a net present value savings of \$19.1 million and a net gain for accounting purposes of \$11.1 million, which was capitalized as deferred inflows on debt refunding and is being amortized over the life of the refunded bonds.

In May 2020, Power issued \$338.5 million of Power System Revenue Bonds, 2020 Series A. The net proceeds of \$427.6 million, including a \$89.2 million issue premium net of underwriter's discount, were used to refund a portion of the outstanding Power System Revenue Bonds, 2010 Series B, amounting to \$11.9 million, a portion of the outstanding Power System Revenue Bonds, 2013 Series B, amounting to \$43.1 million, a portion of the outstanding Power System Revenue Bonds, 2001 Series B, amounting to \$256.4 million, and a portion of the outstanding Power System Revenue Bonds, 2002 Series A, amounting to \$115.8 million. The transaction resulted in a net present value savings of \$9.2 million and a net gain for accounting purposes of \$4.0 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, 2020, Power had variable rate bonds outstanding in the amounts of \$741.7 million. Of these variable rate bonds, \$200.0 million is in direct placement bonds. In May 2020, Power issued the Power System Revenue Bonds, 2020 Series A, to refinance a portion of the Power System Revenue Bonds, 2001 Series B, amounting to \$256.4 million, and a portion of the Power System Revenue Bonds, 2002 Series A, amounting to \$115.8 million. The variable rate bonds currently bear interest at weekly and daily rates ranging from 0.12% to 0.01% as of June 30, 2020. 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 and \$219.0 million as of June 30, 2020. The extended standby agreements expire in January 2021 for the \$149.0 million, and in January 2023 for the \$174.0 million, for a total of \$323.0 million, and in May 2024 for the \$219.0 million.

Under the agreements, \$115.0 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%, \$149.0 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%; (c) LIBOR quoted rate plus 3.00%; and (d) 7.00%, while \$219 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 \$54.0 million at June 30, 2020.

Principal and interest paid for the current year and net pledged revenue were \$630.0 million and \$1.3 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 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

## Notes to the Basic Financial Statements

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.

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. The Department 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, 2020, Power has no outstanding commercial paper notes.

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

Fiscal Year	Principal	Interest	Total
2021	\$ 179,035	\$ 370,301	\$ 549,336
2022	198,684	366,682	565,366
2023	246,348	361,384	607,732
2024	274,926	353,379	628,305
2025	271,851	345,373	617,224
2026 - 2030	1,714,483	1,551,340	3,265,823
2031 - 2035	1,955,400	1,224,876	3,180,276
2036 - 2040	1,886,365	887,151	2,773,516
2041 - 2045	2,124,480	398,141	2,522,621
2046 - 2050	800,630	45,632	846,262
Debt service payments already paid to sinking fund - 2010C bonds	47,331	--	47,331
Subtotal	9,699,533	5,904,259	15,603,792
Net Unamortized Bond Premiums and Discounts	1,062,161	--	1,062,161
Total	<u>\$ 10,761,694</u>	<u>\$ 5,904,259</u>	<u>\$ 16,665,953</u>

Interest and amortization are net of \$1.1 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 \$741.7 million in variable rate bonds and direct placement over the next six years, as follows: \$54.2 million in fiscal year 2021, \$108.3 million in each of the fiscal years 2022 through 2025, \$94.2 million in fiscal year 2026, and \$40.0 million in each of the fiscal years 2027 through 2030. Accordingly, the Statement of Net Position recognize the possibility of the exercise of the tender options and reflect the \$54.2 million that could be due in fiscal year 2021 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, 2020 averages 0.15%.

### 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	2051	2.483% - 4.542%	\$ 5,026,655	\$ 4,594,215
Variable Rate Revenue Bonds	2050	various	554,765	554,765
Loans Payable to California SWRCB and DWR	2052	0.000% - 2.600%	882,564	739,034
Subtotal			<u>\$ 6,463,984</u>	5,888,014
Net Unamortized Bond Premiums and Discounts				446,086
Net Revenue Bonds and Notes				<u>\$ 6,334,100</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 2020. Existing SWRCB loans received \$114.3 million to fund water quality capital improvements and made principal payments of \$25.6 million.

In July 2019, Water issued \$229.8 million of Water System Variable Rate Revenue Bonds, 2019 Series A. The net proceeds of \$229.6 million, net of underwriter's discount, were used to pay for budgeted capital improvements and refund all of the outstanding Water System Revenue Bonds, 2009 Series B, amounting to \$29.7 million. The transaction resulted in a net gain for accounting purposes of \$0.4 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, 2020, Water had \$554.8 million in variable rate bonds. The variable rate bonds currently bear interest at daily and weekly rates ranging from 0.01% to 0.12% as of June 30, 2020. 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 in initial amounts of \$225.0 million (2001B, Subseries B-1 to B-3), \$100.0 million (2001B, Subseries B-4), \$130.0 million (2019A, Subseries A-1), \$70.0 million (2019A, Subseries A-2), and \$29.8 million (2019A, Subseries A-3) to provide liquidity for these bonds. The extended standby agreements expire in July 2020, January 2021, and January 2022.

Under the agreements, \$225.0 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%, \$129.8 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%. 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 Statements 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 \$52.5 million as of June 30, 2020.

Principal and interest paid for the current year and net pledged revenue were \$336.9 million and \$624.9 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

## Notes to the Basic Financial Statements

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.

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, 2020, 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
2021	\$ 82,956	\$ 218,995	\$ 301,951
2022	107,983	215,187	323,170
2023	124,251	211,003	335,254
2024	142,072	206,331	348,403
2025	148,395	201,403	349,798
2026 - 2030	838,610	926,794	1,765,404
2031 - 2035	1,022,108	777,248	1,799,356
2036 - 2040	1,236,062	571,084	1,807,146
2041 - 2045	1,333,729	292,634	1,626,363
2046 - 2050	770,046	86,216	856,262
2051 - 2055	81,802	72	81,874
Subtotal	5,888,014	3,706,967	9,594,981
Net Unamortized Bond Premiums and Discounts	446,086	--	446,086
Total	\$ 6,334,100	\$ 3,706,967	\$ 10,041,067

The interest and amortization is net of \$438.8 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, including the Water 2019 A Subseries A-3. The schedule is presented assuming that the tender options on the variable rate bonds will not be exercised. Should the bondholder's exercise the tender options, Water could be required to redeem the \$525.0 million in variable rate bonds outstanding over the next six fiscal years as follows: \$52.5 million in fiscal year 2021, \$105.0 million in each of the fiscal years 2022 through 2025, and \$52.5 million in fiscal year 2026. Accordingly, the Statement of Net Position recognize the possibility of the exercise of the tender options and reflect the \$52.5 million that could be due in fiscal year 2021, as a current portion of long-term debt payable.



Notes to the Basic Financial Statements

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, 2020 averages 0.06%. 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, revenue refunding bonds, commercial paper notes, and loans outstanding at June 30, 2020, and the original amounts issued are as follows (in thousands):

	Final Maturity	Interest Rates	Original Amount	Outstanding Balance
Fixed Rate Revenue Bonds	2048	1.000% - 5.813%	\$ 3,105,495	\$ 2,624,685
Loans Payable to California SWRCB	2024	1.800%	219,081	64,377
Commercial paper notes	--	variable	--	30,000
Subtotal			<u>\$ 3,324,576</u>	<u>2,719,062</u>
Net Unamortized Bond Premiums and Discounts				219,290
Net Revenue Bonds and Notes				<u>\$ 2,938,352</u>

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 sewerage system of the City.

Under the terms of the General Resolution, the City has pledged the Sewer’s revenues (as defined) to secure the payment of all bonds issued under the General Resolution. 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 April 29, 2020, Sewer issued tax-exempt commercial paper in the amount of \$5 million and taxable commercial paper in the amount of \$25 million. There were no bonds issued during fiscal year 2020.

**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. As of June 30, 2020, Sewer recorded interest subsidies of \$0.01 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 5.9% for federal fiscal year 2020.

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 Project is shared by other contract agencies.

As of June 30, 2020, the Loan balance amounted to \$64.4 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 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 contribution, which represents 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 \$223.6 million and \$393.9 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.

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

Fiscal Year	Principal	Interest	Total
2021	\$ 137,148	\$ 126,777	\$ 263,925
2022	116,500	122,055	238,555
2023	117,761	116,784	234,545
2024	120,551	111,473	232,024
2025	125,512	106,043	231,555
2026 - 2030	605,705	443,401	1,049,106
2031 - 2035	573,725	312,978	886,703
2036 - 2040	457,615	189,176	646,791
2041 - 2045	393,380	76,726	470,106
2046 - 2048	71,165	6,635	77,800
Subtotal	2,719,062	1,612,048	4,331,110
Net Unamortized Bond Premiums and Discounts	219,290	--	219,290
Total	\$ 2,938,352	\$ 1,612,048	\$ 4,550,400

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 periods of maturity 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 both expire on October 22, 2021. The aggregate maximum principal amount of the LOCs is \$272.5 million, which consist of \$150.0 million in principal plus \$13.5 million in interest for Toronto-Dominion Bank and \$100.0 million in principal plus \$9.0 million in interest for Barclays Bank PLC. Sewer is responsible for the payment of a nonrefundable letter of credit fee for each of the LOC.

Since these Notes are secured by the LOCs with expiration dates in excess of one year after June 30, 2020, Sewer reported these Notes as Long-Term liabilities due within one year. 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 is \$30 million outstanding Notes as of June 30, 2020.

**3. Fiduciary Funds**

Following is a summary of notes payable activity of Pensions for the fiscal year ended June 30, 2020 (in thousands):

	Balance June 30, 2019	Additions	Deductions	Balance June 30, 2020	Due Within One Year
Notes Payable	\$ 179,749	\$ 34,250	\$ (19,462)	\$ 194,537	\$ 1,062

The notes payable of the Pensions are secured by real estate. Interest rates range from 2.90% to 4.30% per annum. The debt service payments to maturity for these notes are as follows (in thousands):

Fiscal Year	Principal	Interest	Total
2021	\$ 1,062	\$ 6,530	\$ 7,592
2022	55,267	5,930	61,197
2023	554	4,800	5,354
2024	37,593	3,997	41,590
2025	29,050	2,797	31,847
2026 - 2030	71,010	9,693	80,703
Total	\$ 194,536	\$ 33,747	\$ 228,283
Less: Appreciation/Depreciation of Mortgage Payable	(166)		
	\$ 194,370		

**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
<b><u>Business-type Activities</u></b>			
Airport Senior Refunding Revenue Bonds 2020 Series A (Private Activity, Non-AMT) \$738,575 5.000%	Airports Senior Revenue Bonds 2010 Series A (partial) \$492,765 4.500% - 5.000% 2010 Series D (partial) \$490,975 3.500% - 5.250%	\$ 337,328	\$ 298,036
Harbor Refunding Revenue Bonds 2019 Series A, B, C-1, C-2 \$163,100 5.000%	Harbor Revenue Bonds 2009 Series A \$61,300 2.000% – 5.250% Harbor Revenue Bonds 2009 Series C \$154,300 4.000% – 5.250%	71,700	43,700
Power System Revenue Bonds 2019 Series D \$281,530 5.000%	Power System Revenue Bonds 2015 Series A \$104,345 4.000%	26,456	19,137
Power System Revenue Bonds 2020 Series A \$338,480 5.000%	Power System Revenue Bonds 2010 Series B \$11,885 3.375% - 5.000% Power System Revenue Bonds 2013 Series B \$43,135 5.000% Power System Revenue Bonds 2001 Series B \$256,400 Variable Power System Revenue Bonds 2002 Series A \$115,800 Variable	19,326	16,257
Water System Revenue Bonds 2019 Series A \$229,765 variable	Water System Revenue Bonds 2009 Series B \$29,740 4.000% - 5.000%	N/A	N/A

**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, 2020, the following bonds are considered defeased (in thousands):

Governmental Activities	
General Obligation Bonds	\$ 112,485
Business-type Activities	
Power Revenue Bonds	\$ 66,495
Water Revenue Bonds	66,044
Total	\$ 132,539

**L. Tax and Revenue Anticipation Notes**

On July 9, 2019, in anticipation of receiving taxes and other revenues, the City issued tax and revenue anticipation notes (TRAN) with a true interest cost of 1.199% and total premium of \$59.9 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, 2020 was as follows (in thousands):

	Beginning Balance	Issued	Redeemed	Ending Balance
Tax and Revenue Anticipation Notes	\$ --	\$ 1,655,030	\$ (1,655,030)	\$ --

**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, 2020 were approximately \$51.95 million.

The future lease payments under non-cancellable operating lease agreements are as follows (in thousands):

Fiscal Year	Amount
2021	\$ 12,558
2022	12,639
2023	11,540
2024	9,491
2025	5,872
2026 - 2030	27,593
2031 - 2035	10,824
2036 - 2040	12,547
2041 - 2045	14,546
2046 - 2050	16,863
2051 - 2055	19,540
2056 - 2060	22,621
Total	\$ 176,634

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.

#### 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.

As of June 30, 2020, the amount of deferred airline rents and fees included in accounts receivable was approximately \$93.0 million.

### 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.

As of June 30, 2020, the amount of outstanding deferred concessionaires' payments included in accounts receivable was approximately \$3.0 million.

### 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. Additional details can be found in Note 5G of the notes to the basic financial statements.

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, 2020 revenues from such agreements were \$279.8 million, of which \$81.8 million were over the MAG. Future rents for fiscal year 2021 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 2022 to 2025 are estimated based on the specific MAG in the agreements. The estimated future rents are as follows (amount in thousands):

<u>Fiscal Year</u>	<u>Amount</u>
2021	\$ 7,198
2022	138,721
2023	132,307
2024	95,586
2025	95,586
Total	<u>\$ 469,398</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 Midfield Satellite Concourse (MSC). The construction of the new concourse started in February 2017 and is expected to be completed by 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 2021 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 2022 to 2025 are estimated based on the specific MAG in the agreements. The estimated future rents are as follows (amounts in thousands):

Fiscal Year	Amount
2021	\$ 3,366
2022	30,646
2023	31,412
2024	32,197
2025	33,409
Total	\$ 131,030

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, 2020, revenues from these leases were \$707.3 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
2021	\$ 523,407
2022	447,525
2023	391,057
2024	345,425
2025	283,211
Total	\$ 1,990,625

The carrying cost and the related accumulated depreciation of property held for operating leases as of June 30, 2020 are as follows (in thousands):

Property	Amount
Buildings and Facilities	\$ 6,246,705
Less: Accumulated Depreciation	(1,530,118)
Net	4,716,587
Land	626,715
Total	\$ 5,343,302

Airports leases office spaces under operating lease agreements that expire through 2032. Lease payments for the fiscal year ended June 30, 2020 amounted to \$7.7 million. Future minimum lease payments under the agreements are as follows (in thousands):

Fiscal Year	Amount
2021	\$ 7,319
2022	7,033
2023	7,129
2024	7,235
2025	7,343
2026 - 2030	12,523
2031 - 2035	3,928
Total	\$ 52,510

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 94.7% 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, 2020, the minimum rental income from such lease agreements was approximately \$65.3 million. For the fiscal year ended June 30, 2020, the MAG payments were approximately \$309.2 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
2021	\$ 65,797	\$ 312,334
2022	66,329	314,468
2023	66,866	315,239
2024	67,409	316,039
2025	67,957	317,017
Total	<u>\$ 334,358</u>	<u>\$ 1,575,097</u>

The carrying cost and related accumulated depreciation of property held for operating leases as of June 30, 2020 are as follows (in thousands):

Property	Amount
Wharves and Sheds	\$ 1,203,115
Cranes/Bulk Facilities	27,028
Municipal Warehouses	13,949
Port Pilot Facilities and Equipment	9,066
Buildings and Other Facilities	1,107,343
Cabrillo Marina	180,200
Total	<u>2,540,701</u>
Less: Accumulated Depreciation	<u>(1,434,576)</u>
Net	<u>\$ 1,106,125</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, 2020, 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, 2020 at approximately \$628.7 million. Of this amount, \$194.0 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 \$64.0 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, 2020.

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, 2020, the City estimates its workers' compensation liability at \$1.8 billion. Of this amount, \$217.6 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 with a \$500,000 annual 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 \$30.0 million for protection against cyber liability risks and technology errors and omissions. Airports maintains a self-insurance retention of \$100,000 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 2020, 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, 2020 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, 2020 was \$90.7 million.

#### Harbor Enterprise Fund

Harbor purchases insurance for a variety of exposures associated with property, automobiles, vessels, employment practices, 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. Prior to October 1, 2017, third party general liability exposures were self-insured by Harbor for \$1.0 million and the excess liability is maintained over the self-insured retention. Harbor has purchased a primary general liability insurance policy effective on October 1, 2017 to cover general liability up to \$1.0 million with \$500,000 deductible for indemnity defense. 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, 2020 was \$14.0 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, 2020 was \$1.2 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, 2020.

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, 2020. The Department has third-party insurance coverage for workers' compensation claims over \$600,000.

## Notes to the Basic Financial Statements

Overall indicated reserves for workers' compensation claims, for both the Power and Water, undiscounted, have been estimated at \$77.0 million as of June 30, 2020. 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, 2020, Power financial natural gas hedges by fiscal year are the following (fair value in thousands):

<u>Fiscal Year</u>	<u>Notional Amount (Total Contract Quantities*)</u>	<u>Contract Price Range Dollar per Unit</u>	<u>First Effective Date</u>	<u>Last Termination Date</u>	<u>Fair Value</u>
2021	23,240,000	1.600-2.610	07/01/20	06/30/21	\$ (3,478)
2022	14,790,000	1.920-2.470	07/01/21	06/30/22	750
2023	8,537,500	1.840-2.500	07/01/22	06/30/23	(906)
2024	4,125,000	1.880-2.250	07/01/23	06/30/24	(294)
Total	<u>50,692,500</u>				<u>\$ (3,928)</u>

\* Contract quantities in MMBtu - Million British Thermal Units

The fair value of the natural gas hedges increased by \$3.1 million during the fiscal year ended June 30, 2020 due to an increase during the year in natural gas prices and is reported as a noncurrent liability and is offset by a deferred outflow 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 structure 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 to 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, 2020, 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. Collateral posted is held by a custodian. As of June 30, 2020, the fair values of the financial natural gas hedges are within the credit limits and collateral posting was not required.

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 \$207.7 million consisted of \$31.4 million litigation-type claims and \$176.3 million workers' compensation liability. The amount estimated to be payable in the next fiscal year is approximately \$25.9 million.

The changes in the City's total governmental and business-type estimated claims and judgments liability are as follows (in thousands):

	<u>FY 2020</u>	<u>FY 2019</u>
Unpaid Claims, July 1	\$ 2,712,867	\$ 2,746,583
Provisions for Current Year's Events and Changes in Provision for Prior Years' Events	295,470	338,308
Claims Payments	<u>(412,567)</u>	<u>(372,024)</u>
Unpaid Claims, June 30	<u>\$ 2,595,770</u>	<u>\$ 2,712,867</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, 2020, the City's liability of \$43.2 million is comprised of \$41.2 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 \$41.2 million represents post-closure duration of 22 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, 2020, 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, Branford, 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, 2020 are as follows (in thousands):

	Balance June 30, 2019	Additions	Deductions	Balance June 30, 2020
<b>Obligating Event</b>				
Violation of Pollution Prevention-Related Permit or License	\$ 15,864	\$ 17,031	\$ (17,615)	\$ 15,280
Voluntary Commencement	276	16,983	(17,059)	200
<b>Total</b>	<b>\$ 16,140</b>	<b>\$ 34,014</b>	<b>\$ (34,674)</b>	<b>\$ 15,480</b>
<b>Pollution Type</b>				
Soil and/or Groundwater Remediation	\$ 16,060	\$ 33,003	\$ (33,638)	\$ 15,425
Lead Paint Removal	--	207	(207)	--
Methane Protection	80	55	(80)	55
Asbestos Removal	--	161	(161)	--
Mold	--	588	(588)	--
<b>Total</b>	<b>\$ 16,140</b>	<b>\$ 34,014</b>	<b>\$ (34,674)</b>	<b>\$ 15,480</b>

The \$15.5 million liabilities for governmental activities, net of \$15.4 million recoveries, include \$0.2 million for voluntary commencement and \$15.3 million 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. The addition of \$17.0 million in fiscal year 2020 included \$11.1 million cost of removal of heavy metals, soil gasses and aerially deposited lead for the Sixth Street viaduct from Mateo Street to Highway 101, \$1.5 million for removal of solvents in the groundwater caused by a leaking underground storage tank at the Southwest Street site, and \$4.4 million remediation costs for various other sites. For fiscal year 2020, no remediation outlays were capitalized. Estimated expenditures for fiscal year 2020 and beyond are \$1.5 million and \$14.0 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.

2. Business-type Activities

The pollution remediation obligations for business-type activities for the fiscal year ended June 30, 2020 are as follows (in thousands):

	Balance June 30, 2019	Additions	Deductions	Balance June 30, 2020
<b>Obligating Event</b>				
Violation of Pollution Prevention-Related Permit or License	\$ 942	\$ --	\$ (1)	\$ 941
Named by a Regulator as a Potential Party to Remediation	75,698	1	(2,752)	72,947
Named in Lawsuit and Compelled to Participate in Remediation	12,844	--	(1,104)	11,740
Voluntary Commencement	93,921	1,044	(2,141)	92,824
<b>Total</b>	<b>\$ 183,405</b>	<b>\$ 1,045</b>	<b>\$ (5,998)</b>	<b>\$ 178,452</b>
<b>Pollution Type</b>				
Soil and/or Groundwater Remediation	\$ 183,405	\$ 1,045	\$ (5,998)	\$ 178,452

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, 2020 was \$73.8 million, of which \$2.8 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. As environmental risks may be managed, Harbor has adopted the “Managed Environmental Risk” approach in estimating the remediation liability. Harbor uses a combination of in-house specialists as well as outside consultants to perform estimates of potential liability. 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 2020 was approximately \$93.0 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 \$11.3 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 Plan. 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 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, 2020, 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 2020, the City paid \$10.1 million in financial assistance to the developer. A total of \$109.8 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 2020, the City paid \$3.1 million in financial assistance to the developer. A total of \$22.7 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 2020, the City paid \$3.6 million in financial assistance to the developer. A total of \$9.4 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 2020, the City paid \$1.3 million in financial assistance to the developers. A total of \$5.2 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 2020, the City paid \$7.7 million in financial assistance to the developer. A total of \$23.5 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 2020.

#### 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 2020.

#### 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 2020.

The following agreement was executed during fiscal year 2020, but no payment was made:

### 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.

## **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 market value. The result is property tax abatement. As of June 30, 2020, there are 932 existing Mills Act contracts in the City. The City receives new Mills Act applications annually and approved 29 new contracts in fiscal year 2020. Existing contracts are renewed annually for a minimum term of ten years.

For fiscal year 2020, the property tax abated from the Mills Act agreements was \$1.4 million. The City Council has imposed a cap on total property tax abatement of \$2.0 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 for DWP’s new hires on or after January 1, 2014.

Membership

Pensions

The components of the Pensions’ membership at June 30, 2020 were as follows:

Active Nonvested	
Tier 4	71
Tier 5	4,886
Tier 6	3,925
Subtotal	<u>8,882</u>
Active Vested	
Tier 2	5
Tier 3	615
Tier 4	151
Tier 5	3,829
Tier 6	4
Subtotal	<u>4,604</u>
Pensioners and Beneficiaries	
Tier 1	236
Tier 2	6,845
Tier 3	776
Tier 4	346
Tier 5	5,087
Tier 6	1
Subtotal	<u>13,291</u>
Vested Terminated	
Tier 3	47
Tier 5	256
Tier 6	272
Subtotal	<u>575</u>
Total	<u><u>27,352</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, 2020, Tier 6 also includes all new Airport police officers, as well as any Airport police officers hired prior to January 7, 2020 who elected to transfer to Tier 6 from LACERS at their own expense.

LACERS

The components of LACERS' membership at June 30, 2020 were as follows:

Active Vested and Nonvested	
Tier 1	20,101
Tier 3	<u>7,389</u>
Subtotal	<u>27,490</u>
Inactive Nonvested and Terminated Entitled to Benefits	
Tier 1	7,777
Tier 3	<u>1,430</u>
Subtotal	<u>9,207</u>
Inactive	
Retired Tier 1	15,525
Disabled Tier 1	884
Beneficiaries Tier 1	<u>4,014</u>
Subtotal	<u>20,423</u>
Total	<u>57,120</u>

DWP Plans

As of June 30, 2020, DWP Plans' membership consisted of 9,443 retirees and beneficiaries; 1,690 terminated vested members and 10,778 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 post-employment 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 <sup>(1)</sup>
Under 55	30 Years	2.0% x FAC x Yrs. of SC <sup>(2)</sup>
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

<sup>(1)</sup>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.

<sup>(2)</sup>A reduction factor will be applied based on age at retirement.



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. The Board has authority to determine, no later than May 1<sup>st</sup> of each year, the average annual percentage change in the Consumer Price Index (CPI) for the purpose of providing a Cost of Living Adjustment (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 Consumer Price Index (Los Angeles-Long Beach-Anaheim, CA – All Items) as published by the Bureau of Labor Statistics of the United States Department of Labor (CPI) 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.

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 is 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, 2020, 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	\$ --	\$ 0.36	\$ 14.75	\$ 6.15	\$ 219.11	\$ 38.26	\$ 2.62	\$ 0.37	\$ 0.99
Unfunded Supplemental Present Value amount	14.56	13.69	--	7.74	148.94	31.16	0.78	0.13	0.12
Pension Administrative Expense	--	0.02	0.97	0.37	12.67	2.65	0.15	0.03	0.07

During fiscal year 2020, total employer contributions of \$516.64 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, 2020, the actuarially-determined aggregate employer contribution rate to LACERS by the City was 24.75% of projected payroll, based on the June 30, 2018 actuarial valuation. Upon closing the fiscal year 2020, 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, 2019. As a result, employer contributions received for LACERS were \$39.07 million more than required, and this amount was credited to the employer toward employer contributions for fiscal year 2021. Based on actual payroll, the effective rate of employer contribution for LACERS was 24.36% for fiscal year 2020, with total actuarially determined contribution of \$553.1 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 2020 (based on the July 1, 2019 valuations) was 37.97%.

DWP contribution rate for fiscal years 2020 for temporary disability (based on the July 1, 2019 valuation) was \$1.31 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 2020, the actuarially determined contributions of DWP's Retirement Fund was \$424.4 million and actual contributions made were \$422.0 million.

**4. Net Pension Liability**

For the June 30, 2020 reporting date, the Net Pension Liability (NPL) of Pensions was measured as of June 30, 2019 and determined by rolling forward the Total Pension Liability (TPL) from the actuarial valuation as of June 30, 2018. The Fiduciary Net Position (FNP) was valued as of the measurement date.

LACERS' NPL was measured as of June 30, 2019 and determined based upon the FNP and TPL from the actuarial valuation as of June 30, 2019. FNP and TPL were valued as of the measurement date.

The NPL of DWP Plans was measured as of June 30, 2019 and determined based upon the results of the actuarial valuation as of June 30, 2019. 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, 2019 were as follows (in thousands):

	Total Pension Liability	Fiduciary Net Position	Net Pension Liability	Fiduciary Net Position as % of Total Pension Liability
Pensions	\$ 23,000,505	\$ 21,262,201	\$ 1,738,304	92.44%
LACERS	20,793,421	14,815,593	5,977,828	71.25%
DWP Plans	13,811,956	12,987,087	824,869	94.03%
Totals	<u>\$ 57,605,882</u>	<u>\$ 49,064,881</u>	<u>\$ 8,541,000</u>	

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, 2019 were as follows (in thousands):

	Pensions	LACERS	DWP Plans	Total
Total Pension Liability				
Beginning Balance	\$ 21,736,849	\$ 19,944,578	\$ 13,187,542	\$ 54,868,969
Service Cost	402,708	370,409	243,263	1,016,380
Interest	1,572,220	1,439,661	952,071	3,963,952
Change of Benefit Terms	(79,650)	--	--	(79,650)
Benefit Payments, Including Refunds of Member Contributions	(1,070,456)	(915,192)	(597,563)	(2,583,211)
Difference of Expected and Actual Experience	--	(46,035)	17,807	(28,228)
Experience Gains	81,465	--	--	81,465
Assumption Changes	357,369	--	8,836	366,205
Net Change	1,263,656	848,843	624,414	2,736,913
Ending Balance	23,000,505	20,793,421	13,811,956	57,605,882
Fiduciary Net Position				
Beginning Balance	20,482,133	14,235,230	12,277,085	46,994,448
Employer Contributions	504,877	478,717	416,180	1,399,774
Member Contributions	147,753	237,087	104,742	489,582
Net Investment Income	1,218,138	799,351	791,832	2,809,321
Benefit Payments, Including Refunds of Member Contributions	(1,070,456)	(915,192)	(597,563)	(2,583,211)
Administrative Expenses	(20,244)	(19,600)	(5,189)	(45,033)
Net Change	780,068	580,363	710,002	2,070,433
Ending Balance	21,262,201	14,815,593	12,987,087	49,064,881
Net Pension Liability	\$ 1,738,304	\$ 5,977,828	\$ 824,869	\$ 8,541,000

Sensitivity of the Net Pension Liabilities to Changes in Discount Rates

Pensions and LACERS used a discount rate of 7.25 percent, while DWP Plans used a discount rate of 7.00 percent to measure the total pension liability for the measurement date of June 30, 2019. 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, 2020 based on the measurement date of June 30, 2019.

Notes to the Basic Financial Statements

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 7.25 percent and 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 (6.25 percent and 6.00 percent) or 1-percentage point higher (8.25 percent and 8.00 percent) than the current rate of 7.25 percent for Pensions, LACERS and 7.00 percent for DWP Plans, respectively:

	Pensions	LACERS	DWP Plans*
1% Decrease (6.25%/6.00%*)	\$ 4,952,114	\$ 8,797,246	\$ 2,684,647
Current Discount Rate (7.25%/7.00%*)	1,738,304	5,977,828	824,869
1% Increase (8.25%/8.00%*)	(872,832)	3,652,816	(711,936)

5. Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources

The City recognized the following pension expenses, deferred outflows of resources and deferred inflows of resources as of and for the fiscal year ended June 30, 2020 (in thousands):

	Pension Expense			
	Pensions	LACERS	DWP Plans	Totals
Service Cost	\$ 402,708	\$ 370,409	\$ 243,263	\$ 1,016,380
Interest on the Total Pension Liability	1,572,220	1,439,661	952,071	3,963,952
Expensed Portion of Current-period Difference between Expected and Actual Experience in the Total Pension Liability	14,094	(9,263)	2,765	7,596
Expensed Portion of Current-period Changes of Assumptions or Other Inputs	61,829	--	1,372	63,201
Member Contributions	(147,753)	(237,087)	(104,742)	(489,582)
Projected Earnings on Plan Investments	(1,485,851)	(1,040,023)	(887,122)	(3,412,996)
Expensed Portion of Current-Period Benefit Changes	(79,650)	--	--	(79,650)
Expensed Portion of Current-period Differences between Actual and Projected Earnings on Plan Investments	53,543	48,135	19,058	120,736
Administrative Expense	20,244	19,600	5,189	45,033
Recognition of Beginning of Year Deferred Outflows of Resources as Pension Expense	471,888	564,037	337,433	1,373,358
Recognition of Beginning of Year Deferred Inflows of Resources as Pension Expense	(549,420)	(309,034)	(246,538)	(1,104,992)
	<u>\$ 333,852</u>	<u>\$ 846,435</u>	<u>\$ 322,749</u>	<u>\$ 1,503,036</u>

Notes to the Basic Financial Statements

	Deferred Outflows of Resources			
	Pensions	LACERS	DWP Plans	Totals
Pension Contributions Subsequent to Measurement Date	\$ 516,640	\$ 552,080	\$ 428,613	\$ 1,497,333
Changes in Proportion and Differences between Employer's Contributions and Proportionate Share of Contributions	--	16,731	8,313	25,044
Changes of Assumptions or Other Inputs	627,515	442,102	218,584	1,288,201
Differences between Actual and Expected Experience in the Total Pension Liability	81,615	89,177	21,977	192,769
	<u>\$ 1,225,770</u>	<u>\$ 1,100,090</u>	<u>\$ 677,487</u>	<u>\$ 3,003,347</u>

	Deferred Inflows of Resources			
	Pensions	LACERS	DWP Plans	Totals
Changes in Proportion and Differences between Employer's Contributions and Proportionate Share of Contributions	\$ --	\$ 16,731	\$ 8,313	\$ 25,044
Net Difference between Projected and Actual Earnings on Investments	256,488	49,339	120,667	426,494
Difference between Expected and Actual Experience in Total Pension Liability	376,918	179,962	166,092	722,972
	<u>\$ 633,406</u>	<u>\$ 246,032</u>	<u>\$ 295,072</u>	<u>\$ 1,174,510</u>

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, 2021. 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
2021	\$ (19,102)	\$ 122,877	\$ 57,373
2022	(175,410)	2,124	(93,086)
2023	78,525	109,067	(41,595)
2024	132,491	67,910	24,854
2025	59,220	--	4,436
2026	--	--	1,820

6. Long-term Expected Rate of Return on Plan

The discount rate used to measure the total pension liability was 7.25% for Pensions and LACERS and 7.00% for 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 subtracting expected investment expenses and a risk margin. The target allocation and projected arithmetic real rate 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 for the actuarial valuation are summarized as follows:

Asset Class	Pensions		LACERS		DWP Plans	
	Target Allocation	Long-term Expected Rate of Return as of Date of June 30, 2019	Target Allocation	Long-term Expected Rate of Return as of Date of June 30, 2019	Target Allocation	Long-term Expected Rate of Return as of Date of June 30, 2019
Large Cap U.S. Equity	23.00 %	5.61 %	14.00 %	5.32 %	22.95 %	5.44 %
Small Cap U.S. Equity	6.00	6.37	5.00	6.07	1.75	6.18
Developed International Equity	16.00	6.96	17.00	6.67	13.06	6.54
Developed International Small Cap Equity	--	--	3.00	7.14	2.18	6.64
Emerging Markets Equity	5.00	9.28	7.00	8.87	5.16	8.73
Global Equity	--	--	--	--	2.90	6.45
U.S. Core Fixed Income	12.00	1.06	--	--	25.00	1.65
Core Bonds	--	--	13.75	1.04	--	--
High Yield Bonds	3.00	3.65	2.00	3.09	--	--
Bank Loans	--	--	2.00	3.00	--	--
Emerging Market Debt	--	--	4.50	3.44	--	--
Private Debt	--	--	3.75	5.50	--	--
Real Estate	10.00	4.37	--	--	8.00	4.60
Real Return	--	--	--	--	5.00	2.07
Private Real Estate	--	--	7.00	4.68	--	--
Real Estate Investment Trust	--	--	0.50	5.91	--	--
Private Equity	12.00	7.50	14.00	8.97	8.00	9.27
Hedge Funds	--	--	--	--	5.00	3.53
Public Real Assets	--	--	1.00	4.76	--	--
Treasury Inflation Protected Securities	5.00	0.94	3.50	0.97	--	--
Commodities	5.00	3.76	1.00	3.36	--	--
Cash	1.00	(0.17)	1.00	0.01	1.00	0.25
Unconstrained Fixed Income	2.00	2.50	--	--	--	--
	<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 pension liabilities for the reporting period of June 30, 2020 are as follows:

	Pensions	LACERS	DWP Plans
Measurement Date	June 30, 2019	June 30, 2019	June 30, 2019
Valuation Date	June 30, 2018	June 30, 2019	June 30, 2019
Inflation Rate	3.00%	3.00%	2.75%
Actuarial Cost Method	Entry age actuarial cost method	Entry age actuarial cost method	Entry age actuarial cost method
Actuarial Assumptions: Salary Increases	4.30% to 12.00%	3.90% to 10.00%	4.50% to 10.25%
Investment Rate of Return	7.25% net of investment expense	7.25% 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.	Headcount-Weighted RP-2014 Healthy Annuitant Mortality Table (separate tables for males and females) with no setback for males and females, projected generationally with the two-dimensional mortality improvement scale MP-2017.	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.	Headcount-Weighted RP-2014 Disabled Retiree Mortality Table (separate tables for males and females) with no setback for males and females, projected generationally with the two-dimensional mortality improvement scale MP-2017.	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.
Actuarial Experience Study	July 1, 2013 through June 30, 2016 for all assumptions except for the mortality assumption, which was July 1, 2010 to June 30, 2019	July 1, 2014 to June 30, 2017	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 three 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 (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 subsidiaries.

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 other postemployment benefits (OPEB) plans.

**1. Membership**

As of June 30, 2020, Pensions, LACERS and DWP Plans OPEB members consisted of the following:

	Pensions OPEB	LACERS OPEB	DWP OPEB	
			Health Benefits	Death Benefits
Retired members, married dependents and beneficiaries	11,289	16,107	8,321	7,560
Vested terminated members entitled to, but not yet receiving benefits	875	1,668	--	619
Active members	13,486	27,490	10,778	10,778
<b>Total</b>	<b>25,650</b>	<b>45,265</b>	<b>19,099</b>	<b>18,957</b>

**2. Benefits**

Benefits 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 2020 was \$1,820. 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, 2019, the single coverage maximum subsidy for retirees and surviving spouse or domestic partner is \$543 and multi-person is \$1,663.

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 2020 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, 2020, 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 \$1,962.52 depending on age and service at retirement. Tier 2, the monthly medical subsidy ranges from \$30.32 to \$981.26, depending on age and service at retirement. The monthly dental subsidy for most retirees is \$35.79. 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, 2020, 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	\$ --	\$ 0.04	\$ 3.91	\$ 1.42	\$ 47.61	\$ 15.54	\$ 0.76	\$ 0.14	\$ 0.44
Health Subsidy Unfunded Actuarial Accrual Liability	1.57	64.62	5.80	3.42	38.34	8.02	0.16	0.02	0.06
Health Administrative Expenses	--	--	0.08	0.03	1.02	0.21	0.01	--	--

During fiscal year 2020, total employer contributions of \$193.2 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, 2018.

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, 2020, the actuarially determined contribution of the employer to LACERS by the City was 4.91% of projected payroll, based on the June 30, 2018 actuarial valuation.

Upon closing the fiscal year 2020, 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 at the beginning of the fiscal year. As a result, employer contributions for Postemployment Health Care Plan were \$7.0 million more than required, and this amount was returned to the employer as a credit toward employer contribution for fiscal year 2021. 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 4.94%, a slightly higher rate than 4.9% 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, 2020, the DWP's average contribution rate was 10.0% of covered-employee payroll. Employees are not required to contribute to the retiree healthcare plan. DWP's contributions to the retiree healthcare plan were \$107.0 million including administrative expenses of \$1.2 million for the fiscal year ended June 30, 2020.

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 2020 was 1.18% of covered payroll. The employer and member contribution rates as of June 30, 2020 are as follows:

	DWP	Members	
		Active	Retired
Family death benefit	\$1.36 monthly per active member	N/A	N/A
Supplemental family death benefit	N/A	\$2.25 biweekly	\$4.90 monthly
Insured lives death benefit			
Contributing	\$0.20 per \$100 of payroll	\$1.00 biweekly	N/A
Noncontributing	\$0.96 per \$100 of monthly retirement benefit	N/A	N/A

DWP's contributions to the death benefits plan were \$14.9 million including administrative expenses of \$1.6 million for the fiscal year ended June 30, 2020.

**4. Net OPEB Liability**

For the June 30, 2020 reporting date, the Net Other Postemployment Benefits Liability (NOL) of Pensions was measured as of June 30, 2019 and determined based upon the Total OPEB Liability (TOL) from the actuarial valuation as of June 30, 2019. The Fiduciary Net Position (FNP) was valued as of the measurement date.

LACERS' NOL was measured as of June 30, 2019 and determined based upon the FNP and TOL from the actuarial valuation as of June 30, 2019. FNP and TOL were valued as of the measurement date.

The NOL of DWP Plans was measured as of June 30, 2019 and determined based upon the results of the actuarial valuation as of June 30, 2019. 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, 2020 were as follows (in thousands):

	Total OPEB Liability	Fiduciary Net Position	Net OPEB Liability	Fiduciary Net Position as % of Total OPEB Liability
Pensions	\$ 3,621,204	\$ 2,037,716	\$ 1,583,488	56.27%
LACERS	3,334,299	2,812,098	522,201	84.34%
DWP Plans				
Health Benefits	2,683,445	2,220,551	462,894	82.75%
Death Benefit	134,258	28,807	105,451	21.46%
Totals	<u>\$ 9,773,206</u>	<u>\$ 7,099,172</u>	<u>\$ 2,674,034</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, 2019 were as follows (in thousands):

	Pensions	LACERS	DWP Plans	Totals
Total OPEB Liability				
Beginning Balance	\$ 3,588,132	\$ 3,256,827	\$ 2,613,174	\$ 9,458,133
Service Cost	74,090	74,478	50,968	199,536
Interest	260,513	236,678	183,749	680,940
Benefit Payments	(137,874)	(133,571)	(109,827)	(381,272)
Experience Losses (Gains)	(249,568)	--	--	(249,568)
Differences between Expected and Actual				
Experience	--	(134,053)	(39,947)	(174,000)
Assumption Changes	85,911	33,940	119,586	239,437
Net Change	<u>33,072</u>	<u>77,472</u>	<u>204,529</u>	<u>315,073</u>
Ending Balance	<u>3,621,204</u>	<u>3,334,299</u>	<u>2,817,703</u>	<u>9,773,206</u>
Fiduciary Net Position				
Beginning Balance	1,878,238	2,676,371	2,112,901	6,667,510
Employer Contributions	188,020	107,927	111,409	407,356
Member Contributions	--	--	358	358
Net Investment Income	111,188	166,470	137,000	414,658
Benefit Payments	(137,874)	(133,571)	(109,827)	(381,272)
Administrative Expenses	(1,856)	(5,099)	(2,483)	(9,438)
Net Change	<u>159,478</u>	<u>135,727</u>	<u>136,457</u>	<u>431,662</u>
Ending Balance	<u>2,037,716</u>	<u>2,812,098</u>	<u>2,249,358</u>	<u>7,099,172</u>
Net OPEB Liability	<u>\$ 1,583,488</u>	<u>\$ 522,201</u>	<u>\$ 568,345</u>	<u>\$ 2,674,034</u>

Notes to the Basic Financial Statements

Sensitivity of the Net OPEB Liabilities to Changes in Discount Rates

Pensions and LACERS used discount rate of 7.25 percent and DWP Plans used a discount rate of 7.00 percent to measure the total OPEB liability for the measurement date of June 30, 2019. 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, 2020 based on the measurement date of June 30, 2019.

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 7.25 percent for Pensions and LACERS, and 7.00 percent 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 (6.25 percent, 6.00 percent or 2.5 percent) or 1-percentage point higher (8.25 percent, 8.00 percent or 4.5 percent) than the current rates.

	Pensions	LACERS	DWP Plans	
			Health Benefits	Death Benefit*
1% Decrease (6.25% / 6.0% / 2.5%*)	\$ 2,126,786	\$ 1,000,088	\$ 833,849	\$ 127,029
Current Discount Rate (7.25% / 7.0% / 3.5%*)	1,583,488	522,201	462,894	105,451
1% Increase (8.25% / 8.0% / 4.5%*)	1,143,755	131,811	157,692	88,288

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 and DWP Plans is 8.75% and 6.75%, respectively, graded down to 4.50% over nine years for Non-Medicare medical plan costs; 8.00% and 6.25% graded down to 4.50% over seven years for Medicare medical plan costs and 4.00% for all years for Dental and 4.50% Medicare Part B subsidy cost.

The following presents the net OPEB liabilities (in thousands) as of June 30, 2019 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	\$ 1,105,675	\$ 80,855	\$ 116,744
Current Trend Rate	1,583,488	522,201	462,894
1% Increase	2,238,843	1,101,307	926,010

Notes to the Basic Financial Statements

5. OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources

The City recognized the following OPEB expenses, deferred outflows of resources and deferred inflows of resources as of and for the fiscal year ended June 30, 2020 (in thousands):

	OPEB Expense			
	Pensions	LACERS	DWP Plans	Totals
Service Cost	\$ 74,090	\$ 74,478	\$ 50,968	\$ 199,536
Interest on the Total OPEB Liability	260,513	236,678	183,749	680,940
Expensed Portion of Current-period Difference between Expected and Actual Experience in the Total OPEB Liability	(35,002)	(21,587)	(5,406)	(61,995)
Expensed Portion of Current-period Changes of Assumptions or Other Inputs	12,049	5,465	16,203	33,717
Member Contributions	--	--	(358)	(358)
Projected Earnings on Plan Investments	(144,170)	(196,509)	(152,158)	(492,837)
Expensed Portion of Current-period Differences between Actual and Projected Earnings on Plan Investments	6,596	6,008	3,032	15,636
Administrative Expense	1,856	5,099	2,483	9,438
Recognition of Beginning of Year Deferred Outflows of Resources as OPEB Expense	23,772	22,460	1,110	47,342
Recognition of Beginning of Year Deferred Inflows of Resources as OPEB Expense	(24,865)	(52,845)	(44,419)	(122,129)
	<u>\$ 174,839</u>	<u>\$ 79,247</u>	<u>\$ 55,204</u>	<u>\$ 309,290</u>

	Deferred Outflows of Resources			
	Pensions	LACERS	DWP Plans	Totals
OPEB Contributions Subsequent to Measurement Date	\$ 193,214	\$ 112,066	\$ 121,933	\$ 427,213
Changes in Proportion and Differences between Employer's Contributions and Proportionate Share of Contributions	--	4,191	5,541	9,732
Changes of Assumptions or Other Inputs	157,187	110,155	116,985	384,327
Difference between Expected and Actual Experience	22,431	10,433	491	33,355
	<u>\$ 372,832</u>	<u>\$ 236,845</u>	<u>\$ 244,950</u>	<u>\$ 854,627</u>

	Deferred Inflows of Resources			
	Pensions	LACERS	DWP Plans	Totals
Changes in Proportion and Differences between Employer's Contributions and Proportionate Share of Contributions	\$ --	\$ 4,191	\$ 5,541	\$ 9,732
Changes of Assumptions or Other Inputs	22	--	50,126	50,148
Net difference between Projected and Actual Earnings on Investments	26,037	97,485	46,283	169,805
Difference between Expected and Actual Experience	226,976	117,542	68,457	412,975
	<u>\$ 253,035</u>	<u>\$ 219,218</u>	<u>\$ 170,407</u>	<u>\$ 642,660</u>



## Notes to the Basic Financial Statements

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, 2021. The other net amount of deferred outflows of resources and deferred inflows of resources related to pensions that will be recognized as OPEB expense as follows (in thousands):

Reporting Date under GASB 75 Year Ending June 30	Pensions	LACERS	DWP Plans
2021	\$ (17,449)	\$ (40,498)	\$ (29,481)
2022	(17,449)	(40,498)	(29,481)
2023	(2,539)	(6,850)	(10,469)
2024	4,995	6,147	(2,512)
2025	(15,956)	(9,354)	9,881
2026	(22,035)	(3,386)	10,610
2027	(2,984)	--	4,062

6. Long-term Expected Rate of Return on Plan Investments

The discount rate used to measure the total OPEB liability was 7.25% for Pensions, LACERS, 7.00% for 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, 2019	Target Allocation	Long-term Expected Rate of Return as of Measurement Date of June 30, 2019	Target Allocation	Long-term Expected Rate of Return as of Measurement Date of June 30, 2019
Large Cap U.S. Equity	23.00 %	5.61 %	14.00 %	5.32 %	22.95 %	5.44 %
Small Cap U.S. Equity	6.00	6.37	5.00	6.07	1.75	6.18
Developed International Equity	16.00	6.96	17.00	6.67	13.06	6.54
Developed International Small Cap Equity	--	--	3.00	7.14	2.18	6.64
Emerging Markets Equity	5.00	9.28	7.00	8.87	5.16	8.73
Global Equity	--	--	--	--	2.90	6.45
U.S. Core Fixed Income	12.00	1.06	--	--	25.00	1.65
Core Bonds	--	--	13.75	1.04	--	--
High Yield Bonds	3.00	3.65	2.00	3.09	--	--
Bank Loans	--	--	2.00	3.00	--	--
Emerging Market Debt	--	--	4.50	3.44	--	--
Private Debt	--	--	3.75	5.50	--	--
Real Estate	10.00	4.37	--	--	8.00	4.60
Real Return	--	--	7.00	4.68	5.00	2.07
Real Estate Investment Trust	--	--	0.50	5.91	--	--
Private Equity	12.00	7.50	14.00	8.97	8.00	9.27
Hedge Funds	--	--	--	--	5.00	3.53
Public Real Assets	--	--	1.00	4.76	--	--
Treasury Inflation Protected Securities	5.00	0.94	3.50	0.97	--	--
Commodities	5.00	3.76	1.00	3.36	--	--
Cash	1.00	(0.17)	1.00	0.01	1.00	0.25
Unconstrained Fixed Income	2.00	2.50	--	--	--	--
	<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, 2020 are as follows:

	Pensions	LACERS	DWP Plans
Measurement Date	June 30, 2019	June 30, 2019	June 30, 2019
Valuation Date	June 30, 2019	June 30, 2019	June 30, 2019
Inflation Rate	3.00	3.00	2.75
Actuarial Cost Method	Entry age actuarial cost method	Entry age cost method	Entry age actuarial cost method
Actuarial Assumptions: Salary Increases	4.30% to 12.00%	3.90% to 10.00%	4.50% to 10.25%
Investment Rate of Return	7.25% net of investment expenses	7.25% net of investment expense	Health/Death* Plan: 7.00%/3.5% net of investment expense
Healthcare cost trend rates	8.75% graded down to 4.50% over 9 years for non-Medicare medical plan costs; 8.00% 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.	6.62% 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 4.00% 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 RP-2014 Employee Mortality Tables (separate table for males & females) times 90%, projected generationally with two dimensional mortality improvement scale MP-2017.	Headcount-weighted Employee Mortality Table times 105% for females and 100% for males, projected generationally with the two-dimensional MP-2018 projection scale
Postemployment Healthy	Headcount-Weighted Above Median Mortality Table multiplied by 105% for males and 100% for females projected with two-dimensional Scale MP-2019	Headcount-Weighted RP-2014 Healthy Annuitant Mortality Table (separate tables for males and females) projected generationally with the two-dimensional mortality improvement scale MP-2017	Headcount-weighted Healthy Annuitant Mortality Table with no age adjustment for males and setback one year for females projected generationally with the two-dimensional MP- 2018 projection scale.
Disabled	Headcount-Weighted Mortality Table projected generationally with the two dimensional scale MP-2019.	Headcount-Weighted RP-2014 Disabled Retiree Mortality Table (separate tables for males and females) projected generationally with the two-dimensional mortality improvement scale MP-2017	Headcount-weighted Healthy Annuitant Mortality Table with no age adjustment for males and set back one year for females, projected generationally with the two-dimensional MP- 2018 projection scale.
Actuarial Experience Study	July 1, 2010 to June 30, 2019	July 1, 2014 to June 30, 2017	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, 2020, 1,478 pensioners were enrolled in the DROP program, with total estimated values of the DROP accounts of approximately \$353.6 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 contributions 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. Patient Protection and Affordable Care Act (PPACA)

The PPACA of 2010 contains a provision that would impose a forty percent excise tax on the annual value of health plan costs that exceed certain dollar thresholds beginning in 2018; subsequent legislation has since postponed this provision until 2020 (subsequently deferred to 2022). On December 20, 2019, the President signed legislation repealing the excise tax.

#### **11. 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 \$64.0 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, 2020.

###### *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 is set for trial in January 2021. If Blue Cross is ultimately determined to be an “insurer,” it would likely be entitled to a refund of previously paid City business tax. Presently, the refund is estimated to be approximately \$49 million (inclusive of interest), plus attorney’s fees.

###### *Capital Foresight Investments, LP et al v. City of Los Angeles.*

On September 15, 2019, the plaintiffs filed suit against the City over the City’s seventy-inch below-ground storm drain located under the plaintiff’s properties. The plaintiffs allege that the City does not hold an easement on the plaintiff’s property for the drain and thus its presence limits the developmental value of the property. The City’s potential liability is approximately \$15 million, which is the City’s estimated cost to relocate the storm drain.

### 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) that would quantify emission reductions associated with the following LAX AQIM measures identified in the MOU which will assist SCAQMD in obtaining emission reduction credit for these measures and initiatives 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.

### Notes to the Basic Financial Statements

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 payments in fiscal year 2020.

#### 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 action, is not expected to materially impact the Power and Water Enterprise Funds' financial statements as of June 30, 2020.

#### 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 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.



Notes to the Basic Financial Statements

During fiscal year 2020, 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, 2020:

Revenue Type	Basis of Revenue	kwh (in billions)	Rate per KWH Under the 2008 Ordinance	Revenue (in thousands)
Retail Sales	2008 Ordinance	21.1	\$ 0.12628	\$ 2,667,981
Retail Sales	2016 Ordinance	21.1		1,373,622
Wholesale Sales	Contract			17,939
Transmission Sales	Contract			33,369
Rent from Electric Property	Contract			143
Other Service Charges	Fee schedule			21,055
Unbilled Sales	Estimated			(269,119)
Bad Debts Expense	Estimated			(37,699)
				<u>\$ 3,807,291</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 \$446.2million at completion. The actual expenditures to date are \$353.5 million.

#### 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 \$1.6 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 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% overall reduction in PM10 emissions. 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 2020, \$20.2 million was accrued as claims payable.

**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, 2020, the City’s encumbrances totaled \$1.0 billion of which \$225.3 million were contractual commitments for various capital projects. Below are details of encumbrances by fund categories (in thousands):

	Restricted	Committed	Assigned	Totals
General Fund	\$ --	\$ 28,354	\$ 285,876	\$ 314,230
Nonmajor Governmental Funds	548,599	154,209	--	702,808
	<u>\$ 548,599</u>	<u>\$ 182,563</u>	<u>\$ 285,876</u>	<u>\$ 1,017,038</u>

The City is committed to fulfilling certain agreements entered by the City and plaintiffs from the completed litigation. The following list of litigations includes matters with a commitment of \$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.

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 of Los Angeles (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 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 Court approved the agreement and vacated the preliminary injunction.

A preliminary estimate of the cost to the City for providing the beds is \$200.0 million. The City estimates that the annual cost of operations and services for this population is \$120.0 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 these obligations will be financed with COVID-related funds, these obligations could result in additional expenditures from the City’s General Fund; no such General Fund expenditure is anticipated for Fiscal Year 2021.

**2. Business-Type Activities**

As of June 30, 2020, the following Enterprise Funds have commitments for construction contracts and open purchase orders in the following approximate amounts (in thousands):

Airports	\$	180,100
Harbor		30,900
Sewer		238,774
Power		42,655
Water		13,015
	\$	<u>505,444</u>

Airports Enterprise Fund

Airports has commitments for open purchase orders of approximately \$180.1 million as of June 30, 2020.

Airports has commitments to make a series of Milestone Payments according to the terms of contract for Automated People Mover (APM) totaling approximately \$1.1 billion during the construction, based upon the value of work performed and/or its completion of certain design and construction milestones. Total payments of \$353.8 million were made through fiscal year 2020. 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 \$730.0 million during the construction based upon the value of work performed and/or its completion of certain design and construction milestones. Total payments of \$80.7 million were made through fiscal year 2020. 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 2020.

Power Enterprise Fund

Purchased Power Commitments

As of June 30, 2020, 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 %	61.8 %	1,148 \$ 287,887
Mead-Adelanto Transmission Project	SCPPA	68.0	48.9	539 35,461
Mead-Phoenix Transmission Project	SCPPA	17.8-22.4	50.4	647 25,405
Southern Transmission System	SCPPA	100.0	59.5	1,429 259,835
Miford I Wind	SCPPA	100.0	92.5	185 133,083
Windy Point	SCPPA	100.0	100.0	262 370,535
Linden Wind Energy	SCPPA	100.0	100.0	50 139,436
Miford II Wind	SCPPA	100.0	100.0	102 151,419
Apex Power Project	SCPPA	100.0	100.0	520 410,989
				<u>\$ 1,814,050</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 \$649.0 million during each of the next five years for operating and maintenance costs relate to actual deliveries of energy under these agreements. Power made a total payment under these agreements of approximately \$1.0 billion in fiscal year 2020. These agreements are scheduled to expire from 2027 to 2044.

Power is reimbursed for services provided to IPP under the IPP project manager and operating agent agreements totaling \$32.9 million in fiscal year 2020.

#### 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, 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 bonds with par values of approximately \$618.0 million and \$611.0 million, respectively.

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 \$267.0 million as of June 30, 2020. The IPA notes pay interest and principal monthly and mature on July 1, 2023. The interest rates range from 4.08% to 5.39%, 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 491 MW (maximum rated capability). The cost of power (approximately 455 MW of capacity and 599,000 MWH of energy) purchased under this contract, including the Lower Colorado River Basin Development Fund Contribution Charge, was approximately \$15.0 million as of June 30, 2020.

On December 20, 2011, President Barack Obama signed H.R. 470, the Hoover Power Allocation Act of 2011, into law. The legislation reallocates, for 50 more years, power from the Hoover Dam Power Plant to existing contractors while creating an additional pool of 5.0% power for new entrants.

DWP has entered into contracts with SCPPA to purchase available renewable energy generated at various renewable energy project sites.

## Comprehensive Annual Financial Report

### Notes to the Basic Financial Statements

As of June 30, 2020, 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	68.0	\$ 16.2
Don A Campbell 1	SCPPA	100.0	84.6	13.0	11.5
Don A Campbell 2	SCPPA	100.0	100.0	16.0	10.5
Copper Mountain Solar 3	SCPPA	100.0	84.0	210.0	50.8
Heber-1 Geothermal	SCPPA	100.0	78.0	41.0	22.7
Springbok 1 Wind Farm	SCPPA	100.0	100.0	105.0	20.3
Springbok 2 Wind Farm	SCPPA	100.0	100.0	155.0	24.5
Ormat Northern Nevada	SCPPA	100.0	100.0	150.0	61.1
Ormesa	SCPPA	100.0	85.7	30.0	13.8
ARP-Loyalton Biomass	SCPPA	66.6	74.1	8.0	0.8
Springbok 3 Wind Farm	SCPPA	100.0	100.0	90.0	12.7
Total energy costs under entitlement agreement					<u>\$ 244.9</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 \$229.9 million in fiscal year 2020 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 \$2,958 million at June 30, 2020. 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, 2020 (in thousands):

Asset	Obligating event	Timeframe required for decommissioning	June 30, 2019	Additions	Payments	June 30, 2020
Navajo Generating Station	Legal agreement resulting from Sales Contract with Salt River Project	Plant was put out of commission as of December 2019	\$ 81,150	\$ 22,475	\$ (51,855)	\$ 51,770
Palo Verde Nuclear Generating Station	Ownership agreement	Unit 1: June 1, 2045 Unit 2: April 24, 2046 Unit 3: November 25, 2047	168,869	--	(286)	168,583
Other	Lessee or ownership agreements	2029 - 2064	16,666	342	--	17,008
Total asset retirement obligation liability			<u>\$ 266,685</u>	<u>\$ 22,817</u>	<u>\$ (52,141)</u>	<u>\$ 237,361</u>

Power has restricted investments in the amount of \$146.9 million for the year ended June 30, 2020 related to this reserve.

Deferred outflows related to Power's assets retirement obligation are as follows for the year ended June 30, 2020:

Asset	Remaining useful life of asset/lease term	June 30, 2019	Additions	Payments	June 30, 2020
Palo Verde Nuclear Generating Station	28	14,863	--	(882)	\$ 13,981
Other	10 - 45	15,126	342	(989)	14,479
Total Deferred outflows - asset retirement obligation		<u>\$ 29,989</u>	<u>\$ 342</u>	<u>\$ (1,871)</u>	<u>\$ 28,460</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, 2020, 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 2,033,134 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, 2020, Water has purchased 1,210,379 acre feet from Metropolitan under the current Purchase Order Agreement. Water expects to fulfill the remaining commitment of 822,751 acre feet of water from Metropolitan over the next 4.5 years, which is estimated to cost \$924 million, or approximately \$205 million per year.

### 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 \$2.1 billion at June 30, 2020.

All members of Pensions 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 amount of contributions and interest subject to this right were \$2.1 billion as of June 30, 2020. 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 2019, 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 members 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, 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 following the conclusion of all appeals. Under the stipulation, the plaintiffs further agreed to allow Pensions to continue to exercise its discretion in setting the retiree medical subsidy under LAAC § 4.1154(e) 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, and held that the trial court had committed a reversible error in failing to consider and weigh the conflicting evidence presented before the court. The Court of Appeal found that, upon consideration of the conflicting evidence in the record, the LOA was ambiguous and the trial court had essentially ignored the City’s evidence in its analysis. Because the trial court erred in its contract ambiguity analysis and did not properly weigh the evidence, the case was sent back to the trial court for further proceedings consistent with the Court of Appeal’s decision. The case currently awaits trial reassignment with the Los Angeles Superior Court.

While the LAPPL Action I was pending on appeal, the unions filed a second action (“LAPPL Action II”) on August 10, 2017. The LAPPL Action II raises the same issues as the LAPPL Action I regarding the 2% contribution, and also 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. 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 the final judgment of the LAPPL Action I. The unions also sought to file a Second Amended Complaint to add LAFPP’s 2019 and 2020 discretionary actions in setting the subsidy, and the parties agreed to stipulate to allow the unions to file the Second Amended Complaint. Although the unions have filed the stipulation, the Court has not approved the stipulation and therefore the unions have not yet filed their Second Amended Complaint.



### Notes to the Basic Financial Statements

Currently, the LAPPL Action I is set for trial on August 16, 2021, but the counsel for the City has asked the Court to move the trial date to September 20, 2021 due to an existing conflict. The City's request to the Court is currently pending.

With regard to the LAPPL Action I and LAPPL Action II, until a final judgment is rendered on the LOA issues, Pension 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 Pension 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, 2020, LACERS was committed to future purchases of real estate and private equity investments at an aggregate cost of approximately \$1.7 billion.

**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, 2020
Multifamily Housing Bonds - 120 Issues	\$ 1,010,536
Multifamily Housing Bonds Transferred from CRA - 18 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.	498,535
Industrial Development Bonds - 6 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.	49,025
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.	1,710
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.	66,445
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.	5,600
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.	602
	<u>\$ 1,632,453</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,” 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.

##### 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, 2020. 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 \$144.7 million for debt service in fiscal year 2020.

LAX's PFCs collected and the related interest earnings through June 30, 2020 was \$3.0 billion. As of June 30, 2020, LAX's cumulative expenditures on approved PFCs projects totaled \$2.6 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 consolidated rental car facility (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, 2020 was \$504.9 million. As of June 30, 2020, cumulative expenditures to date on approved CFCs projects totaled \$83.7 million.

Airports is in the early stages of delivering 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 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 \$80.7 million in fiscal year 2020.

## **2. Harbor Enterprise Fund**

#### Cash Funding of Reserve Fund

As of June 30, 2020, Harbor had \$788.5 million of outstanding parity bonds (including net unamortized premiums). Harbor holds cash reserves for each Indenture of the outstanding bonds as the 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, 2020, the balance in the Common Reserve fund totaled \$42.3 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, increases in container volume for the period from July to October 2020 have recovered a portion of those declines.

All cruise lines operating out of the Harbor have suspended their cruises until further notice. Although cruising has paused, cruise ships periodically dock at the Harbor to refuel and restock. Harbor has not granted requests for rent relief but is considering rent deferral requests on a case-by-case basis.

### 3. Power Enterprise Fund

#### FBI Investigation

In July 2019, the Federal Bureau of Investigation began conducting an investigation of Power and the Office of the City Attorney. Power is cooperating fully with the investigators. Power has been requested by the investigating agency to exercise confidentiality with respect to the investigation. Power can generally state that the search warrants served by the Federal Bureau of Investigation on 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 Power's understanding of the nature of the investigation and the current status of the lawsuits relating to the new billing system, Power does not believe that the investigation or the billing-system-related lawsuits will have a material adverse effect on Power's operations or financial position.

### 4. Sewer Enterprise Fund

#### Revenue and Financial Issues

##### 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 flow and strength. After the close of the fiscal year, these bills are then reconciled based on actual costs, flows and strengths. Revenues from the estimated and reconciliation bills were \$43.0 million, 53.1 percent less than what had been budgeted.

Reconciliation bills for service in fiscal year 2020 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 2021. The reconciliation bills will include interest for late payment by agencies.

Disagreements over flow and strength monitoring of the City of 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, Los Angeles and Burbank have met on numerous occasions to discuss their differences. Negotiations resulted in Burbank submitting a partial payment of \$12.4 million in fiscal year 2019, representing a portion of the disputed amount for service in fiscal year 2010 to fiscal year 2019 and \$8.7 million in fiscal year 2020. The remaining unpaid balances and estimated billings total approximately \$20.0 million. Burbank has indicated that it will continue to pay the City of Los Angeles 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 Los Angeles and Burbank. At this time, the City does not have sufficient data to determine the longer-term impact to Sewer.

The City of Glendale and Los Angeles are partners in the Los Angeles-Glendale Water Reclamation Plant (LAGWRP) and, though Los Angeles operates the plant, each is responsible to pay half the cost of capital projects at the plant, pursuant to a 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 \$106.3 million. The agreement requires that Glendale approve of capital expenditures proposed by Los Angeles. The cities are currently negotiating the need for 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 (SCW) 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 are expected in the fall of 2020; therefore, front funding is 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 Fund (SPAF) from the Sewer Operation and Maintenance (SCMO) was authorized by Council on April 17, 2019. A second loan in an amount of \$1.0 million to the SPA Fund from the SCMO was authorized by Council on April 29, 2020, though it is expected that only \$200,000 of the authorization will be used by SPA. The loans will be repaid with interest from Measure W revenues in fiscal year 2021.

### 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 (HWRP): 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 (TIWRP): 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 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.

### Notes to the Basic Financial Statements

In addition, the City is subject to the NPDES Los Angeles County Municipal Separate Storm Sewer System permit (MS4). LARWQCB adopted the 2012 MS4 (LARWQCB Order No. R4- 2012-0175) in November 2012. Several lawsuits, rulings, and appeals ensued – some environmental advocacy groups contended the 2012 MS4 was not protective of the environment, while some of the municipal co-permittees contended it was overly stringent. As of September 2020, the 2012 MS4 remains in place, although its future legal status is uncertain. Despite these uncertainties, LARWQCB has moved forward with its plan for a “regional” MS4 that would encompass Ventura County and Los Angeles County in a single permit. LARWQCB released a Tentative Draft on August 24, 2020. This new MS4 is expected to be adopted as early as April 2021. It will include several TMDLs with final compliance milestones that must be achieved in 2021 (e.g., wet weather milestones for the Santa Monica Bay and Ballona Creek Bacteria TMDLs, as well as the Ballona Creek Metals & Toxics TMDLs). Sewer considers the default compliance requirements for these TMDLs to be unattainable given the enormous costs and technical challenges associated with managing wet weather runoff. LARWQCB acknowledges the difficulties and has indicated that their plan is to extend the compliance deadlines for these TMDLs, but has not yet released the details of this approach. If the City is unable to comply with the TMDL deadlines, the City will likely be in violation of the MS4, and would be subject to fines and at risk of third-party lawsuits. Based on watershed models used for the City’s enhanced watershed management plans (EWMPs), the cost of implementing EWMPs in the region is estimated at \$8.0 billion. The Sewer’s share of the cost would be a small portion of this amount because the City’s wastewater system is not connected to many of the impacted water bodies and already provides treatment for its discharges to the water bodies.

Lastly, the federal Clean Water Act requires ten (10) broad categories of industrial storm water discharges, including from wastewater treatment facilities, to be covered by the NPDES General Permit for Storm Water Discharges Associated with Industrial Activities (IGP). The IGP was amended in November 2018 and the adopted changes became effective on July 1, 2020. The changes include requirements to comply with receiving water limitations based on water quality standards and impose TMDL Numeric Effluent Limitations (NEL) for storm water discharges that are applicable at DCTWRP and LAGWRP. At this time, it is not known whether DCTWRP’s and LAGWRP’s storm water discharges will comply with the NELs based on Los Angeles River TMDLs for nitrogen compounds and metals (cadmium, copper, lead, and zinc). Violations of NELs are subject to potential mandatory minimum penalties, administrative civil liabilities, and third-party lawsuits. A solution to remediate any exceedances is to retain on-site stormwater runoff and pump it to the headworks for subsequent treatment or discharge it to the sewer collection system. Sewer is participating in the development of TMDLs with the regulatory agencies. However, it is possible that significant capital improvements funded by Sewer may be required to comply with the TMDLs and their resulting impacts on the City’s NPDES permits. Compliance with existing and future TMDLs will likely continue into the next decade.

### NPDES Permits

The LARWQCB adopted the renewal of the NPDES permits for DCTWRP and LAGWRP on March 2, 2017. The adopted permits became effective on May 1, 2017. Currently, LAGWRP is in compliance with its permit limits and discharge conditions. In December 2018 and February 2019, DCTWRP had exceedances of its limits for indeno(1,2,3-cd)pyrene and dibenzo(a,h)anthracene, and LARWQCB initially imposed fines in the form of mandatory minimum penalties (MMP). Sewer contested the penalties, asserting that the pollutant violations were due to the deposition of organic matter from the Woolsey Fire of November 2018 that was washed off by rainfall and then discharged into DCTWRP. In a letter dated January 14, 2020, LARWQCB concurred that the violations “resulted from an unanticipated natural disaster that could not have been prevented or avoided by the exercise of due care or foresight” and dismissed the Notice of Violation. Subsequently, LARWQCB identified five additional effluent limit violations (for copper, total coliform, and turbidity) that occurred in 2019 and would be subject to MMPs. 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 LARWQCB adopted the renewal of the NPDES permit for the HWRP on February 2, 2017. The adopted permit became effective on April 1, 2017 and imposed 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 will 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 LARWQCB adopted the renewal of the NPDES permit for the Terminal Island Water Reclamation Plant (TIWRP) on June 11, 2015. The permit became effective on August 1, 2015 and was amended on October 12, 2015. The permit includes 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. In January 2020, Sewer made an on-time submittal of an application to renew the permit. The permit expired on July 31, 2020, but remains in effect until it is renewed.

To implement Resolution 94-009, the City has constructed the Harbor Water Recycling Project Advanced Water Purification Facility (AWPF) in phases. Phase I treated up to 6 million gallons per day (mgd) of TIWRP’s tertiary treated effluent by microfiltration and reverse osmosis (MF/RO) for reuse at the Dominguez Gap Seawater Intrusion Barrier Project, and for other various non-potable uses in the Los Angeles Harbor area. Phase II of the AWPF project was completed in fiscal year 2017 and increased production of advanced purified recycled water to 12 mgd. Currently, the City is able to treat all of the dry weather tertiary treated effluent from TIWRP to produce advanced purified recycled water and eliminate the discharge to the Harbor with the exception of brine waste. However, the distribution network to connect and supply recycled water to recycled water users in the Harbor Area has not been completed yet and all of the recycled water cannot be utilized by 2020. While Sewer does not control the distribution of recycled water, it continues to work with other agencies, such as LADWP and Water Replenishment District of Southern California, to develop and expand the recycled water portfolio from the TIWRP AWPF. Sewer will work with the LARWQCB to request a compliance schedule or Time Schedule Order to delay the 2020 discharge prohibition in the NPDES permit



### Notes to the Basic Financial Statements

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 State Water Resources Control Board (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 Sewer's 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). Potential cost impacts to comply with the Order are unknown at this time.

#### Wastewater Spill

On September 19 and 24, 2019, Sewer experienced two sanitary sewer overflows related to the repairs on the North Outfall Sewer (NOS) that resulted in discharges during these repairs to the NOS. These two spills were the result of mechanical malfunctions to the bypass pumping system that was under the control of a contractor. The LARWQCB has not taken any enforcement actions as a result of the Sanitary Sewer Overflows at the time of this report. To date, no fines have been levied on Sewer for wastewater spills for fiscal year 2020.

### 5. Federal Public Corruption Investigation

On June 22, 2020, the United States Attorney filed a criminal complaint against Jose Huizar, a member of the Los Angeles City Council, alleging a violation 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 removed from his position as chair of the Planning and Land Use Management Committee in November 2018. On June 23, 2020, the Council voted unanimously to suspend Mr. Huizar from office in light of the charges. The federal criminal complaint implicates at least two former officials of the City. 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, and has pled guilty in connection with the investigation. In addition, another former City employee has pled guilty to charges in connection with the investigation. The City cannot predict the outcome of these investigations.

### 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 was passed by the Federal Government on March 27, 2020 which provided various emergency funding to the City. As of June 2020, the City has received approximately \$694.4 million in funding from the CARES Act Coronavirus Relief Fund, of which approximately \$126.6 million of eligible expenses were incurred in the fiscal year 2020. A national and local state of emergency was also declared in March 2020, making Federal Emergency Management Agency (FEMA) funding potentially available to reimburse the City for emergency costs. However, the amount and timing of that assistance is unknown at this time.

### **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 2020, 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, 2020, the federally funded loans from the City to the Former Agency amounted to \$1.2 million. These loans will be repaid from available sources including tax increment. AB 1X26 acknowledges that payments to the federal government are enforceable obligations and such contracts were not invalidated. In its determination letter dated December 26, 2012 DOF approved the affected ROPS line items and authorized the repayment of the obligation through the Redevelopment Property Tax Trust Fund (RPTTF). Future ROPS will include interest payments for the remaining outstanding loan, with a final payment of principal and interest 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 redevelopment 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, 2020, 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 will be used to defease the bonds or purchase those same bonds on the open market. CRA/LA has identified excess non-housing bond proceeds available in the amount of \$86.4 million, net of enforceable obligations and administrative fees. The City has requested to utilize CRA/LA's excess non-housing bond proceeds for redevelopment activities. 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. On November 4, 2014, DOF partially approved the BEA and authorized the transfer of \$84.1 million after identifying \$2.3 million from bonds no longer outstanding and the bond covenants no longer exist. The City recognized a liability for Excess Bond Proceeds for the \$57.6 million at June 30, 2020.

**G. Subsequent Events**

**1. Indebtedness and Credit Ratings**

Subsequent to June 30, 2020, the City issued the following indebtedness:

Issue Date	Description	Amount (in thousands)	Interest Rate (Percentage)
August 20, 2020	MICLA Lease Revenue Bonds, Series 2020-A (Tax-exempt)	\$ 84,725	5.000%
August 20, 2020	MICLA Lease Revenue Refunding Bonds, Series 2020-B (Tax-exempt)	80,850	5.000
August 20, 2020	MICLA Lease Revenue Refunding Bonds, Series 2020-C (Taxable)	102,265	0.415 - 2.863
November 20, 2020	MICLA 2020 Streetlights Financing	9,088	1.470
August 27, 2020	Airports Revenue Bonds 2020, Series B	558,500	4.000 - 5.000
August 27, 2020	Airports Revenue Bonds 2020, Series C	380,000	4.000 - 5.000
August 27, 2020	Airports Revenue Bonds 2020, Series D	120,000	4.000 - 5.000
July 1, 2020	Power System Revenue Bonds, 2020 Series B	433,080	5.000
July 1, 2020	Water System Revenue Bonds, 2020 Series A	204,255	5.000
September 1, 2020	Water System Revenue Bonds, 2020 Series B	120,465	3.000 - 4.000
January 5, 2021	Water System Revenue Bonds, 2020 Series C	242,570	5.000
January 26, 2021	Water System Variable Rate Demand Revenue Bonds, 2021 Series A	200,000	Variable
January 26, 2021	Power System Variable Rate Demand Revenue Bonds, 2021 Series A	250,000	Variable

In August 2020, S&P downgraded LAX credit rating from AA to AA- for senior revenue bonds and from AA- to A+ for subordinate revenue bonds, while the other two agencies affirmed their ratings. According to S&P's press release, the downgrade was a result of the COVID-19 pandemic. It reflects S&P's outlook on the impact of the pandemic on the aviation industry overall and its effects on LAX, which is outside of management's control.

In December 2020, Fitch Ratings affirmed the City's credit ratings of AA on its Issuer Default Rating (IDR) and general obligation bonds, and credit ratings of AA- on its lease obligation bonds while revised rating outlook to negative from stable. According to Fitch's press release, the outlook revision reflects the extensive budget-balancing actions necessitated by the current economic downturn, which have the potential to reduce the City's financial resilience during the subsequent economic recovery period. Nevertheless, given the underlying economy's strength and diversity, Fitch would expect the City to rebound over time.

**2. Airports Enterprise Fund**

On August 27, 2020, Airports issued \$558.5 million of Airports senior refunding revenue bonds Series 2020B with a premium of \$147.4 million, \$380.0 million of Airports senior revenue bonds Series 2020C with a premium of \$90.6 million, and \$120.0 million of Airports senior revenue bonds Series 2020D with a premium of \$29.1 million. The bonds were issued to refund and defease the Airports senior revenue bonds Series 2010A in the amount of \$316.9 million, the Airports subordinate revenue bonds Series 2010B in the amount of \$134.7 million, and the Airports senior revenue bonds Series 2010D in the amount of \$315.8 million to realize debt service savings; and fund certain capital projects at Airports. This transaction resulted in a cash flow savings of \$388.6 million and an economic gain of \$265.1 million.

On December 10, 2020, the Board approved adoption of the Documents Resolution authorizing the issuance and sale of the Department of Airports of the City of Los Angeles, California, Los Angeles International Airport, Subordinate Revenue and Refunding Revenue Bonds 2021 Series A, B and C, in an aggregate principal amount not to exceed \$900,000,000, and approving documents related to the aforementioned actions and certain other related matters and actions.

On September 3, 2020, the Board approved award of a five-year contract to Skanska USA Civil West California District, Inc., for the design and construction of the Landside Access Modernization Program Roadways, Utilities & Enabling Project at LAX, in the amount of \$334.9 million and appropriate funds in the amount of \$333.6 million. This project will construct a number of key individual projects that are either directly related to the Landside Access Modernization Program (LAMP), or will provide a utility service or enabling work for a LAMP related project or facility.

On October 1, 2020, the Board approved adoption the California Environmental Quality Act Final Negative Declaration for the LAX Terminal 6 Renovation Project, approved the third amendment to the Terminal Facility Lease and License Agreement with Alaska Air Lines, Inc. in Terminal 6 at LAX, and approved to appropriate funds in the amount of \$225.0 million to acquire the improvements.

On October 1, 2020, the Board approved revision of the payment terms of non-exclusive license agreements for non-concessionaire rental car services to establish a percentage rent of 10% of gross revenues and allow for payment of the lower of the percentage rent or the license fee from July 1, 2020 through June 30, 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 follows: (i) abate or adjust the minimum annual guarantee (MAG) through June 30, 2021 for certain concession agreements (collectively Concession Agreements), (ii) 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), (iii) 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 (iv) 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.

On December 10, 2020, the Board approved the Second Letter Agreements for the Concessionaire Relief Program to amend Concession Agreements LAA-8586 and LAA-8587 with Host International, Inc., at Los Angeles International Airport as follows: (i) abate or adjust the Minimum Annual Guarantee through June 30, 2021, (ii) defer Storage Rent through December 31, 2020 and allow the payback of deferred Storage Rent to commence January 1, 2021, (iii) extend the current expiration dates of the respective individual In-Terminal Concession Agreements by twenty-four (24) months, and (iv) authorize the Chief Executive Officer to have two consecutive twelve-month options to delay the required mid-term refurbishment dates, in his or her sole discretion. The Agreements are subject to City Council approval.

#### Rates, Fees, and Charges

On December 10, 2020, the Board approved the Amendment to the Methodology for Establishing Rates and Charges, effective January 1, 2020, for the use of Passenger Terminal Facilities at Los Angeles International Airport, pursuant to the Los Angeles International Passenger Terminal Tariff, as amended. LAWA currently is developing an "Airline Cost Stability and Recovery Plan" aimed at managing rates and charges at Los Angeles International Airport from calendar year 2020 through fiscal year 2023. The key objectives of this plan are: 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. This is a multi-year plan that could be shortened or lengthened depending on the recovery of passenger levels and revenues at the airport. The plan has five basic components: (1) amend the methodology for establishing rates and charges (that will require the consent of the majority of the signatory airlines); (2) revise airline rates and charges, including certain cost reductions and deferrals, effective from January 1, 2021 through June 30, 2021; (3) issue debt to restructure certain outstanding bonds and defer other costs that would otherwise be paid by the airlines; 4) reclaim certain common use space currently leased to carrier consortium; 5) revise common use rates and charges to include costs previously collected by the consortium. This plan also will involve the use of a portion of CARES Act grants

awarded to LAX. The current action contained approved by the Board is related to number 1 above, the amendment of airline rates and charges methodology, which is subject to the consent of a majority of the signatory airlines to the Rate Agreement.

On December 10, 2020, the Board approved the CY 2021 Interim Passenger Terminal Rates and Charges for the 6 -month period of January 1 to June 30, 2021, for Los Angeles International Airport for: (i) the Los Angeles International Airport Passenger Terminal Tariff, as amended; (ii) agreements for the use of passenger terminal space and equipment using the Tariff rates and charges methodology; and (iii) the Rate Agreement, and Rescission of Resolution No. 26924.

On December 10, 2020, the Board approved the Mid -Year Landing Fees and Other Charges for Los Angeles International Airport, effective January 1, 2021, which will generate approximately \$195 million in landing fee revenue, and an Amendment to Resolution No. 27056. The new landing fee rates effective January 1, 2021 would be \$7.19 per 1,000 lbs. of maximum gross landed weight (MGLW) for permitted air carrier passenger aircraft, and \$5.61 per 1,000 lbs. of MGLW for permitted air carrier-cargo/remote commuter aircraft.

Expiration dates of the following agreements are extended:

The Terminal Commercial Manger (TCM) has two agreements with original expiration dates of January 31, 2029 for LAA-8613 and June 30, 2029 for LAA-8640. Airports amended the expiration dates in 2016 extending the term to June 30, 2032 for LAA-8613 and various dates for LAA-8640 of June 20, 2032 for Terminal 1, June 30, 2029 for Terminal 3, and September 30, 2030 for Terminal 6. The Board approved to extend the TCM 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.

The Food and Beverage Concession agreements with Areas USA LAX, LLC, DN Dakota JME, and Host International were entered into in 2010 with an original expiration date of June 30, 2021. Airports amended the expiration dates in 2013 extending the term to June 30, 2023. The Board approved to extend the Food and Beverage agreements expiration dates an additional 24 months to June 30, 2025.

The Retail Concession agreements with Hudson-Magic Johnson Enterprises-Concourse Ventures, LLC, LAX Retail Magic 2 JV, LAX Retail Magic 3-4 JV, and XpresSpa were entered into in 2010 with an original expiration date of June 30, 2021. Airports amended the expiration dates in 2013 extending the term to June 30, 2023. The Board approved to extend the Retail Concession Agreements expiration dates an additional 24 months to June 30, 2025.

The Duty Free Concession agreement with DFS Group, LLC was entered into in 2012 with an original expiration date of September 30, 2023 and three one-year options to extend at Airports' discretion. Airports amended the expiration date in 2013 extending the term to September 30, 2024. The Board approved to exercise two of the extension options of the Duty Free Concession agreement resulting in an expiration date of September 30, 2026.

The Vending Concession agreement with Bottling Group was entered into in 2015 with an expiration date of September 30, 2020. The action requested here will extend the Vending Concession agreement expiration date an additional 24 months to September 30, 2022.

The Expedited Passenger Service Concession agreement with AIClear was entered into in April 2020 with an expiration date of March 31, 2025. The Board approved to extend the Expedited Passenger Service Concession agreement expiration date an additional 24 months to March 31, 2027.

The Terminal Media Operator (TMO) Agreement, entered into in 2014, had an original expiration date of December 31, 2020. The TMO Agreement contained a provision by which Airports could extend the expiration date three years to December 31, 2023 by providing notice to the TMO. Airports recently provided notice and extended the expiration date. The Board approved to extend the TMO Agreement expiration date an additional 24 months to December 31, 2025.

On October 15, 2020, the Board approved award of a seven-year contract with two one-year extension options to ABM Aviation Inc. (ABM) to provide Smart Parking services at LAX and Van Nuys Airport (VNY), for an amount not to exceed \$303.3 million. The contract will require ABM to develop and

implement several new technologies and operate and maintain parking operations at LAX and VNY. Airports expects to earn approximately \$950.0 million in gross revenue over the proposed seven-year term.

On January 21, 2021 NASA filed a First Amended Complaint to include in the Action claims regarding the electrical substations. The alleged amount of these claims is unknown at this early stage.

#### **3. Power Enterprise Fund**

In July 2020, Power issued \$433.1 million of 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 refund a portion of Power 2010 Series A and to fund capital improvements.

In January 2021, Power issued \$250.0 million of variable rate demand revenue bonds, 2021 Series A. The proceeds of \$249.8 million, net of underwriter's discount, were deposited into the construction fund to be used for capital improvements.

The 3-year Standby Bond Purchase Agreement with TD Bank, N.A. which provides liquidity support to the \$148.5 million Power System Variable Rate Demand Revenue Bonds, 2001 Series B, Subseries B-5 to B-8, was scheduled to expire on January 25, 2021. Power successfully substituted the liquidity facility provider effective January 15, 2021 with Barclays Bank PLC for a 2-year term, to expire on January 23, 2023.

#### **4. Water Enterprise Fund**

In July 2020, Water issued \$204.3 million of revenue bonds, 2019 Series A. The net proceeds of \$263.5 million were used to refund a portion of Water System 2010 Series A and to refund certain DWSRF loans and to fund capital improvements.

In July 2020, the Water Variable Rate Revenue Bonds, 2019 A Subseries A-3, amounting to \$29.8 million, matured on July 1, 2020. This resulted in the standby agreement supporting the bonds to expire at the maturity of the bonds.

In January 2021, Water issued \$242.6 million of 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 outstanding Water System Revenue Bonds, 2011 Series A and a portion of the Water System Revenue Bonds, 2016 Series A.

In January 2021, Water issued \$200.0 million of variable rate demand revenue bonds, 2021 Series A. The proceeds of \$199.8 million, net of underwriter's discount, were deposited into the construction fund to be used for capital improvements.

The 3-year Standby Bond Purchase Agreement with Royal Bank of Canada which provides liquidity support to the \$126.2 million Water System Variable Rate Demand Revenue Bonds, 2001 Series B, Subseries B-1 to B-3, was scheduled to expire on January 15, 2021. Water successfully substituted the liquidity facility provider effective January 8, 2021 with UBS AG, Stamford Branch, for a 3-year term, to expire on January 18, 2024.

#### **5. Los Angeles City Employees' Retirement System**

##### City and Airports' Separation Incentive Program

From June 2020 to September 2020, the City negotiated with various labor organizations the implementation of Separation Incentive Program (SIP). The program is intended to address the City's significant financial challenges while minimizing the impact on City services by incentivizing eligible employees to retire. SIP enrollment was closed on September 22, 2020. As of October 21, 2020, there were 1,379 employees who applied and were approved to retire under the program.

Airports also offered its own SIP. As of October 21, 2020, there are 333 who applied and were approved to retire under Airports' SIP program.



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## **Required Supplementary Information**

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**CITY OF LOS ANGELES**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**Fiscal Year Ended June 30, 2020**  
**(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 <sup>(1)</sup>
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 %
2011	277,092	277,092	--	1,289,857	21.5 %

<sup>(1)</sup> Contribution rate as a percentage of covered payroll reflects discount applied when the employer prepays 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
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 %
2011	303,561	303,561	--	1,678,059	18.1 %

**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
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 %
2011	304,432	286,699	17,733	791,760	36.2 %

**CITY OF LOS ANGELES**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**Fiscal Year Ended June 30, 2020**  
**(unaudited)**

**Los Angeles Fire and Police Pension System**  
**Schedule of Changes in Net Pension Liability and Related Ratios \***  
(amounts in thousands)

	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>
<b>TOTAL PENSION LIABILITY</b>			
Service Cost	\$ 402,708	\$ 390,743	\$ 367,600
Interest	1,572,220	1,502,656	1,436,068
Benefit Payments, including Refunds of Member Contributions	(1,070,456)	(994,800)	(930,078)
Experience Losses (Gains)	81,465	21,700	(320,404)
Assumption Changes	357,369	--	695,450
Benefit Changes	(79,650)	--	--
Other	--	2,505	--
Net Change in Total Pension Liability	1,263,656	922,804	1,248,636
Total Pension Liability at Beginning of Year	<u>21,736,849</u>	<u>20,814,045</u>	<u>19,565,409</u>
Total Pension Liability at End of Year (a)	<u>\$ 23,000,505</u>	<u>\$ 21,736,849</u>	<u>\$ 20,814,045</u>
<b>FIDUCIARY NET POSITION</b>			
Employer Contributions	\$ 504,877	\$ 459,632	\$ 454,309
Member Contributions	147,753	145,112	128,900
Net Investment Income	1,218,138	1,892,870	2,260,130
Benefit Payments, Including Refunds of Member Contributions	(1,070,456)	(994,800)	(930,078)
Administrative Expenses	(20,244)	(19,908)	(20,816)
Other	--	2,505	--
Net Change	780,068	1,485,411	1,892,445
Fiduciary Net Position at Beginning of Year	<u>20,482,133</u>	<u>18,996,722</u>	<u>17,104,277</u>
Fiduciary Net Position at End of Year (b) <sup>(1)</sup>	<u>\$ 21,262,201</u>	<u>\$ 20,482,133</u>	<u>\$ 18,996,722</u>
Net Pension Liability (a) - (b)	<u>\$ 1,738,304</u>	<u>\$ 1,254,716</u>	<u>\$ 1,817,323</u>
Fiduciary Net Position as a Percentage of the Total Pension Liability	92.44 %	94.23 %	91.27 %
Covered Payroll	\$ 1,487,978	\$ 1,451,996	\$ 1,397,245
Net Pension Liability as a Percentage of Covered Payroll	116.82 %	86.41 %	130.06 %

<sup>(1)</sup> 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.

This schedule is presented for those years for which information is available.

**CITY OF LOS ANGELES**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**Fiscal Year Ended June 30, 2020**  
**(unaudited)**

**Los Angeles Fire and Police Pension System**  
**Schedule of Changes in Net Pension Liability and Related Ratios \***  
(amounts in thousands)

	<u>June 30, 2016</u>	<u>June 30, 2015</u>	<u>June 30, 2014</u>
<b>TOTAL PENSION LIABILITY</b>			
Service Cost	\$ 365,956	\$ 368,700	\$ 368,018
Interest	1,399,576	1,384,527	1,392,552
Benefit Payments, including Refunds of Member Contributions	(990,363)	(918,909)	(858,986)
Experience Losses (Gains)	(595,188)	(310,882)	(234,638)
Assumption Changes	--	--	(69,482)
Benefit Changes	--	--	--
Other	--	--	--
Net Change in Total Pension Liability	179,981	523,436	597,464
Total Pension Liability at Beginning of Year	<u>19,385,428</u>	<u>18,861,992</u>	<u>18,264,528</u>
Total Pension Liability at End of Year (a)	<u>\$ 19,565,409</u>	<u>\$ 19,385,428</u>	<u>\$ 18,861,992</u>
<b>FIDUCIARY NET POSITION</b>			
Employer Contributions	\$ 478,385	\$ 480,332	\$ 440,698
Member Contributions	129,734	126,771	124,395
Net Investment Income	159,313	686,470	2,617,090
Benefit Payments, Including Refunds of Member Contributions	(990,363)	(918,909)	(858,986)
Administrative Expenses	(19,346)	(17,815)	(13,865)
Other	--	--	--
Net Change	(242,277)	356,849	2,309,332
Fiduciary Net Position at Beginning of Year	<u>17,346,554</u>	<u>16,989,705</u>	<u>14,680,373</u>
Fiduciary Net Position at End of Year (b) <sup>(1)</sup>	<u>\$ 17,104,277</u>	<u>\$ 17,346,554</u>	<u>\$ 16,989,705</u>
Net Pension Liability (a) - (b)	<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	87.42 %	89.48 %	90.07 %
Covered Payroll	\$ 1,351,788	\$ 1,316,969	\$ 1,308,149
Net Pension Liability as a Percentage of Covered Payroll	182.06 %	154.82 %	143.12 %

**CITY OF LOS ANGELES**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**Fiscal Year Ended June 30, 2020**  
**(unaudited)**

**Los Angeles City Employees' Retirement System**  
**Schedule of Changes in Net Pension Liability and Related Ratios <sup>(1) \*</sup>**  
**(amounts in thousands)**

	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>
<b>TOTAL PENSION LIABILITY</b>			
Service Cost <sup>(2)</sup>	\$ 370,409	\$ 352,283	\$ 340,759
Interest	1,439,661	1,332,878	1,302,278
Changes of Benefit Terms	--	25,173	--
Benefit Payments, Including Refunds of Member Contributions	(915,192)	(851,885)	(804,089)
Difference of Expected and Actual Experience	(46,035)	144,224	(146,474)
Assumption Changes	--	483,717	340,718
Net Change in Total Pension Liability	848,843	1,486,390	1,033,192
Total Pension Liability at Beginning of Year	<u>19,944,578</u>	<u>18,458,188</u>	<u>17,424,996</u>
Total Pension Liability at End of Year (a)	<u>\$ 20,793,421</u>	<u>\$ 19,944,578</u>	<u>\$ 18,458,188</u>
<b>FIDUCIARY NET POSITION</b>			
Employer Contributions	\$ 478,717	\$ 450,195	\$ 453,356
Member Contributions	237,087	230,757	221,829
Net Investment Income	799,351	1,243,817	1,517,545
Benefit Payments, Including Refunds of Member Contributions	(915,192)	(851,885)	(804,089)
Administrative Expenses	(19,600)	(17,699)	(17,454)
Other (Transfer to Larger Annuity Reserve) <sup>(3)</sup>	--	(471)	--
Net Change	580,363	1,054,714	1,371,187
Fiduciary Net Position at Beginning of Year	<u>14,235,230</u>	<u>13,180,516</u>	<u>11,809,329</u>
Fiduciary Net Position at End of Year (b)	<u>\$ 14,815,593</u>	<u>\$ 14,235,230</u>	<u>\$ 13,180,516</u>
Net Pension Liability (a) - (b)	<u>\$ 5,977,828</u>	<u>\$ 5,709,348</u>	<u>\$ 5,277,672</u>
Fiduciary Net Position as a Percentage of the Total Pension Liability	71.25 %	71.37 %	71.41 %
Covered Payroll	\$ 2,108,171	\$ 2,057,565	\$ 1,973,049
Net Pension Liability as a Percentage of Covered Payroll	283.56 %	277.48 %	267.49 %

<sup>(1)</sup> 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.

<sup>(2)</sup> The service cost is based on the previous year's valuation.

<sup>(3)</sup> 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.

\* Based on measurement periods

This schedule is presented for those years for which information is available.

**CITY OF LOS ANGELES**

**REQUIRED SUPPLEMENTARY INFORMATION**  
**Fiscal Year Ended June 30, 2020**  
**(unaudited)**

**Los Angeles City Employees' Retirement System**  
**Schedule of Changes in Net Pension Liability and Related Ratios <sup>(1) \*</sup>**  
**(amounts in thousands)**

	<u>June 30, 2016</u>	<u>June 30, 2015</u>	<u>June 30, 2014</u>
<b>TOTAL PENSION LIABILITY</b>			
Service Cost <sup>(2)</sup>	\$ 322,574	\$ 322,380	\$ 317,185
Interest	1,263,556	1,215,151	1,149,966
Changes of Benefit Terms	--	--	--
Benefit Payments, Including Refunds of Member Contributions	(770,317)	(740,567)	(721,153)
Difference of Expected and Actual Experience	(300,813)	(135,821)	(164,247)
Assumption Changes	--	--	785,439
Net Change in Total Pension Liability	515,000	661,143	1,367,190
Total Pension Liability at Beginning of Year	<u>16,909,996</u>	<u>16,248,853</u>	<u>14,881,663</u>
Total Pension Liability at End of Year (a)	<u>\$ 17,424,996</u>	<u>\$ 16,909,996</u>	<u>\$ 16,248,853</u>
<b>FIDUCIARY NET POSITION</b>			
Employer Contributions	\$ 440,546	\$ 381,141	\$ 357,649
Member Contributions	206,377	202,463	203,975
Net Investment Income	29,358	306,980	1,810,782
Benefit Payments, Including Refunds of Member Contributions	(770,318)	(740,567)	(721,153)
Administrative Expenses	(17,204)	(15,860)	(12,372)
Other (Transfer to Larger Annuity Reserve) <sup>(3)</sup>	--	(4,666)	(2,288)
Net Change	(111,241)	129,491	1,636,593
Fiduciary Net Position at Beginning of Year	<u>11,920,570</u>	<u>11,791,079</u>	<u>10,154,486</u>
Fiduciary Net Position at End of Year (b)	<u>\$ 11,809,329</u>	<u>\$ 11,920,570</u>	<u>\$ 11,791,079</u>
Net Pension Liability (a) - (b)	<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	67.77 %	70.49 %	72.57 %
Covered Payroll	\$ 1,876,946	\$ 1,835,637	\$ 1,802,931
Net Pension Liability as a Percentage of Covered Payroll	299.19 %	271.81 %	247.25 %

**CITY OF LOS ANGELES**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**Fiscal Year Ended June 30, 2020**  
**(unaudited)**

**Water and Power Employees' Retirement Plan**  
**Schedule of Changes in Net Pension Liability and Related Ratios \***  
(amounts in thousands)

	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>
<b>TOTAL PENSION LIABILITY</b>			
Service Cost	\$ 243,263	\$ 228,621	\$ 217,277
Interest	952,071	913,798	887,133
Benefit Payments, Including Refunds of Member Contributions	(597,563)	(563,213)	(540,361)
Change of Benefit Terms	--	(59,019)	--
Differences between Expected and Actual Experience	17,807	10,254	(196,177)
Assumption Changes	<u>8,836</u>	<u>--</u>	<u>--</u>
Net Change in Total Pension Liability	624,414	530,441	367,872
Total Pension Liability at Beginning of Year	<u>13,187,542</u>	<u>12,657,101</u>	<u>12,289,229</u>
Total Pension Liability at End of Year (a)	<u>\$ 13,811,956</u>	<u>\$ 13,187,542</u>	<u>\$ 12,657,101</u>
<b>FIDUCIARY NET POSITION</b>			
Employer Contributions	\$ 416,180	\$ 439,299	\$ 397,748
Member Contributions	104,742	93,659	83,239
Net Investment Income	791,832	998,777	1,280,806
Benefit Payments, Including Refunds of Member Contributions	(597,563)	(563,213)	(540,361)
Administrative Expenses	<u>(5,189)</u>	<u>(5,336)</u>	<u>(5,376)</u>
Net Change	710,002	963,186	1,216,056
Fiduciary Net Position at Beginning of Year	<u>12,277,085</u>	<u>11,313,899</u>	<u>10,097,843</u>
Fiduciary Net Position at End of Year (b)	<u>\$ 12,987,087</u>	<u>\$ 12,277,085</u>	<u>\$ 11,313,899</u>
Net Pension Liability (a) - (b)	<u>\$ 824,869</u>	<u>\$ 910,457</u>	<u>\$ 1,343,202</u>
Fiduciary Net Position as a Percentage of the Total Pension Liability	94.03 %	93.10 %	89.39 %
Covered Payroll	\$ 1,028,212	\$ 953,636	\$ 892,332
Net Pension Liability as a Percentage of Covered Payroll	80.22 %	95.47 %	150.53 %

\* Based on measurement periods

Details of changes in assumption can be obtained from the actuarial valuation reports.

This schedule is presented for those years for which information is available.



CITY OF LOS ANGELES

**REQUIRED SUPPLEMENTARY INFORMATION**  
**Fiscal Year Ended June 30, 2020**  
**(unaudited)**

**Water and Power Employees' Retirement Plan**  
**Schedule of Changes in Net Pension Liability and Related Ratios \***  
 (amounts in thousands)

	<u>June 30, 2016</u>	<u>June 30, 2015</u>	<u>June 30, 2014</u>
<b>TOTAL PENSION LIABILITY</b>			
Service Cost	\$ 209,832	\$ 214,735	\$ 193,661
Interest	837,977	821,048	779,397
Benefit Payments, Including Refunds of Member Contributions	(510,485)	(485,967)	(463,597)
Change of Benefit Terms	--	(144,008)	--
Differences between Expected and Actual Experience	(189,469)	(162,913)	(154,222)
Assumption Changes	<u>722,928</u>	<u>--</u>	<u>525,444</u>
Net Change in Total Pension Liability	1,070,783	242,895	880,683
Total Pension Liability at Beginning of Year	<u>11,218,446</u>	<u>10,975,551</u>	<u>10,094,868</u>
Total Pension Liability at End of Year (a)	<u>\$ 12,289,229</u>	<u>\$ 11,218,446</u>	<u>\$ 10,975,551</u>
<b>FIDUCIARY NET POSITION</b>			
Employer Contributions	\$ 368,259	\$ 382,232	\$ 389,138
Member Contributions	75,069	68,552	72,300
Net Investment Income	95,808	410,778	1,405,686
Benefit Payments, Including Refunds of Member Contributions	(510,485)	(485,967)	(463,597)
Administrative Expenses	<u>(5,108)</u>	<u>(4,612)</u>	<u>(4,221)</u>
Net Change	23,543	370,983	1,399,306
Fiduciary Net Position at Beginning of Year	<u>10,074,300</u>	<u>9,703,317</u>	<u>8,304,011</u>
Fiduciary Net Position at End of Year (b)	<u>\$ 10,097,843</u>	<u>\$ 10,074,300</u>	<u>\$ 9,703,317</u>
Net Pension Liability (a) - (b)	<u>\$ 2,191,386</u>	<u>\$ 1,144,146</u>	<u>\$ 20,678,868</u>
Fiduciary Net Position as a Percentage of the Total Pension Liability	82.17 %	89.80 %	88.41 %
Covered Payroll	\$ 861,819	\$ 839,213	\$ 819,924
Net Pension Liability as a Percentage of Covered Payroll	254.27 %	136.34 %	2,522.05 %

**CITY OF LOS ANGELES**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**Fiscal Year Ended June 30, 2020**  
**(Unaudited)**

**Los Angeles Fire and Police Pension System**  
**Other Postemployment Benefit Plan**  
**Schedule of Employer Contributions**  
(in thousands)

<b>Fiscal Year</b>	<b>Actuarially Determined Contribution</b>	<b>Actual Contribution</b>	<b>Contribution Deficiency / (Excess)</b>	<b>Covered Payroll<sup>(2)</sup></b>	<b>Contribution as Percentage of Covered Payroll</b>
2020	\$ 193,213	\$ 193,213	\$ --	\$ 1,509,613	12.8 %
2019	188,020 <sup>(1)</sup>	188,020 <sup>(1)</sup>	--	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 %
2011	111,681	111,681	--	1,289,857	8.7 %

<sup>(1)</sup> 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.

<sup>(2)</sup> 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)

<b>Fiscal Year</b>	<b>Actuarially Determined Contribution</b>	<b>Actual Contribution</b>	<b>Contribution Deficiency / (Excess)</b>	<b>Covered Payroll</b>	<b>Contribution as Percentage of Covered Payroll</b>
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 %
2011	107,396	107,396	--	1,678,059	6.4 %

**Water and Power Employees' Retirement Plan**  
**Other Postemployment Benefit Plan**  
**Schedule of Employer Contributions**  
(in thousands)

<b>Fiscal Year</b>	<b>Actuarially Determined Contribution</b>	<b>Actual Contribution</b>	<b>Contribution Deficiency / (Excess)</b>	<b>Covered Payroll</b>	<b>Contribution as Percentage of Covered Payroll</b>
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 %
2011	66,188	140,133	(73,945)	791,760	17.7 %

CITY OF LOS ANGELES

REQUIRED SUPPLEMENTARY INFORMATION  
 Fiscal Year Ended June 30, 2020  
 (Unaudited)

Water and Power Employees' Retirement Plan  
 Other Postemployment Benefit Plan - Death Benefits  
 Schedule of Employer Contributions  
 (in thousands)

<u>Fiscal Year</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Contribution</u>	<u>Contribution Deficiency / (Excess)</u>	<u>Covered Payroll</u>	<u>Contribution as Percentage of Covered Payroll</u>
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 %
2017	7,138	7,138	--	892,332	0.8 %

This schedule is presented for those years for which information is available.

**CITY OF LOS ANGELES**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**Fiscal Year Ended June 30, 2020**  
**(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, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>
<b>TOTAL OPEB LIABILITY</b>			
Service Cost	\$ 74,090	\$ 69,940	\$ 65,407
Interest	260,513	243,769	231,285
Benefit Payments	(137,874)	(130,722)	(122,561)
Changes of Benefit Terms	--	--	--
Experience Losses (Gains)	(249,568)	(16,532)	(144,022)
Differences Between Expected and Actual Experience	--	--	--
Assumption Changes	85,911	63,332	248,048
Other	--	517	--
Net Change in Total OPEB Liability	33,072	230,304	278,157
Total OPEB Liability at Beginning of Year	<u>3,588,132</u>	<u>3,357,827</u>	<u>3,079,670</u>
Total OPEB Liability - Ending (a)	<u>\$ 3,621,204</u>	<u>\$ 3,588,131</u>	<u>\$ 3,357,827</u>
<b>FIDUCIARY NET POSITION</b>			
Employer Contributions	\$ 188,020	\$ 178,462	\$ 165,170
Member Contributions	--	--	--
Net Investment Income	111,188	166,040	189,420
Benefit Payments	(137,874)	(130,722)	(122,562)
Administrative Expenses	(1,856)	(1,745)	(1,747)
Other	--	517	--
Net Change (Gain)	159,478	212,552	230,281
Fiduciary Net Position at Beginning of Year	<u>1,878,238</u>	<u>1,665,686</u>	<u>1,435,404</u>
Fiduciary Net Position at End of Year (b) <sup>(1)</sup>	<u>\$ 2,037,716</u>	<u>\$ 1,878,238</u>	<u>\$ 1,665,685</u>
Net OPEB Liability - Ending (a) - (b)	<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	56.27 %	52.35 %	49.61 %
Covered Payroll	\$ 1,487,978	\$ 1,451,996	\$ 1,397,245
Net OPEB Liability as a Percentage of Covered Payroll	106.42 %	117.76 %	121.11 %

<sup>(1)</sup> 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.

This schedule is presented for those years for which information is available.

**CITY OF LOS ANGELES**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**Fiscal Year Ended June 30, 2020**  
**(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, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017<sup>(1)</sup></u>
<b>TOTAL OPEB LIABILITY</b>			
Service Cost	\$ 74,478	\$ 74,611	\$ 68,385
Interest	236,678	218,686	210,170
Benefit Payments	(133,571)	(128,081)	(119,616)
Changes of Benefit Terms	--	948	--
Experience Losses (Gains)	--	--	--
Differences Between Expected and Actual Experience	(134,053)	(7,321)	19,666
Assumption Changes	33,940	92,178	33,512
Other	--	--	--
Net Change in Total OPEB Liability	77,472	251,021	212,117
Total OPEB Liability at Beginning of Year	<u>3,256,827</u>	<u>3,005,806</u>	<u>2,793,689</u>
Total OPEB Liability - Ending (a)	<u>\$ 3,334,299</u>	<u>\$ 3,256,827</u>	<u>\$ 3,005,806</u>
<b>FIDUCIARY NET POSITION</b>			
Employer Contributions	\$ 107,927	\$ 100,909	\$ 97,457
Member Contributions	--	--	--
Net Investment Income	166,470	269,380	330,708
Benefit Payments	(133,571)	(128,081)	(119,616)
Administrative Expenses	(5,099)	(4,699)	(4,564)
Other	--	--	--
Net Change (Gain)	135,727	237,509	303,985
Fiduciary Net Position at Beginning of Year	<u>2,676,371</u>	<u>2,438,862</u>	<u>2,134,877</u>
Fiduciary Net Position at End of Year (b)	<u>\$ 2,812,098</u>	<u>\$ 2,676,371</u>	<u>\$ 2,438,862</u>
Net OPEB Liability - Ending (a) - (b)	<u>\$ 522,201</u>	<u>\$ 580,456</u>	<u>\$ 566,944</u>
Fiduciary Net Position as a Percentage of the Total OPEB Liability	84.34 %	82.18 %	81.14 %
Covered Payroll	\$ 2,108,171	\$ 2,057,565	\$ 1,973,049
Net OPEB Liability as a Percentage of Covered Payroll	24.77 %	28.21 %	28.73 %

<sup>(1)</sup> 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.

This schedule is presented for those years for which information is available.

**CITY OF LOS ANGELES**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**Fiscal Year Ended June 30, 2020**  
**(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, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>
<b>TOTAL OPEB LIABILITY</b>			
Service Cost	\$ 46,188	\$ 49,191	\$ 49,295
Interest	178,690	170,306	169,518
Benefit Payments	(101,595)	(95,234)	(90,310)
Changes of Benefit Terms	--	(286)	--
Differences Between Expected and Actual Experience	(40,432)	(6,956)	(44,554)
Assumption Changes	<u>131,290</u>	<u>4,799</u>	<u>(70,508)</u>
Net Change in Total OPEB Liability	214,141	121,820	13,441
Total OPEB Liability at Beginning of Year	<u>2,469,304</u>	<u>2,347,484</u>	<u>2,334,043</u>
Total OPEB Liability - Ending (a)	<u>\$ 2,683,445</u>	<u>\$ 2,469,304</u>	<u>\$ 2,347,484</u>
<b>FIDUCIARY NET POSITION</b>			
Employer Contributions	\$ 102,631	\$ 95,919	\$ 91,024
Member Contributions	--	--	--
Net Investment Income	134,707	173,674	218,836
Benefit Payments	(101,595)	(95,234)	(90,310)
Administrative Expenses	<u>(883)</u>	<u>(549)</u>	<u>(585)</u>
Net Change (Gain)	134,860	173,810	218,965
Fiduciary Net Position at Beginning of Year	<u>2,085,691</u>	<u>1,911,881</u>	<u>1,692,916</u>
Fiduciary Net Position at End of Year (b) <sup>(1)</sup>	<u>\$ 2,220,551</u>	<u>\$ 2,085,691</u>	<u>\$ 1,911,881</u>
Net OPEB Liability - Ending (a) - (b)	<u>\$ 462,894</u>	<u>\$ 383,613</u>	<u>\$ 435,603</u>
Fiduciary Net Position as a Percentage of the Total OPEB Liability	82.75 %	84.46 %	81.44 %
Covered Payroll	\$ 1,028,212	\$ 953,636	\$ 892,332
Net OPEB Liability as a Percentage of Covered Payroll	45.02 %	40.23 %	48.82 %

<sup>(1)</sup> 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.

**CITY OF LOS ANGELES**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**Fiscal Year Ended June 30, 2020**  
**(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, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>
<b>TOTAL OPEB LIABILITY</b>			
Service Cost	\$ 4,780	\$ 3,875	\$ 3,657
Interest	5,059	5,141	5,095
Benefit Payments	(8,232)	(7,602)	(7,968)
Changes of Benefit Terms	--	91	--
Differences Between Expected and Actual Experience	485	(4,444)	125
Assumption Changes	<u>(11,704)</u>	<u>--</u>	<u>--</u>
Net Change in Total OPEB Liability	(9,612)	(2,939)	909
Total OPEB Liability at Beginning of Year	<u>143,870</u>	<u>146,809</u>	<u>145,900</u>
Total OPEB Liability - Ending (a)	<u>\$ 134,258</u>	<u>\$ 143,870</u>	<u>\$ 146,809</u>
<b>FIDUCIARY NET POSITION</b>			
Employer Contributions	\$ 8,778	\$ 8,101	\$ 8,207
Member Contributions	358	347	337
Net Investment Income	2,293	(120)	(57)
Benefit Payments	(8,232)	(7,602)	(7,968)
Administrative Expenses	<u>(1,600)</u>	<u>(1,100)</u>	<u>(1,119)</u>
Net Change (Gain)	1,597	(374)	(600)
Fiduciary Net Position at Beginning of Year	<u>27,210</u>	<u>27,584</u>	<u>28,185</u>
Fiduciary Net Position at End of Year (b) <sup>(1)</sup>	<u>\$ 28,807</u>	<u>\$ 27,210</u>	<u>\$ 27,585</u>
Net OPEB Liability - Ending (a) - (b)	<u>\$ 105,451</u>	<u>\$ 116,660</u>	<u>\$ 119,224</u>
Fiduciary Net Position as a Percentage of the Total OPEB Liability	21.46 %	18.91 %	18.79 %
Covered Payroll	\$ 1,028,212	\$ 953,636	\$ 892,332
Net OPEB Liability as a Percentage of Covered Payroll	10.26 %	12.23 %	13.36 %

<sup>(1)</sup> 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.

**CITY OF LOS ANGELES**

**REQUIRED SUPPLEMENTARY INFORMATION  
Fiscal Year Ended June 30, 2020  
(Unaudited)**

**Actuarial Methods and Assumptions Used to Determine Employer Contribution Rates - Pension**

	<b>Los Angeles Fire and Police Pension System</b>	<b>Los Angeles City Employees' Retirement System</b>	<b>Water and Power Employees' Retirement Plan</b>
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 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 25 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 market value of assets less unrecognized returns. Unrecognized return is equal to the difference between the actual and the expected return on market value basis, and is recognized over a seven-year period. Deferred gains and losses as of June 30, 2013 have been combined and will be recognized over a period of six years from July 1, 2013. The actuarial value of assets is further adjusted, if necessary, to be within 40% of the market 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 market 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 market value of assets.	The market 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 market value basis, and is recognized over a five-year period.
Actuarial Assumptions:			
Investment Rate of Return	7.25%	7.25%	7.00%
Inflation Rate	3.00%	3.00%	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 3.90% to 10.00% based on years of service.	4.50% to 10.25%
Cost of Living Adjustment	3.00% of Tiers 1, 2, 3, and 4 retirement income and 3.00% of Tiers 5 and 6 retirement income.	3.00% for Tier 1 and 2.00% for Tier 2	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	Headcount-Weighted RP-2014 Healthy Annuitant Mortality Table projected 20 years with two-dimensional Scale MP-2016, set back one year for members and set forward one year for beneficiaries.	Headcount - Weighted RP-2014 Healthy Annuitant Mortality Table (separate tables for males and females) with no setback for males and females, projected generationally with the two-dimensional mortality improvement scale MP-2017.	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	Headcount-Weighted RP-2014 Healthy Annuitant Mortality Table projected 20 years with two-dimensional Scale MP-2016, set forward one year.	Headcount - Weighted RP-2014 Disabled Retiree Mortality Table (separate tables for males and females) with no setback for males and females, projected generationally with the two-dimensional mortality improvement scale MP-2017.	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.



**CITY OF LOS ANGELES**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**Fiscal Year Ended June 30, 2020**  
**(Unaudited)**

**Actuarial Methods and Assumptions Used to Determine Employer Contribution Rates - OPEB**

		<b>Water and Power Employee Retirement Plan</b>		
<b>Los Angeles Fire and Police Pension System</b>		<b>Los Angeles City Employees' Retirement System</b>	<b>Retiree Health Benefits</b>	<b>Death Benefit</b>
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 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. 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.	17 years remaining as of June 30, 2018	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 market value of assets less unrecognized returns. Unrecognized return is equal to the difference between the actual and the expected return on market value basis, and is recognized over a seven-year period. Deferred gains and losses as of June 30, 2013 have been combined and will be recognized over a period of six years from July 1, 2013. The actuarial value of assets is further adjusted, if necessary, to be within 40% of the market 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 market 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 market value of assets.	The market 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 market value basis, and is recognized over a five-year period.	The market 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 market 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%	7.25%	7.00%	3.50%
Inflation Rate	3.00%	3.00%	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 3.90% to 10.00% based on years of service	4.50% to 10.25%	4.5% to 10.25%
Cost of Living Adjustment	3.00% of Tiers 1, 2, 3, and 4 retirement income and 3.00% of Tiers 5 and 6 retirement income.	N/A	Contingent upon Consumer Price Index (CPI) increases with a 3.00% maximum for Tier 1, 2.00% maximum for Tier 2 members.	N/A
Mortality Rates:				
Healthy	Headcount-Weighted RP-2014 Healthy Annuitant Mortality Table projected 20 years with two-dimensional Scale MP-2016, set back one year for members, and set forward one year for beneficiaries.	Headcount - Weighted RP-2014 Healthy Annuitant Mortality Table (separate tables for males and females) with no setback for males and females, projected generationally with the two-dimensional mortality improvement scale MP-2017.	Headcount-Weighted RP-2014 Healthy Annuitant Mortality Table with no age adjustment for males and set back one year for females, projected generationally with the two-dimensional MP-2015 projection scale.	N/A
Disabled	Headcount-Weighted RP-2014 Healthy Annuitant Mortality Table projected 20 years with two-dimensional Scale MP-2016, set forward one year.	Headcount - Weighted RP-2014 Disabled Retiree Mortality Table (separate tables for males and females) with no setback for males and females, projected generationally with the two-dimensional mortality improvement scale MP-2017.	same as above	N/A

**CITY OF LOS ANGELES**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**Fiscal Year Ended June 30, 2020**  
**(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	--	--	--
<b>Total</b>	<b>512</b>	<b>181</b>	<b>178</b>	<b>110</b>	<b>42</b>	<b>1</b>
<b>Percentage</b>	<b>100.0 %</b>	<b>35.3 %</b>	<b>34.8 %</b>	<b>21.5 %</b>	<b>8.2 %</b>	<b>0.2 %</b>

**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	--	--	--
<b>Total</b>	<b>515</b>	<b>187</b>	<b>170</b>	<b>125</b>	<b>31</b>	<b>2</b>
<b>Percentage</b>	<b>100.0 %</b>	<b>36.3 %</b>	<b>33.0 %</b>	<b>24.3 %</b>	<b>6.0 %</b>	<b>0.4 %</b>

**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	--	--	--
<b>Total</b>	<b>514</b>	<b>216</b>	<b>149</b>	<b>117</b>	<b>31</b>	<b>1</b>
<b>Percentage</b>	<b>100.0 %</b>	<b>42.0 %</b>	<b>29.0 %</b>	<b>22.8 %</b>	<b>6.0 %</b>	<b>0.2 %</b>

**CITY OF LOS ANGELES**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**Fiscal Year Ended June 30, 2020**  
**(Unaudited)**

**Comparison of Needed-to-Actual Maintenance/Preservation Costs**  
(amounts expressed in thousands)

	Fiscal Year Ended June 30				
	2016	2017	2018	2019	2020
Needed	\$ 3,575	\$ 2,933	\$ 1,583	\$ 1,317	\$ 1,601
Actual	2,697	2,324	2,456	994	1,130

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 ( $S_4=$ 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 6<sup>th</sup> 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 is already working to identify a mitigation plan.

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 draft 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**

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## **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, 2020**

(amounts expressed in thousands)

	<b>Nonmajor Special Revenue Funds</b>	<b>Nonmajor Debt Service Funds</b>	<b>Nonmajor Capital Projects Funds</b>	<b>Total Other Governmental Funds</b>
<b>ASSETS</b>				
Cash and Pooled Investments	\$ 4,097,988	\$ 170,028	\$ 340,817	\$ 4,608,833
Taxes Receivable (Net of Allowance for Uncollectibles of \$311)	519	15,069	--	15,588
Accounts Receivable (Net of Allowance for Uncollectibles of \$17,310)	120,600	--	756	121,356
Special Assessments Receivable	7,739	--	1,213	8,952
Investment Income Receivable	9,636	355	869	10,860
Intergovernmental Receivable	132,829	--	10,279	143,108
Loans Receivable (Net of Allowance of Uncollectibles of \$1,179,613)	2,009,045	--	--	2,009,045
Due from Other Funds	131,459	--	462	131,921
Inventories	1,969	--	--	1,969
Prepaid Items and Other Assets	8,802	--	--	8,802
Advances to Other Funds	160,708	--	--	160,708
Restricted Assets	19,591	--	--	19,591
Properties Held for Housing Development	110,304	--	--	110,304
<b>TOTAL ASSETS</b>	<b>\$ 6,811,189</b>	<b>\$ 185,452</b>	<b>\$ 354,396</b>	<b>\$ 7,351,037</b>
<b>LIABILITIES</b>				
Accounts, Contracts and Retainage Payable	\$ 157,784	\$ --	\$ 15,559	\$ 173,343
Obligations Under Securities Lending Transactions	23,354	929	2,088	26,371
Accrued Salaries and Overtime Payable	25,547	--	--	25,547
Intergovernmental Payable	2,820	--	--	2,820
Due to Other Funds	213,925	--	3,478	217,403
Unearned Revenue	589,632	--	--	589,632
Deposits and Advances	240,205	--	2,941	243,146
Interest Payable	--	319	--	319
Advances from Other Funds	163,947	9,695	3,000	176,642
Other Liabilities	14,093	333	751	15,177
Liability for Excess CRA Bond Proceeds	57,563	--	--	57,563
<b>TOTAL LIABILITIES</b>	<b>1,488,870</b>	<b>11,276</b>	<b>27,817</b>	<b>1,527,963</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property Tax	42	12,069	--	12,111
Taxes Other than Property	8	--	--	8
Receivables from Other Government Agencies	79,466	--	1,757	81,223
Interest Receivable on Loans and Others	619,408	53	933	620,394
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>698,924</b>	<b>12,122</b>	<b>2,690</b>	<b>713,736</b>
<b>FUND BALANCES</b>				
Nonspendable	10,771	--	--	10,771
Restricted	3,206,815	166,009	323,889	3,696,713
Committed	1,458,310	--	--	1,458,310
Assigned	3,982	--	--	3,982
Unassigned	(56,483)	(3,955)	--	(60,438)
<b>TOTAL FUND BALANCES</b>	<b>4,623,395</b>	<b>162,054</b>	<b>323,889</b>	<b>5,109,338</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 6,811,189</b>	<b>\$ 185,452</b>	<b>\$ 354,396</b>	<b>\$ 7,351,037</b>

**CITY OF LOS ANGELES**

**Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances  
Other Governmental Funds  
For the Fiscal Year Ended June 30, 2020  
(amounts expressed in thousands)**

	<b>Nonmajor Special Revenue Funds</b>	<b>Nonmajor Debt Service Funds</b>	<b>Nonmajor Capital Projects Funds</b>	<b>Total Other Governmental Funds</b>
<b>REVENUES</b>				
Property Taxes	\$ 22,432	\$ 121,968	\$ --	\$ 144,400
Other Taxes	67,679	--	3,213	70,892
Licenses and Permits	66,795	--	16	66,811
Intergovernmental	1,129,814	--	23,301	1,153,115
Charges for Services	1,041,984	2,355	1,540	1,045,879
Services to Enterprise Funds	6,469	--	--	6,469
Fines	6,329	--	--	6,329
Special Assessments	122,352	--	24,678	147,030
Investment Earnings	146,472	5,768	13,935	166,175
Program Income	33,936	--	--	33,936
Other	45,634	1,038	134	46,806
<b>TOTAL REVENUES</b>	<b>2,689,896</b>	<b>131,129</b>	<b>66,817</b>	<b>2,887,842</b>
<b>EXPENDITURES</b>				
Current:				
General Government	39,714	515	--	40,229
Protection of Persons and Property	416,415	--	--	416,415
Public Works	262,349	--	--	262,349
Health and Sanitation	446,365	--	--	446,365
Transportation	411,544	--	--	411,544
Cultural and Recreational Services	603,825	--	--	603,825
Community Development	552,320	--	--	552,320
Capital Outlay	178,442	--	99,015	277,457
Debt Service:				
Principal	5,980	161,516	--	167,496
Interest	2,483	41,571	--	44,054
<b>TOTAL EXPENDITURES</b>	<b>2,919,437</b>	<b>203,602</b>	<b>99,015</b>	<b>3,222,054</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(229,541)</b>	<b>(72,473)</b>	<b>(32,198)</b>	<b>(334,212)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	550,339	52,498	120	602,957
Transfers Out	(134,113)	(3)	(7,635)	(141,751)
Proceeds from Long-Term Debt	--	--	--	--
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>416,226</b>	<b>52,495</b>	<b>(7,515)</b>	<b>461,206</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>186,685</b>	<b>(19,978)</b>	<b>(39,713)</b>	<b>126,994</b>
<b>FUND BALANCES, JULY 1, AS PREVIOUSLY REPORTED</b>	<b>4,432,715</b>	<b>182,032</b>	<b>363,602</b>	<b>4,978,349</b>
<b>CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE, GASB 84</b>	<b>3,995</b>	<b>--</b>	<b>--</b>	<b>3,995</b>
<b>FUND BALANCES, JULY 1 RESTATED</b>	<b>4,436,710</b>	<b>182,032</b>	<b>363,602</b>	<b>4,982,344</b>
<b>FUND BALANCES, JUNE 30</b>	<b>\$ 4,623,395</b>	<b>\$ 162,054</b>	<b>\$ 323,889</b>	<b>\$ 5,109,338</b>



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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.

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**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, 2020**

**(amounts expressed in thousands)**

	<b>Original Adopted Budget</b>	<b>Additional Appropriations and Transfers</b>	<b>Final Budget</b>	<b>Expenditures</b>	<b>Encumbrances June 30, 2020</b>	<b>Total Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>GENERAL GOVERNMENT</b>							
Cannabis Regulation	\$ 4,463	\$ (87)	\$ 4,376	\$ 2,883	\$ 365	\$ 3,248	\$ 1,128
City Administrative Officer	17,204	5,789	22,993	20,300	1,472	21,772	1,221
City Attorney	146,895	9,561	156,456	142,040	13,127	155,167	1,289
City Clerk	16,566	9,716	26,282	13,918	1,057	14,975	11,307
Controller	20,165	1,865	22,030	17,861	2,778	20,639	1,391
Council	33,198	22,405	55,603	36,454	3,121	39,575	16,028
Employee Relations Board	459	--	459	361	48	409	50
Ethics Commission	3,688	(1)	3,687	3,184	361	3,545	142
Finance	42,307	(534)	41,773	33,592	4,649	38,241	3,532
General Services	268,975	201,572	470,547	364,699	47,896	412,595	57,952
Information Technology							
Agency	106,551	10,603	117,154	79,056	32,061	111,117	6,037
Mayor	9,119	46,842	55,961	40,283	9,925	50,208	5,753
Neighborhood							
Empowerment	3,353	106	3,459	2,938	331	3,269	190
Personnel	72,403	49	72,452	63,129	7,151	70,280	2,172
Public Accountability	3,094	--	3,094	802	1,676	2,478	616
Non-departmental							
Capital Finance							
Administration	3,822	(61)	3,761	3,627	126	3,753	8
General City Purposes	180,479	(50,583)	129,896	74,837	19,279	94,116	35,780
Human Resources							
Benefits	743,564	12,249	755,813	738,950	16,863	755,813	--
Liability Claims	90,526	44,633	135,159	127,459	5,108	132,567	2,592
Unappropriated Balance	115,320	(104,407)	10,913	--	--	--	10,913
Water and Electricity	33,381	1,780	35,161	23,558	11,603	35,161	--
<b>TOTAL GENERAL GOVERNMENT</b>	<b>1,915,532</b>	<b>211,497</b>	<b>2,127,029</b>	<b>1,789,931</b>	<b>178,997</b>	<b>1,968,928</b>	<b>158,101</b>
<b>PROTECTION OF PERSONS AND PROPERTY</b>							
Animal Services	27,156	13	27,169	23,370	2,609	25,979	1,190
Building and Safety	125,125	1,218	126,343	104,274	7,085	111,359	14,984
Emergency Management	3,762	216	3,978	3,555	320	3,875	103
Fire	691,009	66,246	757,255	689,357	55,696	745,053	12,202
Police	1,733,838	75,734	1,809,572	1,653,155	138,534	1,791,689	17,883
<b>TOTAL PROTECTION OF PERSONS AND PROPERTY</b>	<b>2,580,890</b>	<b>143,427</b>	<b>2,724,317</b>	<b>2,473,711</b>	<b>204,244</b>	<b>2,677,955</b>	<b>46,362</b>
<b>PUBLIC WORKS</b>							
Board of Public Works	24,629	15,813	40,442	28,769	9,170	37,939	2,503
Bureau of Contract							
Administration	44,722	(2,995)	41,727	36,123	3,273	39,396	2,331
Bureau of Engineering	104,528	3,338	107,866	98,931	7,003	105,934	1,932
Bureau of Street Lightning	39,143	10,250	49,393	39,589	4,191	43,780	5,613
Bureau of Street Services	208,859	25,479	234,338	203,586	27,213	230,799	3,539
Non-departmental							
Water and Electricity	6,004	604	6,608	4,843	1,765	6,608	--
<b>TOTAL PUBLIC WORKS</b>	<b>427,885</b>	<b>52,489</b>	<b>480,374</b>	<b>411,841</b>	<b>52,615</b>	<b>464,456</b>	<b>15,918</b>
<b>HEALTH AND SANITATION</b>							
Public Works - Bureau of Sanitation	317,127	12,846	329,973	285,005	29,599	314,604	15,369

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, 2020  
(amounts expressed in thousands)**

	<b>Original Adopted Budget</b>	<b>Additional Appropriations and Transfers</b>	<b>Final Budget</b>	<b>Expenditures</b>	<b>Encumbrances June 30, 2020</b>	<b>Total Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>TRANSPORTATION</b>	\$ 186,965	\$ 6,284	\$ 193,249	\$ 158,775	\$ 14,727	\$ 173,502	\$ 19,747
<b>CULTURAL AND RECREATIONAL SERVICES</b>							
Convention Center	1,985	114	2,099	1,700	182	1,882	217
Cultural Affairs	17,760	694	18,454	12,382	3,287	15,669	2,785
El Pueblo De Los Angeles Historical Monument	1,615	512	2,127	1,792	126	1,918	209
Zoo	25,841	(1,648)	24,193	21,909	1,920	23,829	364
Non-departmental Water and Electricity	4,615	310	4,925	3,186	1,739	4,925	--
<b>TOTAL CULTURAL AND RECREATIONAL SERVICES</b>	<b>51,816</b>	<b>(18)</b>	<b>51,798</b>	<b>40,969</b>	<b>7,254</b>	<b>48,223</b>	<b>3,575</b>
<b>COMMUNITY DEVELOPMENT</b>							
Aging	6,973	11,747	18,720	8,360	9,103	17,463	1,257
Economic and Workforce Environment	25,293	(5,444)	19,849	15,335	1,381	16,716	3,133
Disability	4,551	175	4,726	3,630	1,062	4,692	34
Housing and Community Investment	89,525	5,783	95,308	68,772	14,037	82,809	12,499
Planning	60,883	(1,145)	59,738	43,809	8,592	52,401	7,337
<b>TOTAL COMMUNITY DEVELOPMENT</b>	<b>187,225</b>	<b>11,116</b>	<b>198,341</b>	<b>139,906</b>	<b>34,175</b>	<b>174,081</b>	<b>24,260</b>
<b>PENSION AND RETIREMENT CONTRIBUTIONS</b>							
Non-Departmental General City Purposes	2,731	(213)	2,518	2,206	119	2,325	193
<b>CAPITAL OUTLAY</b>							
Non-Departmental Capital Improvement Projects	96,867	50,974	147,841	38,711	26,301	65,012	82,829
<b>TRANSFERS TO OTHER FUNDS</b>							
Non-Departmental Capital Financing Administration	251,429	(38,463)	212,966	212,939	--	212,939	27
General	1,837,231	49,046	1,886,277	1,886,259	--	1,886,259	18
<b>TOTAL TRANSFERS TO OTHER FUNDS</b>	<b>2,088,660</b>	<b>10,583</b>	<b>2,099,243</b>	<b>2,099,198</b>	<b>--</b>	<b>2,099,198</b>	<b>45</b>
<b>GRAND TOTAL</b>	<b>\$ 7,855,698</b>	<b>\$ 498,985</b>	<b>\$ 8,354,683</b>	<b>\$ 7,440,253</b>	<b>\$ 548,031</b>	<b>\$ 7,988,284</b>	<b>\$ 366,399</b>

**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, 2020  
(amounts expressed in thousands)**

	<b>Original Adopted Budget</b>	<b>Additional Appropriations and Transfers</b>	<b>Final Budget</b>	<b>Expenditures</b>	<b>Encumbrances June 30, 2020</b>	<b>Total Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>GENERAL GOVERNMENT</b>							
<b>CANNABIS REGULATION</b>							
Salaries	\$ 2,954	\$ 48	\$ 3,002	\$ 2,263	\$ 170	\$ 2,433	\$ 569
Expenses	1,509	(135)	1,374	620	195	815	559
Subtotal	4,463	(87)	4,376	2,883	365	3,248	1,128
<b>CITY ADMINISTRATIVE OFFICER</b>							
Salaries	16,358	199	16,557	14,801	1,030	15,831	726
Expenses	846	5,590	6,436	5,499	442	5,941	495
Subtotal	17,204	5,789	22,993	20,300	1,472	21,772	1,221
<b>CITY ATTORNEY</b>							
Salaries	138,658	4,455	143,113	132,575	9,317	141,892	1,221
Expenses	8,237	5,106	13,343	9,465	3,810	13,275	68
Subtotal	146,895	9,561	156,456	142,040	13,127	155,167	1,289
<b>CITY CLERK</b>							
Salaries	13,075	(194)	12,881	11,760	789	12,549	332
Expenses	3,491	9,910	13,401	2,158	268	2,426	10,975
Subtotal	16,566	9,716	26,282	13,918	1,057	14,975	11,307
<b>CONTROLLER</b>							
Salaries	19,231	(14)	19,217	16,596	1,232	17,828	1,389
Expenses	934	1,879	2,813	1,265	1,546	2,811	2
Subtotal	20,165	1,865	22,030	17,861	2,778	20,639	1,391
<b>COUNCIL</b>							
Salaries	32,290	17,547	49,837	33,204	2,214	35,418	14,419
Expenses	908	4,858	5,766	3,250	907	4,157	1,609
Subtotal	33,198	22,405	55,603	36,454	3,121	39,575	16,028
<b>EMPLOYEE RELATIONS BOARD</b>							
Salaries	379	10	389	347	26	373	16
Expenses	80	(10)	70	14	22	36	34
Subtotal	459	--	459	361	48	409	50
<b>ETHICS COMMISSION</b>							
Salaries	3,280	--	3,280	2,995	219	3,214	66
Expenses	408	(1)	407	189	142	331	76
Subtotal	3,688	(1)	3,687	3,184	361	3,545	142
<b>FINANCE</b>							
Salaries	34,133	(1,721)	32,412	28,298	1,970	30,268	2,144
Expenses	8,121	1,187	9,308	5,294	2,679	7,973	1,335
Equipment	53	--	53	--	--	--	53
Subtotal	42,307	(534)	41,773	33,592	4,649	38,241	3,532
<b>GENERAL SERVICES</b>							
Salaries	131,113	47,048	178,161	141,811	9,648	151,459	26,702
Expenses	133,576	141,751	275,327	218,364	35,986	254,350	20,977
Equipment	791	12,390	13,181	959	1,975	2,934	10,247
Special	3,495	383	3,878	3,565	287	3,852	26
Subtotal	268,975	201,572	470,547	364,699	47,896	412,595	57,952

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, 2020**

**(amounts expressed in thousands)**

	<b>Original Adopted Budget</b>	<b>Additional Appropriations and Transfers</b>	<b>Final Budget</b>	<b>Expenditures</b>	<b>Encumbrances June 30, 2020</b>	<b>Total Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>INFORMATION</b>							
<b>TECHNOLOGY AGENCY</b>							
Salaries	\$ 51,939	\$ 2,449	\$ 54,388	\$ 46,432	\$ 3,382	\$ 49,814	\$ 4,574
Expenses	30,397	6,402	36,799	18,381	17,084	35,465	1,334
Equipment	153	(142)	11	11	--	11	--
Special	24,062	1,894	25,956	14,232	11,595	25,827	129
Subtotal	<u>106,551</u>	<u>10,603</u>	<u>117,154</u>	<u>79,056</u>	<u>32,061</u>	<u>111,117</u>	<u>6,037</u>
<b>MAYOR</b>							
Salaries	8,730	15,351	24,081	20,527	1,358	21,885	2,196
Expenses	389	31,491	31,880	19,756	8,567	28,323	3,557
Subtotal	<u>9,119</u>	<u>46,842</u>	<u>55,961</u>	<u>40,283</u>	<u>9,925</u>	<u>50,208</u>	<u>5,753</u>
<b>NEIGHBORHOOD EMPOWERMENT</b>							
Salaries	2,817	(2)	2,815	2,479	176	2,655	160
Expenses	522	102	624	444	150	594	30
Special	14	6	20	15	5	20	--
Subtotal	<u>3,353</u>	<u>106</u>	<u>3,459</u>	<u>2,938</u>	<u>331</u>	<u>3,269</u>	<u>190</u>
<b>PERSONNEL</b>							
Salaries	59,426	130	59,556	54,880	4,035	58,915	641
Expenses	11,154	(566)	10,588	6,610	2,744	9,354	1,234
Special	1,823	485	2,308	1,639	372	2,011	297
Subtotal	<u>72,403</u>	<u>49</u>	<u>72,452</u>	<u>63,129</u>	<u>7,151</u>	<u>70,280</u>	<u>2,172</u>
<b>PUBLIC ACCOUNTABILITY</b>							
Salaries	1,410	--	1,410	777	47	824	586
Expenses	1,684	--	1,684	25	1,629	1,654	30
Subtotal	<u>3,094</u>	<u>--</u>	<u>3,094</u>	<u>802</u>	<u>1,676</u>	<u>2,478</u>	<u>616</u>
<b>NON-DEPARTMENTAL</b>							
Capital Finance Administration	3,822	(61)	3,761	3,627	126	3,753	8
General City Purposes	180,479	(50,583)	129,896	74,837	19,279	94,116	35,780
Human Resources Benefits	743,564	12,249	755,813	738,950	16,863	755,813	--
Liability Claims	90,526	44,633	135,159	127,459	5,108	132,567	2,592
Unappropriated Balance	115,320	(104,407)	10,913	--	--	--	10,913
Water and Electricity	33,381	1,780	35,161	23,558	11,603	35,161	--
Subtotal	<u>1,167,092</u>	<u>(96,389)</u>	<u>1,070,703</u>	<u>968,431</u>	<u>52,979</u>	<u>1,021,410</u>	<u>49,293</u>
<b>TOTAL GENERAL GOVERNMENT</b>	<u>1,915,532</u>	<u>211,497</u>	<u>2,127,029</u>	<u>1,789,931</u>	<u>178,997</u>	<u>1,968,928</u>	<u>158,101</u>
<b>PROTECTION OF PERSONS AND PROPERTY</b>							
<b>ANIMAL SERVICES</b>							
Salaries	25,035	(515)	24,520	21,671	2,044	23,715	805
Expenses	2,121	528	2,649	1,699	565	2,264	385
Subtotal	<u>27,156</u>	<u>13</u>	<u>27,169</u>	<u>23,370</u>	<u>2,609</u>	<u>25,979</u>	<u>1,190</u>
<b>BUILDING AND SAFETY</b>							
Salaries	122,524	1,356	123,880	102,532	6,962	109,494	14,386
Expenses	2,601	(138)	2,463	1,742	123	1,865	598
Subtotal	<u>125,125</u>	<u>1,218</u>	<u>126,343</u>	<u>104,274</u>	<u>7,085</u>	<u>111,359</u>	<u>14,984</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, 2020**

**(amounts expressed in thousands)**

	<b>Original Adopted Budget</b>	<b>Additional Appropriations and Transfers</b>	<b>Final Budget</b>	<b>Expenditures</b>	<b>Encumbrances June 30, 2020</b>	<b>Total Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>EMERGENCY MANAGEMENT</b>							
Salaries	\$ 3,691	\$ 224	\$ 3,915	\$ 3,515	\$ 297	\$ 3,812	\$ 103
Expenses	71	(8)	63	40	23	63	--
Subtotal	<u>3,762</u>	<u>216</u>	<u>3,978</u>	<u>3,555</u>	<u>320</u>	<u>3,875</u>	<u>103</u>
<b>FIRE</b>							
Salaries	651,509	37,650	689,159	638,878	41,496	680,374	8,785
Expenses	39,160	28,686	67,846	50,230	14,200	64,430	3,416
Equipment	340	(90)	250	249	--	249	1
Subtotal	<u>691,009</u>	<u>66,246</u>	<u>757,255</u>	<u>689,357</u>	<u>55,696</u>	<u>745,053</u>	<u>12,202</u>
<b>POLICE</b>							
Salaries	1,624,345	78,176	1,702,521	1,587,484	101,056	1,688,540	13,981
Expenses	99,493	2,388	101,881	65,234	32,803	98,037	3,844
Equipment	10,000	(4,830)	5,170	437	4,675	5,112	58
Subtotal	<u>1,733,838</u>	<u>75,734</u>	<u>1,809,572</u>	<u>1,653,155</u>	<u>138,534</u>	<u>1,791,689</u>	<u>17,883</u>
<b>TOTAL PROTECTION OF PERSONS AND PROPERTY</b>	<u>2,580,890</u>	<u>143,427</u>	<u>2,724,317</u>	<u>2,473,711</u>	<u>204,244</u>	<u>2,677,955</u>	<u>46,362</u>
<b>PUBLIC WORKS BOARD OF PUBLIC WORKS</b>							
Salaries	10,497	693	11,190	10,006	713	10,719	471
Expenses	14,132	15,120	29,252	18,763	8,457	27,220	2,032
Subtotal	<u>24,629</u>	<u>15,813</u>	<u>40,442</u>	<u>28,769</u>	<u>9,170</u>	<u>37,939</u>	<u>2,503</u>
<b>BUREAU OF CONTRACT ADMINISTRATION</b>							
Salaries	41,567	(2,880)	38,687	34,544	2,596	37,140	1,547
Expenses	3,155	(115)	3,040	1,579	677	2,256	784
Subtotal	<u>44,722</u>	<u>(2,995)</u>	<u>41,727</u>	<u>36,123</u>	<u>3,273</u>	<u>39,396</u>	<u>2,331</u>
<b>BUREAU OF ENGINEERING</b>							
Salaries	99,409	3,599	103,008	94,745	6,583	101,328	1,680
Expenses	4,861	(42)	4,819	4,146	420	4,566	253
Equipment	258	(219)	39	40	--	40	(1)
Subtotal	<u>104,528</u>	<u>3,338</u>	<u>107,866</u>	<u>98,931</u>	<u>7,003</u>	<u>105,934</u>	<u>1,932</u>
<b>BUREAU OF STREET LIGHTING</b>							
Salaries	35,682	7,849	43,531	36,061	2,547	38,608	4,923
Expenses	2,480	1,067	3,547	2,516	723	3,239	308
Equipment	1	--	1	--	--	--	1
Special	980	1,334	2,314	1,012	921	1,933	381
Subtotal	<u>39,143</u>	<u>10,250</u>	<u>49,393</u>	<u>39,589</u>	<u>4,191</u>	<u>43,780</u>	<u>5,613</u>
<b>BUREAU OF STREET SERVICES</b>							
Salaries	114,020	8,300	122,320	112,842	7,481	120,323	1,997
Expenses	94,839	17,179	112,018	90,744	19,732	110,476	1,542
Subtotal	<u>208,859</u>	<u>25,479</u>	<u>234,338</u>	<u>203,586</u>	<u>27,213</u>	<u>230,799</u>	<u>3,539</u>
<b>NON-DEPARTMENTAL</b>							
Water and Electricity	6,004	604	6,608	4,843	1,765	6,608	--
<b>TOTAL PUBLIC WORKS</b>	<u>427,885</u>	<u>52,489</u>	<u>480,374</u>	<u>411,841</u>	<u>52,615</u>	<u>464,456</u>	<u>15,918</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, 2020**

**(amounts expressed in thousands)**

	<b>Original Adopted Budget</b>	<b>Additional Appropriations and Transfers</b>	<b>Final Budget</b>	<b>Expenditures</b>	<b>Encumbrances June 30, 2020</b>	<b>Total Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>HEALTH AND SANITATION</b>							
<b>PUBLIC WORKS - BUREAU OF SANITATION</b>							
Salaries	\$ 293,987	\$ 4,853	\$ 298,840	\$ 270,623	\$ 19,740	\$ 290,363	\$ 8,477
Expenses	23,005	7,957	30,962	14,372	9,703	24,075	6,887
Equipment	135	36	171	10	156	166	5
<b>TOTAL HEALTH AND SANITATION</b>	<b>317,127</b>	<b>12,846</b>	<b>329,973</b>	<b>285,005</b>	<b>29,599</b>	<b>314,604</b>	<b>15,369</b>
<b>TRANSPORTATION</b>							
Salaries	162,067	5,461	167,528	139,542	9,440	148,982	18,546
Expenses	24,898	823	25,721	19,233	5,287	24,520	1,201
<b>TOTAL TRANSPORTATION</b>	<b>186,965</b>	<b>6,284</b>	<b>193,249</b>	<b>158,775</b>	<b>14,727</b>	<b>173,502</b>	<b>19,747</b>
<b>CULTURAL AND RECREATIONAL SERVICES</b>							
<b>CONVENTION CENTER</b>							
Salaries	1,663	(82)	1,581	1,294	91	1,385	196
Expenses	322	196	518	406	91	497	21
Subtotal	1,985	114	2,099	1,700	182	1,882	217
<b>CULTURAL AFFAIRS</b>							
Salaries	8,593	93	8,686	7,515	480	7,995	691
Expenses	1,055	180	1,235	768	174	942	293
Special	8,112	421	8,533	4,099	2,633	6,732	1,801
Subtotal	17,760	694	18,454	12,382	3,287	15,669	2,785
<b>EL PUEBLO DE LOS ANGELES HISTORICAL MONUMENT</b>							
Salaries	1,133	328	1,461	1,333	75	1,408	53
Expenses	482	184	666	459	51	510	156
Subtotal	1,615	512	2,127	1,792	126	1,918	209
<b>ZOO</b>							
Salaries	21,862	(1,231)	20,631	19,154	1,320	20,474	157
Expenses	3,979	(417)	3,562	2,755	600	3,355	207
Subtotal	25,841	(1,648)	24,193	21,909	1,920	23,829	364
<b>NON-DEPARTMENTAL</b>							
Water and Electricity	4,615	310	4,925	3,186	1,739	4,925	--
<b>TOTAL CULTURAL AND RECREATIONAL SERVICES</b>	<b>51,816</b>	<b>(18)</b>	<b>51,798</b>	<b>40,969</b>	<b>7,254</b>	<b>48,223</b>	<b>3,575</b>
<b>COMMUNITY DEVELOPMENT</b>							
<b>AGING</b>							
Salaries	4,672	(3)	4,669	3,645	261	3,906	763
Expenses	2,301	11,700	14,001	4,715	8,802	13,517	484
Equipment	--	50	50	--	40	40	10
Subtotal	6,973	11,747	18,720	8,360	9,103	17,463	1,257
<b>ECONOMIC AND WORKFORCE DEVELOPMENT</b>							
Salaries	17,141	(1,296)	15,845	12,468	912	13,380	2,465
Expenses	8,152	(4,148)	4,004	2,867	469	3,336	668
Subtotal	25,293	(5,444)	19,849	15,335	1,381	16,716	3,133



**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, 2020  
(amounts expressed in thousands)**

	<b>Original Adopted Budget</b>	<b>Additional Appropriations and Transfers</b>	<b>Final Budget</b>	<b>Expenditures</b>	<b>Encumbrances June 30, 2020</b>	<b>Total Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>DISABILITY</b>							
Salaries	\$ 2,641	\$ (49)	\$ 2,592	\$ 2,392	\$ 179	\$ 2,571	\$ 21
Expenses	1,818	244	2,062	1,176	877	2,053	9
Special	92	(20)	72	62	6	68	4
Subtotal	<u>4,551</u>	<u>175</u>	<u>4,726</u>	<u>3,630</u>	<u>1,062</u>	<u>4,692</u>	<u>34</u>
<b>HOUSING AND COMMUNITY INVESTMENT</b>							
Salaries	70,495	(387)	70,108	56,496	4,177	60,673	9,435
Expenses	19,030	6,170	25,200	12,276	9,860	22,136	3,064
Subtotal	<u>89,525</u>	<u>5,783</u>	<u>95,308</u>	<u>68,772</u>	<u>14,037</u>	<u>82,809</u>	<u>12,499</u>
<b>PLANNING</b>							
Salaries	47,804	(1,040)	46,764	38,283	2,795	41,078	5,686
Expenses	12,778	(105)	12,673	5,227	5,797	11,024	1,649
Equipment	301	--	301	299	--	299	2
Subtotal	<u>60,883</u>	<u>(1,145)</u>	<u>59,738</u>	<u>43,809</u>	<u>8,592</u>	<u>52,401</u>	<u>7,337</u>
<b>TOTAL COMMUNITY DEVELOPMENT</b>	<u>187,225</u>	<u>11,116</u>	<u>198,341</u>	<u>139,906</u>	<u>34,175</u>	<u>174,081</u>	<u>24,260</u>
<b>PENSION AND RETIREMENT CONTRIBUTION</b>							
Non-Departmental	<u>2,731</u>	<u>(213)</u>	<u>2,518</u>	<u>2,206</u>	<u>119</u>	<u>2,325</u>	<u>193</u>
<b>CAPITAL OUTLAY</b>							
Non-Departmental	<u>96,867</u>	<u>50,974</u>	<u>147,841</u>	<u>38,711</u>	<u>26,301</u>	<u>65,012</u>	<u>82,829</u>
<b>TRANSFERS TO OTHER FUNDS</b>							
Non-Departmental	<u>2,088,660</u>	<u>10,583</u>	<u>2,099,243</u>	<u>2,099,198</u>	<u>--</u>	<u>2,099,198</u>	<u>45</u>
<b>GRAND TOTAL</b>	<u>\$ 7,855,698</u>	<u>\$ 498,985</u>	<u>\$ 8,354,683</u>	<u>\$ 7,440,253</u>	<u>\$ 548,031</u>	<u>\$ 7,988,284</u>	<u>\$ 366,399</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.

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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. 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 68.5% 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, senior, 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 supervises 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.

**Homeless Housing Assistance and Prevention** – Accounts for receipts and disbursements of grants from the State to provide immediate assistance to people experiencing homelessness..

**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 9.4% 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 18.5% of the combined revenues of the Nonmajor Special Revenue funds. Included in this group are 18 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, and Sidewalk Repair Fund.

**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 3.6% of the combined revenues of the Nonmajor Special Revenue funds. Included in this group are 36 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, HUD Connections Grant Fund, Innovation Fund, LA County Census Funds, LA Performance Partnership Pilot Fund, LA Regional Initiative for Social Enterprise Fund, LEAD Grant 11 Fund, LA Regional Agency Trust Fund, Low and Moderate Income Housing Fund, Medical Intergovernmental Transfer Program Fund, Neighborhood Stabilization Program 3 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, Street Banners Revenue Trust Fund, Temporary Assistance for Needy Families Fund, Traffic Safety Education Program Fund, Transportation Grants 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, 2020  
(amounts expressed in thousands)**

	<b>Building and Safety Permit</b>	<b>Citywide Recycling Trust</b>	<b>Proposition C Anti-Gridlock Transit Improvement</b>	<b>Special Parking Revenue</b>
<b>ASSETS</b>				
Cash and Pooled Investments	\$ 269,702	\$ 36,330	\$ 23,636	\$ 24,805
Taxes Receivable	--	--	--	--
Accounts Receivable (Net of Allowance for Uncollectibles of \$17,310)	2,484	7,296	1,048	89
Special Assessments Receivable	1,115	--	--	--
Investment Income Receivable	707	97	35	161
Intergovernmental Receivable	--	--	14,419	--
Loans Receivable (Net of Allowance for Uncollectibles of \$1,179,613)	--	--	--	--
Due from Other Funds	7,608	2,005	7,184	--
Inventories	--	--	--	--
Prepaid Items and Other Assets	--	--	--	--
Advances to Other Funds	125,000	--	--	250
Restricted Assets	--	--	--	--
Properties Held for Housing Development	--	--	--	--
<b>TOTAL ASSETS</b>	<b>\$ 406,616</b>	<b>\$ 45,728</b>	<b>\$ 46,322</b>	<b>\$ 25,305</b>
<b>LIABILITIES</b>				
Accounts, Contracts and Retainage Payable	\$ 2,919	\$ 634	\$ 347	\$ 2,592
Obligations Under Securities Lending Transactions	1,705	230	149	157
Accrued Salaries and Overtime Payable	6,157	--	--	--
Intergovernmental Payable	--	--	--	1
Due to Other Funds	927	--	--	323
Unearned Revenue	4,385	--	--	4,521
Deposits and Advances	12	--	--	274
Advances from Other Funds	--	--	--	22,499
Other Liabilities	613	83	54	56
Liability for Excess CRA Bond Proceeds	--	--	--	--
<b>TOTAL LIABILITIES</b>	<b>16,718</b>	<b>947</b>	<b>550</b>	<b>30,423</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property Tax	--	--	--	--
Taxes Other than Property	--	--	--	--
Receivables from Other Government Agencies	--	--	448	--
Interest Receivable on Loans and Others	3,192	11	8,721	39
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>3,192</b>	<b>11</b>	<b>9,169</b>	<b>39</b>
<b>FUND BALANCES</b>				
Nonspendable	--	--	--	--
Restricted	--	44,770	36,603	--
Committed	386,706	--	--	--
Assigned	--	--	--	--
Unassigned	--	--	--	(5,157)
<b>TOTAL FUND BALANCES</b>	<b>386,706</b>	<b>44,770</b>	<b>36,603</b>	<b>(5,157)</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 406,616</b>	<b>\$ 45,728</b>	<b>\$ 46,322</b>	<b>\$ 25,305</b>

**CITY OF LOS ANGELES**

**Combining Balance Sheet - (Continued)  
Nonmajor Special Revenue Funds  
June 30, 2020  
(amounts expressed in thousands)**

	<b>Stormwater Pollution Abatement</b>	<b>Street Lighting Maintenance Assessment</b>	<b>Proposition A Local Transit Assistance</b>	<b>Low and Moderate Income Housing</b>	<b>Proposition HHH - Loans Program</b>
<b>ASSETS</b>					
Cash and Pooled Investments	\$ 26,676	\$ 9,462	\$ 257,424	\$ 59,499	\$ 195,427
Taxes Receivable	--	--	--	--	--
Accounts Receivable (Net of Allowance for Uncollectibles of \$17,310)	3,975	3,510	6,387	--	--
Special Assessments Receivable	1,478	2,512	--	--	--
Investment Income Receivable	95	--	688	179	494
Intergovernmental Receivable	101	--	38,475	--	--
Loans Receivable (Net of Allowance for Uncollectibles of \$1,179,613)	--	--	--	604,831	96,860
Due from Other Funds	2,987	7,855	12	180	--
Inventories	--	1,969	--	--	--
Prepaid Items and Other Assets	--	--	--	--	--
Advances to Other Funds	--	--	--	--	--
Restricted Assets	--	--	--	11,486	--
Properties Held for Housing Development	--	--	--	110,304	--
<b>TOTAL ASSETS</b>	<b>\$ 35,312</b>	<b>\$ 25,308</b>	<b>\$ 302,986</b>	<b>\$ 786,479</b>	<b>\$ 292,781</b>
<b>LIABILITIES</b>					
Accounts, Contracts and Retainage Payable	\$ 4,464	\$ 387	\$ 24,446	\$ 4	\$ --
Obligations Under Securities Lending Transactions	169	--	1,627	448	1,169
Accrued Salaries and Overtime Payable	--	--	18	--	--
Intergovernmental Payable	--	--	--	--	--
Due to Other Funds	64	27	192	38	171
Unearned Revenue	9,493	--	--	--	--
Deposits and Advances	--	32	3,908	923	--
Advances from Other Funds	6,632	14,556	--	--	--
Other Liabilities	61	--	585	5,430	421
Liability for Excess CRA Bond Proceeds	--	--	--	--	--
<b>TOTAL LIABILITIES</b>	<b>20,883</b>	<b>15,002</b>	<b>30,776</b>	<b>6,843</b>	<b>1,761</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Property Tax	--	--	--	--	--
Taxes Other than Property	--	--	--	--	--
Receivables from Other Government Agencies	1,721	15	26,865	--	--
Interest Receivable on Loans and Others	3,244	5,158	112	190,695	2,068
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>4,965</b>	<b>5,173</b>	<b>26,977</b>	<b>190,695</b>	<b>2,068</b>
<b>FUND BALANCES</b>					
Nonspendable	--	1,969	--	--	--
Restricted	9,464	3,164	245,233	588,941	288,952
Committed	--	--	--	--	--
Assigned	--	--	--	--	--
Unassigned	--	--	--	--	--
<b>TOTAL FUND BALANCES</b>	<b>9,464</b>	<b>5,133</b>	<b>245,233</b>	<b>588,941</b>	<b>288,952</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 35,312</b>	<b>\$ 25,308</b>	<b>\$ 302,986</b>	<b>\$ 786,479</b>	<b>\$ 292,781</b>



**CITY OF LOS ANGELES**

**Combining Balance Sheet - (Continued)  
Nonmajor Special Revenue Funds  
June 30, 2020  
(amounts expressed in thousands)**

	<b>Measure R Local Return</b>	<b>Recreation and Parks</b>	<b>Solid Waste Resources</b>	<b>Special Gas Tax Street Improvement</b>	<b>Covid-19 Federal Relief Fund</b>
<b>ASSETS</b>					
Cash and Pooled Investments	\$ 97,075	\$ 381,128	\$ 175,612	\$ 133,893	\$ 721,008
Taxes Receivable	--	--	--	--	--
Accounts Receivable (Net of Allowance for Uncollectibles of \$17,310)	78	3,080	860	55	--
Special Assessments Receivable	--	--	--	--	--
Investment Income Receivable	327	954	429	397	1,821
Intergovernmental Receivable	17,100	--	--	--	--
Loans Receivable (Net of Allowance for Uncollectibles of \$1,179,613)	--	--	--	--	--
Due from Other Funds	12,228	495	25,704	13,828	--
Inventories	--	--	--	--	--
Prepaid Items and Other Assets	--	--	--	--	--
Advances to Other Funds	--	--	--	--	--
Restricted Assets	--	--	--	--	--
Properties Held for Housing Development	--	--	--	--	--
<b>TOTAL ASSETS</b>	<b>\$ 126,808</b>	<b>\$ 385,657</b>	<b>\$ 202,605</b>	<b>\$ 148,173</b>	<b>\$ 722,829</b>
<b>LIABILITIES</b>					
Accounts, Contracts and Retainage Payable	\$ 2,671	\$ 12,200	\$ 15,500	\$ 5,695	\$ --
Obligations Under Securities Lending Transactions	614	2,409	1,110	846	4,557
Accrued Salaries and Overtime Payable	--	10,928	--	--	--
Intergovernmental Payable	--	39	--	--	--
Due to Other Funds	8,413	1,112	975	1,262	126,604
Unearned Revenue	--	135	--	--	567,801
Deposits and Advances	--	2,034	--	--	--
Advances from Other Funds	--	--	--	--	--
Other Liabilities	221	867	399	304	1,639
Liability for Excess CRA Bond Proceeds	--	--	--	--	--
<b>TOTAL LIABILITIES</b>	<b>11,919</b>	<b>29,724</b>	<b>17,984</b>	<b>8,107</b>	<b>700,601</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Property Tax	--	--	--	--	--
Taxes Other than Property	--	--	--	--	--
Receivables from Other Government Agencies	125	--	65	55	--
Interest Receivable on Loans and Others	102	125	3,802	46	238
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>227</b>	<b>125</b>	<b>3,867</b>	<b>101</b>	<b>238</b>
<b>FUND BALANCES</b>					
Nonspendable	--	--	--	--	--
Restricted	114,662	355,808	47,678	19,954	21,990
Committed	--	--	133,076	120,011	--
Assigned	--	--	--	--	--
Unassigned	--	--	--	--	--
<b>TOTAL FUND BALANCES</b>	<b>114,662</b>	<b>355,808</b>	<b>180,754</b>	<b>139,965</b>	<b>21,990</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 126,808</b>	<b>\$ 385,657</b>	<b>\$ 202,605</b>	<b>\$ 148,173</b>	<b>\$ 722,829</b>

**CITY OF LOS ANGELES**

**Combining Balance Sheet - (Continued)  
Nonmajor Special Revenue Funds  
June 30, 2020  
(amounts expressed in thousands)**

	<b>Grant Funds</b>				
	<b>Community Development Trust</b>	<b>Section 108 Loan Guarantee Program</b>	<b>Home Investment Partnership Program</b>	<b>Transportation Grants</b>	<b>Workforce Innovation Opportunity Act</b>
<b>ASSETS</b>					
Cash and Pooled Investments	\$ 2,866	\$ 27,123	\$ 38,359	\$ 68,088	\$ 1,798
Taxes Receivable	--	--	--	--	--
Accounts Receivable (Net of Allowance for Uncollectibles of \$17,310)	--	--	--	10,114	--
Special Assessments Receivable	--	--	--	--	--
Investment Income Receivable	15	--	97	203	6
Intergovernmental Receivable	1,441	--	11	10,336	3,977
Loans Receivable (Net of Allowance for Uncollectibles of \$1,179,613)	300,694	77,964	656,976	--	--
Due from Other Funds	113	--	2	8	1
Inventories	--	--	--	--	--
Prepaid Items and Other Assets	2,660	--	5,820	--	252
Advances to Other Funds	--	--	--	--	--
Restricted Assets	--	--	--	--	--
Properties Held for Housing Development	--	--	--	--	--
<b>TOTAL ASSETS</b>	<b>\$ 307,789</b>	<b>\$ 105,087</b>	<b>\$ 701,265</b>	<b>\$ 88,749</b>	<b>\$ 6,034</b>
<b>LIABILITIES</b>					
Accounts, Contracts and Retainage Payable	\$ 4,341	\$ --	\$ 360	\$ 4,943	\$ 6,354
Obligations Under Securities Lending Transactions	18	1	242	430	11
Accrued Salaries and Overtime Payable	542	--	144	--	--
Intergovernmental Payable	265	--	4	19	252
Due to Other Funds	2,224	6	99	20,573	1,350
Unearned Revenue	--	--	--	--	--
Deposits and Advances	39	414	45	380	--
Advances from Other Funds	--	--	--	--	--
Other Liabilities	16	--	87	155	4
Liability for Excess CRA Bond Proceeds	--	--	--	--	--
<b>TOTAL LIABILITIES</b>	<b>7,445</b>	<b>421</b>	<b>981</b>	<b>26,500</b>	<b>7,971</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Property Tax	--	--	--	--	--
Taxes Other than Property	--	--	--	--	--
Receivables from Other Government Agencies	--	--	--	14,369	3,187
Interest Receivable on Loans and Others	94,990	--	176,310	319	1
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>94,990</b>	<b>--</b>	<b>176,310</b>	<b>14,688</b>	<b>3,188</b>
<b>FUND BALANCES</b>					
Nonspendable	2,660	--	5,820	--	252
Restricted	202,694	104,666	518,154	47,561	1,072
Committed	--	--	--	--	--
Assigned	--	--	--	--	--
Unassigned	--	--	--	--	(6,449)
<b>TOTAL FUND BALANCES</b>	<b>205,354</b>	<b>104,666</b>	<b>523,974</b>	<b>47,561</b>	<b>(5,125)</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 307,789</b>	<b>\$ 105,087</b>	<b>\$ 701,265</b>	<b>\$ 88,749</b>	<b>\$ 6,034</b>

**CITY OF LOS ANGELES**

**Combining Balance Sheet - (Continued)  
Nonmajor Special Revenue Funds  
June 30, 2020  
(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>Homeless Housing Assistance &amp; Prevention (Hhap)</u>	<u>Other Nonmajor Grant Funds</u>			
<b>ASSETS</b>					
Cash and Pooled Investments	\$ 99,322	\$ 280,608	\$ 923,670	\$ 244,477	\$ 4,097,988
Taxes Receivable	--	--	519	--	519
Accounts Receivable (Net of Allowance for Uncollectibles of \$17,310)	--	2,561	62,553	16,510	120,600
Special Assessments Receivable	--	--	2,598	36	7,739
Investment Income Receivable	89	499	1,746	597	9,636
Intergovernmental Receivable	--	32,509	11,116	3,344	132,829
Loans Receivable (Net of Allowance for Uncollectibles of \$1,179,613)	--	96,203	161,826	13,691	2,009,045
Due from Other Funds	9,056	7,695	23,002	11,496	131,459
Inventories	--	--	--	--	1,969
Prepaid Items and Other Assets	--	--	70	--	8,802
Advances to Other Funds	--	--	35,445	13	160,708
Restricted Assets	--	--	8,105	--	19,591
Properties Held for Housing Development	--	--	--	--	110,304
<b>TOTAL ASSETS</b>	<u>\$ 108,467</u>	<u>\$ 420,075</u>	<u>\$ 1,230,650</u>	<u>\$ 290,164</u>	<u>\$ 6,811,189</u>
<b>LIABILITIES</b>					
Accounts, Contracts and Retainage Payable	\$ --	\$ 39,789	\$ 25,366	\$ 4,772	\$ 157,784
Obligations Under Securities Lending Transactions	628	1,277	4,168	1,389	23,354
Accrued Salaries and Overtime Payable	--	360	6,700	698	25,547
Intergovernmental Payable	--	1,059	884	297	2,820
Due to Other Funds	--	37,637	10,693	1,235	213,925
Unearned Revenue	--	--	3,297	--	589,632
Deposits and Advances	--	8,070	223,648	426	240,205
Advances from Other Funds	--	90,676	29,583	1	163,947
Other Liabilities	226	459	1,502	911	14,093
Liability for Excess CRA Bond Proceeds	--	--	--	57,563	57,563
<b>TOTAL LIABILITIES</b>	<u>854</u>	<u>179,327</u>	<u>305,841</u>	<u>67,292</u>	<u>1,488,870</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Property Tax	--	--	38	4	42
Taxes Other than Property	--	--	8	--	8
Receivables from Other Government Agencies	--	26,258	5,649	709	79,466
Interest Receivable on Loans and Others	39	19,039	91,454	19,703	619,408
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>39</u>	<u>45,297</u>	<u>97,149</u>	<u>20,416</u>	<u>698,924</u>
<b>FUND BALANCES</b>					
Nonspendable	--	--	70	--	10,771
Restricted	107,574	223,510	112,138	112,227	3,206,815
Committed	--	12,943	715,345	90,229	1,458,310
Assigned	--	--	3,982	--	3,982
Unassigned	--	(41,002)	(3,875)	--	(56,483)
<b>TOTAL FUND BALANCES</b>	<u>107,574</u>	<u>195,451</u>	<u>827,660</u>	<u>202,456</u>	<u>4,623,395</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<u>\$ 108,467</u>	<u>\$ 420,075</u>	<u>\$ 1,230,650</u>	<u>\$ 290,164</u>	<u>\$ 6,811,189</u>

**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, 2020  
(amounts expressed in thousands)**

	<b>Building and Safety Permit</b>	<b>Citywide Recycling Trust</b>	<b>Proposition C Anti-Gridlock Transit Improvement</b>	<b>Special Parking Revenue</b>
<b>REVENUES</b>				
Property Taxes	\$ --	\$ --	\$ --	\$ --
Other Taxes	--	24,059	--	--
Licenses and Permits	53,559	--	--	--
Intergovernmental	--	--	63,729	--
Charges for Services	163,801	--	13,438	63,692
Services to Enterprise Funds	1,543	--	--	--
Fines	--	--	--	--
Special Assessments	--	--	--	--
Investment Earnings	12,715	1,540	2,308	1,593
Program Income	--	--	--	--
Other	--	--	--	2,880
<b>TOTAL REVENUES</b>	<b>231,618</b>	<b>25,599</b>	<b>79,475</b>	<b>68,165</b>
<b>EXPENDITURES</b>				
Current				
General Government	--	--	--	--
Protection of Persons and Property	180,533	--	--	--
Public Works	--	--	--	--
Health and Sanitation	--	28,832	--	--
Transportation	--	--	86,048	37,604
Cultural and Recreational Services	--	--	--	--
Community Development	--	--	--	--
Capital Outlay	3,852	--	587	6,126
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
<b>TOTAL EXPENDITURES</b>	<b>184,385</b>	<b>28,832</b>	<b>86,635</b>	<b>43,730</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>47,233</b>	<b>(3,233)</b>	<b>(7,160)</b>	<b>24,435</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	--	4,757	--	--
Transfers Out	(129)	(681)	(1,270)	(31,294)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(129)</b>	<b>4,076</b>	<b>(1,270)</b>	<b>(31,294)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>47,104</b>	<b>843</b>	<b>(8,430)</b>	<b>(6,859)</b>
FUND BALANCES, JULY 1, AS PREVIOUSLY REPORTED	339,602	43,927	45,033	1,702
<b>CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE, GASB 84 IMPLEMENTATION</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>FUND BALANCES, JULY 1 RESTATED</b>	<b>339,602</b>	<b>43,927</b>	<b>45,033</b>	<b>1,702</b>
<b>FUND BALANCES, JUNE 30</b>	<b>\$ 386,706</b>	<b>\$ 44,770</b>	<b>\$ 36,603</b>	<b>\$ (5,157)</b>

**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, 2020  
(amounts expressed in thousands)**

	<b>Stormwater Pollution Abatement</b>	<b>Street Lighting Maintenance Assessment</b>	<b>Proposition A Local Transit Assistance</b>	<b>Low and Moderate Income Housing</b>	<b>Proposition HHH - Loans Program</b>
<b>REVENUES</b>					
Property Taxes	\$ --	\$ --	\$ --	\$ --	\$ --
Other Taxes	--	--	--	--	--
Licenses and Permits	--	1,172	--	--	--
Intergovernmental	2,779	1,862	125,916	--	--
Charges for Services	30,919	9,835	7,297	--	--
Services to Enterprise Funds	--	--	--	--	--
Fines	8	--	--	--	--
Special Assessments	--	45,814	--	--	--
Investment Earnings	1,179	--	10,622	2,916	7,954
Program Income	--	--	--	10,660	--
Other	2,242	1,849	2,433	75	--
<b>TOTAL REVENUES</b>	<b>37,127</b>	<b>60,532</b>	<b>146,268</b>	<b>13,651</b>	<b>7,954</b>
<b>EXPENDITURES</b>					
Current					
General Government	--	--	--	--	--
Protection of Persons and Property	--	--	--	--	--
Public Works	--	51,383	--	--	--
Health and Sanitation	35,244	--	--	--	--
Transportation	--	--	140,696	--	--
Cultural and Recreational Services	--	--	--	--	--
Community Development	--	--	--	5,880	31,986
Capital Outlay	5,038	2,089	8,601	--	--
Debt Service					
Principal	--	--	--	--	--
Interest	--	--	--	--	--
<b>TOTAL EXPENDITURES</b>	<b>40,282</b>	<b>53,472</b>	<b>149,297</b>	<b>5,880</b>	<b>31,986</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(3,155)</b>	<b>7,060</b>	<b>(3,029)</b>	<b>7,771</b>	<b>(24,032)</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	800	601	94	--	7,215
Transfers Out	--	(43)	(3,469)	(596)	--
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>800</b>	<b>558</b>	<b>(3,375)</b>	<b>(596)</b>	<b>7,215</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(2,355)</b>	<b>7,618</b>	<b>(6,404)</b>	<b>7,175</b>	<b>(16,817)</b>
FUND BALANCES, JULY 1, AS PREVIOUSLY REPORTED	11,819	(2,485)	251,637	581,766	305,769
<b>CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE, GASB 84 IMPLEMENTATION</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>FUND BALANCES, JULY 1 RESTATED</b>	<b>11,819</b>	<b>(2,485)</b>	<b>251,637</b>	<b>581,766</b>	<b>305,769</b>
<b>FUND BALANCES, JUNE 30</b>	<b>\$ 9,464</b>	<b>\$ 5,133</b>	<b>\$ 245,233</b>	<b>\$ 588,941</b>	<b>\$ 288,952</b>

**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, 2020  
(amounts expressed in thousands)**

	<b>Measure R Local Return</b>	<b>Recreation and Parks</b>	<b>Solid Waste Resources</b>	<b>Special Gas Tax Street Improvement</b>	<b>Covid-19 Federal Relief Fund</b>
<b>REVENUES</b>					
Property Taxes	\$ --	\$ --	\$ --	\$ --	\$ --
Other Taxes	--	--	--	--	--
Licenses and Permits	--	2,043	--	--	--
Intergovernmental	102,180	500	1,584	168,326	126,604
Charges for Services	--	122,212	315,961	--	--
Services to Enterprise Funds	--	--	3,600	--	--
Fines	--	--	--	--	--
Special Assessments	--	--	--	--	--
Investment Earnings	4,402	15,457	7,502	5,684	21,990
Program Income	--	--	--	--	--
Other	--	3,266	7,132	39	--
<b>TOTAL REVENUES</b>	<b>106,582</b>	<b>143,478</b>	<b>335,779</b>	<b>174,049</b>	<b>148,594</b>
<b>EXPENDITURES</b>					
Current					
General Government	--	--	--	--	--
Protection of Persons and Property	--	--	--	--	--
Public Works	--	--	--	115,693	--
Health and Sanitation	--	--	355,089	--	--
Transportation	105,361	--	--	--	--
Cultural and Recreational Services	--	332,478	--	--	--
Community Development	--	--	--	--	106,604
Capital Outlay	10,675	18,125	4,052	19,462	--
Debt Service					
Principal	--	--	--	--	--
Interest	--	--	--	--	--
<b>TOTAL EXPENDITURES</b>	<b>116,036</b>	<b>350,603</b>	<b>359,141</b>	<b>135,155</b>	<b>106,604</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(9,454)</b>	<b>(207,125)</b>	<b>(23,362)</b>	<b>38,894</b>	<b>41,990</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	--	231,478	7,962	247	--
Transfers Out	(1,431)	--	(34,084)	(600)	(20,000)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(1,431)</b>	<b>231,478</b>	<b>(26,122)</b>	<b>(353)</b>	<b>(20,000)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(10,885)</b>	<b>24,353</b>	<b>(49,484)</b>	<b>38,541</b>	<b>21,990</b>
FUND BALANCES, JULY 1, AS PREVIOUSLY REPORTED	125,547	331,455	230,238	101,424	--
<b>CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE, GASB 84 IMPLEMENTATION</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>FUND BALANCES, JULY 1 RESTATED</b>	<b>125,547</b>	<b>331,455</b>	<b>230,238</b>	<b>101,424</b>	<b>--</b>
<b>FUND BALANCES, JUNE 30</b>	<b>\$ 114,662</b>	<b>\$ 355,808</b>	<b>\$ 180,754</b>	<b>\$ 139,965</b>	<b>\$ 21,990</b>

**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, 2020  
(amounts expressed in thousands)**

	Grant Funds				
	Community Development Trust	Section 108 Loan Guarantee Program	Home Investment Partnership Program	Transportation Grants	Workforce Innovation Opportunity Act
<b>REVENUES</b>					
Property Taxes	\$ --	\$ --	\$ --	\$ --	\$ --
Other Taxes	--	--	--	--	--
Licenses and Permits	--	--	--	--	--
Intergovernmental	36,671	--	11,561	33,822	31,545
Charges for Services	--	--	--	4,806	--
Services to Enterprise Funds	--	--	--	--	--
Fines	--	--	--	--	--
Special Assessments	--	--	--	--	--
Investment Earnings	183	38	1,489	1,622	86
Program Income	7,701	3,526	9,083	--	--
Other	899	--	14	369	78
<b>TOTAL REVENUES</b>	<b>45,454</b>	<b>3,564</b>	<b>22,147</b>	<b>40,619</b>	<b>31,709</b>
<b>EXPENDITURES</b>					
Current					
General Government	--	--	--	--	--
Protection of Persons and Property	--	--	--	--	--
Public Works	--	--	--	--	--
Health and Sanitation	--	--	--	--	--
Transportation	--	--	--	19,588	--
Cultural and Recreational Services	--	--	--	--	--
Community Development	56,732	943	11,589	--	33,657
Capital Outlay	--	--	--	16,607	--
Debt Service					
Principal	--	5,980	--	--	--
Interest	--	2,483	--	--	--
<b>TOTAL EXPENDITURES</b>	<b>56,732</b>	<b>9,406</b>	<b>11,589</b>	<b>36,195</b>	<b>33,657</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(11,278)</b>	<b>(5,842)</b>	<b>10,558</b>	<b>4,424</b>	<b>(1,948)</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	2,485	4,325	89	631	642
Transfers Out	(4)	--	(2)	(4,625)	(4)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>2,481</b>	<b>4,325</b>	<b>87</b>	<b>(3,994)</b>	<b>638</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(8,797)</b>	<b>(1,517)</b>	<b>10,645</b>	<b>430</b>	<b>(1,310)</b>
FUND BALANCES, JULY 1, AS PREVIOUSLY REPORTED	214,151	106,183	513,329	47,131	(3,815)
<b>CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE, GASB 84 IMPLEMENTATION</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>FUND BALANCES, JULY 1 RESTATED</b>	<b>214,151</b>	<b>106,183</b>	<b>513,329</b>	<b>47,131</b>	<b>(3,815)</b>
<b>FUND BALANCES, JUNE 30</b>	<b>\$ 205,354</b>	<b>\$ 104,666</b>	<b>\$ 523,974</b>	<b>\$ 47,561</b>	<b>\$ (5,125)</b>

**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, 2020  
(amounts expressed in thousands)**

	Grant Funds		Other Nonmajor Special Revenue Funds	Allocations from Other Governmental Agencies	Total
	Homeless Housing Assistance & Prevention (Hhap)	Other Nonmajor Grant Funds			
<b>REVENUES</b>					
Property Taxes	\$ --	\$ --	\$ 21,770	\$ 662	\$ 22,432
Other Taxes	--	--	43,620	--	67,679
Licenses and Permits	--	--	4,772	5,249	66,795
Intergovernmental	117,563	218,269	57,216	29,687	1,129,814
Charges for Services	--	14,972	248,939	46,112	1,041,984
Services to Enterprise Funds	--	36	1,288	2	6,469
Fines	--	--	4,967	1,354	6,329
Special Assessments	--	--	72,923	3,615	122,352
Investment Earnings	2,887	8,056	27,096	9,153	146,472
Program Income	--	1,257	1,490	219	33,936
Other	--	9,905	14,206	247	45,634
<b>TOTAL REVENUES</b>	<b>120,450</b>	<b>252,495</b>	<b>498,287</b>	<b>96,300</b>	<b>2,689,896</b>
<b>EXPENDITURES</b>					
Current					
General Government	--	13,426	26,288	--	39,714
Protection of Persons and Property	--	75,486	140,694	19,702	416,415
Public Works	--	13,992	81,175	106	262,349
Health and Sanitation	--	10,061	16,101	1,038	446,365
Transportation	--	3,558	9,757	8,932	411,544
Cultural and Recreational Services	--	679	270,668	--	603,825
Community Development	13,780	96,322	151,420	43,407	552,320
Capital Outlay	--	43,863	39,037	328	178,442
Debt Service					
Principal	--	--	--	--	5,980
Interest	--	--	--	--	2,483
<b>TOTAL EXPENDITURES</b>	<b>13,780</b>	<b>257,387</b>	<b>735,140</b>	<b>73,513</b>	<b>2,919,437</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>106,670</b>	<b>(4,892)</b>	<b>(236,853)</b>	<b>22,787</b>	<b>(229,541)</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	904	8,142	271,845	8,122	550,339
Transfers Out	--	(19,349)	(15,839)	(693)	(134,113)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>904</b>	<b>(11,207)</b>	<b>256,006</b>	<b>7,429</b>	<b>416,226</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>107,574</b>	<b>(16,099)</b>	<b>19,153</b>	<b>30,216</b>	<b>186,685</b>
FUND BALANCES, JULY 1, AS PREVIOUSLY REPORTED	--	211,550	804,512	172,240	4,432,715
<b>CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE, GASB 84 IMPLEMENTATION</b>	<b>--</b>	<b>--</b>	<b>3,995</b>	<b>--</b>	<b>3,995</b>
<b>FUND BALANCES, JULY 1 RESTATED</b>	<b>--</b>	<b>211,550</b>	<b>808,507</b>	<b>172,240</b>	<b>4,436,710</b>
<b>FUND BALANCES, JUNE 30</b>	<b>\$ 107,574</b>	<b>\$ 195,451</b>	<b>\$ 827,660</b>	<b>\$ 202,456</b>	<b>\$ 4,623,395</b>



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, 2020  
(amounts expressed in thousands)

	Building and Safety Permit			
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts (Budgetary Basis)	Final Budget Positive (Negative)
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses, Permits and Fines	56,214	56,214	53,565	(2,649)
Intergovernmental	--	--	--	--
Charges for Services	138,743	138,743	165,585	26,842
Services to Enterprise Funds	1,500	1,500	1,543	43
Special Assessments	--	--	--	--
Interest	3,200	3,200	7,892	4,692
Program Income	--	--	--	--
Other	--	--	--	--
Total Revenues	<u>199,657</u>	<u>199,657</u>	<u>228,585</u>	<u>28,928</u>
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	<u>199,657</u>	<u>199,657</u>	<u>228,585</u>	<u>28,928</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	799,106	672,793	74,182	598,611
Public Works	--	--	--	--
Health and Sanitation	--	--	--	--
Transportation	--	--	--	--
Cultural and Recreational Services	--	--	--	--
Community Development	--	--	--	--
Capital Outlay	42,576	44,056	3,298	40,758
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	<u>841,682</u>	<u>716,849</u>	<u>77,480</u>	<u>639,369</u>
Other Financing Uses				
Transfers to Other Funds	167,578	168,300	111,861	56,439
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	<u>1,009,260</u>	<u>885,149</u>	<u>189,341</u>	<u>695,808</u>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	(809,603)	(685,492)	39,244	724,736
FUND BALANCES (DEFICIT), JULY 1	302,206	302,206	325,353	23,147
Appropriation of Fund Balances and Carryforward Appropriations	507,397	382,397	--	(382,397)
Encumbrances Lapsed	--	889	889	--
<b>FUND BALANCES (DEFICIT), JUNE 30</b>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 365,486</u>	<u>\$ 365,486</u>

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, 2020  
(amounts expressed in thousands)

	Citywide Recycling Trust			
	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts (Budgetary Basis)	with Final Budget Positive (Negative)
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues				
Taxes	\$ 28,650	\$ 28,650	\$ 21,912	\$ (6,738)
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	--	--	--	--
Charges for Services	--	--	--	--
Services to Enterprise Funds	--	--	--	--
Special Assessments	--	--	--	--
Interest	450	450	804	354
Program Income	--	--	--	--
Other	--	--	--	--
Total Revenues	29,100	29,100	22,716	(6,384)
Other Financing Sources				
Transfers from Other Funds	4,757	4,757	4,757	--
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	<b>33,857</b>	<b>33,857</b>	<b>27,473</b>	<b>(6,384)</b>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	--	--	--	--
Public Works	--	--	--	--
Health and Sanitation	66,104	63,766	12,762	51,004
Transportation	--	--	--	--
Cultural and Recreational Services	--	--	--	--
Community Development	--	--	--	--
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	66,104	63,766	12,762	51,004
Other Financing Uses				
Transfers to Other Funds	22,875	17,456	15,404	2,052
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	<b>88,979</b>	<b>81,222</b>	<b>28,166</b>	<b>53,056</b>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	<b>(55,122)</b>	<b>(47,365)</b>	<b>(693)</b>	<b>46,672</b>
FUND BALANCES (DEFICIT), JULY 1	26,411	26,411	34,248	7,837
Appropriation of Fund Balances and Carryforward Appropriations	28,711	20,879	--	(20,879)
Encumbrances Lapsed	--	75	75	--
<b>FUND BALANCES (DEFICIT), JUNE 30</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ 33,630</b>	<b>\$ 33,630</b>

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, 2020  
(amounts expressed in thousands)

	Proposition C Anti-Gridlock Transit Improvement			
	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts (Budgetary Basis)	with Final Budget Positive (Negative)
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues				
Taxes	\$ --	\$ --	\$ --	--
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	68,900	68,900	64,972	(3,928)
Charges for Services	13,247	13,247	13,434	187
Services to Enterprise Funds	--	--	--	--
Special Assessments	--	--	--	--
Interest	1,116	1,116	1,929	813
Program Income	--	--	--	--
Other	--	--	--	--
Total Revenues	<u>83,263</u>	<u>83,263</u>	<u>80,335</u>	<u>(2,928)</u>
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	<u>83,263</u>	<u>83,263</u>	<u>80,335</u>	<u>(2,928)</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	--	--	--	--
Public Works	--	--	--	--
Health and Sanitation	--	--	--	--
Transportation	50,451	44,728	33,933	10,795
Cultural and Recreational Services	--	--	--	--
Community Development	--	--	--	--
Capital Outlay	2,827	2,833	1,469	1,364
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	<u>53,278</u>	<u>47,561</u>	<u>35,402</u>	<u>12,159</u>
Other Financing Uses				
Transfers to Other Funds	76,394	62,327	56,460	5,867
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	<u>129,672</u>	<u>109,888</u>	<u>91,862</u>	<u>18,026</u>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	(46,409)	(26,625)	(11,527)	15,098
FUND BALANCES (DEFICIT), JULY 1	12,971	12,971	31,062	31,062
Appropriation of Fund Balances and Carryforward Appropriations	33,438	13,483	--	(13,483)
Encumbrances Lapsed	--	171	171	--
<b>FUND BALANCES (DEFICIT), JUNE 30</b>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 19,706</u>	<u>\$ 19,706</u>

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, 2020  
(amounts expressed in thousands)

	Special Parking Revenue			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	--	--	--	--
Charges for Services	101,312	101,312	64,141	(37,171)
Services to Enterprise Funds	--	--	--	--
Special Assessments	--	--	--	--
Interest	767	767	1,228	461
Program Income	--	--	--	--
Other	1,410	1,410	690	(720)
Total Revenues	103,489	103,489	66,059	(37,430)
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	<b>103,489</b>	<b>103,489</b>	<b>66,059</b>	<b>(37,430)</b>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	--	--	--	--
Public Works	--	--	--	--
Health and Sanitation	--	--	--	--
Transportation	90,616	91,168	36,982	54,186
Cultural and Recreational Services	--	--	--	--
Community Development	--	--	--	--
Capital Outlay	7,724	7,731	4,272	3,459
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	98,340	98,899	41,254	57,645
Other Financing Uses				
Transfers to Other Funds	59,686	60,626	38,229	22,397
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	<b>158,026</b>	<b>159,525</b>	<b>79,483</b>	<b>80,042</b>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	<b>(54,537)</b>	<b>(56,036)</b>	<b>(13,424)</b>	<b>42,612</b>
FUND BALANCES (DEFICIT), JULY 1	11,945	11,945	25,022	13,077
Appropriation of Fund Balances and Carryforward Appropriations	42,592	44,074	--	(44,074)
Encumbrances Lapsed	--	17	17	--
<b>FUND BALANCES (DEFICIT), JUNE 30</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ 11,615</b>	<b>\$ 11,615</b>

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, 2020  
(amounts expressed in thousands)

	Stormwater Pollution Abatement			
	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts (Budgetary Basis)	with Final Budget Positive (Negative)
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues				
Taxes	\$ --	\$ --	\$ --	--
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	1,720	1,720	2,981	1,261
Charges for Services	32,555	32,999	31,963	(1,036)
Services to Enterprise Funds	--	--	--	--
Special Assessments	--	--	--	--
Interest	200	200	612	412
Program Income	--	--	--	--
Other	--	--	--	--
Total Revenues	34,475	34,919	35,556	637
Other Financing Sources				
Transfers from Other Funds	--	800	800	--
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	34,475	35,719	36,356	637
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	--	--	--	--
Public Works	--	--	--	--
Health and Sanitation	26,267	25,273	14,758	10,515
Transportation	--	--	--	--
Cultural and Recreational Services	--	--	--	--
Community Development	--	--	--	--
Capital Outlay	9,277	9,134	7,368	1,766
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	35,544	34,407	22,126	12,281
Other Financing Uses				
Transfers to Other Funds	27,579	26,375	24,386	1,989
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	63,123	60,782	46,512	14,270
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	(28,648)	(25,063)	(10,156)	14,907
FUND BALANCES (DEFICIT), JULY 1	5,205	5,205	14,623	9,418
Appropriation of Fund Balances and Carryforward Appropriations	23,443	17,310	--	(17,310)
Encumbrances Lapsed	--	2,548	2,548	--
<b>FUND BALANCES (DEFICIT), JUNE 30</b>	\$ --	\$ --	\$ 7,015	\$ 7,015

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, 2020  
(amounts expressed in thousands)

	<b>Street Lighting Maintenance Assessment</b>			
	<b>Budgeted Amounts</b>		<b>Actual Amounts (Budgetary Basis)</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses, Permits and Fines	--	--	1,172	1,172
Intergovernmental	227	227	1,785	1,558
Charges for Services	22,988	22,988	9,778	(13,210)
Services to Enterprise Funds	--	--	--	--
Special Assessments	48,300	48,300	45,864	(2,436)
Interest	--	--	--	--
Program Income	--	--	63	63
Other	3,158	3,158	1,966	(1,192)
Total Revenues	<u>74,673</u>	<u>74,673</u>	<u>60,628</u>	<u>(14,045)</u>
Other Financing Sources				
Transfers from Other Funds	--	600	600	--
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	<u>74,673</u>	<u>75,273</u>	<u>61,228</u>	<u>(14,045)</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	--	--	--	--
Public Works	65,458	67,987	17,982	50,005
Health and Sanitation	--	--	--	--
Transportation	--	--	--	--
Cultural and Recreational Services	--	--	--	--
Community Development	--	--	--	--
Capital Outlay	1,340	2,105	1,593	512
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	<u>66,798</u>	<u>70,092</u>	<u>19,575</u>	<u>50,517</u>
Other Financing Uses				
Transfers to Other Funds	43,945	44,030	42,839	1,191
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	<u>110,743</u>	<u>114,122</u>	<u>62,414</u>	<u>51,708</u>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	(36,070)	(38,849)	(1,186)	37,663
FUND BALANCES (DEFICIT), JULY 1	421	421	(12,779)	(13,200)
Appropriation of Fund Balances and Carryforward Appropriations	35,649	38,381	--	(38,381)
Encumbrances Lapsed	--	47	47	--
<b>FUND BALANCES (DEFICIT), JUNE 30</b>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ (13,918)</u>	<u>\$ (13,918)</u>

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, 2020  
(amounts expressed in thousands)

	Proposition A Local Transit Assistance			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final	Basis)	(Negative)
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues				
Taxes	\$ --	\$ --	\$ --	--
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	84,846	86,034	56,293	(29,741)
Charges for Services	156,677	98,483	86,810	(11,673)
Services to Enterprise Funds	--	--	--	--
Special Assessments	--	--	--	--
Interest	3,097	3,097	5,212	2,115
Program Income	--	--	--	--
Other	--	--	2,280	2,280
Total Revenues	244,620	187,614	150,595	(37,019)
Other Financing Sources				
Transfers from Other Funds	--	--	95	95
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	244,620	187,614	150,690	(36,924)
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	--	--	--	--
Public Works	--	--	--	--
Health and Sanitation	--	--	--	--
Transportation	560,993	519,034	171,761	347,273
Cultural and Recreational Services	--	--	--	--
Community Development	--	--	--	--
Capital Outlay	27,776	27,721	21,714	6,007
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	588,769	546,755	193,475	353,280
Other Financing Uses				
Transfers to Other Funds	11,901	10,648	9,141	1,507
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	600,670	557,403	202,616	354,787
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	(356,050)	(369,789)	(51,926)	317,863
FUND BALANCES (DEFICIT), JULY 1	84,101	84,101	197,829	113,728
Appropriation of Fund Balances and Carryforward Appropriations	271,949	272,044	--	(272,044)
Encumbrances Lapsed	--	13,644	13,644	--
<b>FUND BALANCES (DEFICIT), JUNE 30</b>	\$ --	\$ --	\$ 159,547	\$ 159,547

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, 2020  
(amounts expressed in thousands)

	Measure R Local Return			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final	Basis)	(Negative)
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues				
Taxes	\$ --	\$ --	\$ --	--
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	119,859	119,859	103,343	(16,516)
Charges for Services	--	--	--	--
Services to Enterprise Funds	--	--	--	--
Special Assessments	--	--	--	--
Interest	1,078	1,078	2,375	1,297
Program Income	--	--	--	--
Other	--	--	--	--
Total Revenues	120,937	120,937	105,718	(15,219)
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	120,937	120,937	105,718	(15,219)
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	--	--	--	--
Public Works	--	--	--	--
Health and Sanitation	--	--	--	--
Transportation	120,829	121,282	38,807	82,475
Cultural and Recreational Services	--	--	--	--
Community Development	--	--	--	--
Capital Outlay	17,336	20,460	10,599	9,861
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	138,165	141,742	49,406	92,336
Other Financing Uses				
Transfers to Other Funds	66,626	69,727	61,831	7,896
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	204,791	211,469	111,237	100,232
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	(83,854)	(90,532)	(5,519)	85,013
FUND BALANCES (DEFICIT), JULY 1	22,235	22,235	81,494	59,259
Appropriation of Fund Balances and Carryforward Appropriations	61,619	66,773	--	(66,773)
Encumbrances Lapsed	--	1,524	1,524	--
<b>FUND BALANCES (DEFICIT), JUNE 30</b>	\$ --	\$ --	\$ 77,499	\$ 77,499

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, 2020  
(amounts expressed in thousands)**

	<b>Solid Waste Resources</b>			
	<b>Budgeted Amounts</b>		<b>Actual Amounts (Budgetary Basis)</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	1,700	1,700	1,584	(116)
Charges for Services	317,047	317,047	319,672	2,625
Services to Enterprise Funds	4,700	4,700	4,027	(673)
Special Assessments	--	--	--	--
Interest	2,300	2,300	17,517	15,217
Program Income	--	--	--	--
Other	1,506	1,506	7,136	5,630
Total Revenues	<u>327,253</u>	<u>327,253</u>	<u>349,936</u>	<u>22,683</u>
Other Financing Sources				
Transfers from Other Funds	6,938	6,938	7,983	1,045
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	<u>334,191</u>	<u>334,191</u>	<u>357,919</u>	<u>23,728</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	--	--	--	--
Public Works	--	--	--	--
Health and Sanitation	408,069	291,957	197,890	94,067
Transportation	--	--	--	--
Cultural and Recreational Services	--	--	--	--
Community Development	--	--	--	--
Capital Outlay	37,467	1,290	62	1,228
Debt Service				
Principal	37,975	37,975	37,975	--
Interest	9,528	9,528	9,528	--
Total Expenditures	<u>493,039</u>	<u>340,750</u>	<u>245,455</u>	<u>95,295</u>
Other Financing Uses				
Transfers to Other Funds	186,760	187,025	165,978	21,047
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	<u>679,799</u>	<u>527,775</u>	<u>411,433</u>	<u>116,342</u>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	(345,608)	(193,584)	(53,514)	140,070
FUND BALANCES (DEFICIT), JULY 1	131,732	131,732	116,362	(15,370)
Appropriation of Fund Balances and Carryforward Appropriations	213,876	42,328	--	(42,328)
Encumbrances Lapsed	--	19,524	19,524	--
<b>FUND BALANCES (DEFICIT), JUNE 30</b>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 82,372</u>	<u>\$ 82,372</u>

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, 2020  
(amounts expressed in thousands)

	Special Gas Tax Street Improvement			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final	Basis)	(Negative)
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues				
Taxes	\$ --	\$ --	\$ --	--
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	168,847	168,847	169,025	178
Charges for Services	--	--	--	--
Services to Enterprise Funds	--	--	--	--
Special Assessments	--	--	--	--
Interest	400	400	2,430	2,030
Program Income	--	--	--	--
Other	35	35	39	4
Total Revenues	<u>169,282</u>	<u>169,282</u>	<u>171,494</u>	<u>2,212</u>
Other Financing Sources				
Transfers from Other Funds	--	--	247	247
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	<u>169,282</u>	<u>169,282</u>	<u>171,741</u>	<u>2,459</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	--	--	--	--
Public Works	93,276	111,554	30,391	81,163
Health and Sanitation	--	--	--	--
Transportation	--	--	--	--
Cultural and Recreational Services	--	--	--	--
Community Development	--	--	--	--
Capital Outlay	55,868	51,685	33,995	17,690
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	<u>149,144</u>	<u>163,239</u>	<u>64,386</u>	<u>98,853</u>
Other Financing Uses				
Transfers to Other Funds	80,129	87,068	85,480	1,588
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	<u>229,273</u>	<u>250,307</u>	<u>149,866</u>	<u>100,441</u>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	(59,991)	(81,025)	21,875	102,900
FUND BALANCE (DEFICIT), JULY 1	4,893	4,893	80,751	75,858
Appropriation of Fund Balances and Carryforward Appropriations	55,098	76,106	--	(76,106)
Encumbrances Lapsed	--	26	26	--
<b>FUND BALANCES (DEFICIT), JUNE 30</b>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 102,652</u>	<u>\$ 102,652</u>

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, 2020  
(amounts expressed in thousands)

	Community Development Trust			
	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts (Budgetary Basis)	with Final Budget Positive (Negative)
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues				
Taxes	\$ --	\$ --	\$ --	--
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	21,530	27,306	37,886	10,580
Charges for Services	--	--	--	--
Services to Enterprise Funds	--	--	--	--
Special Assessments	--	--	--	--
Interest	--	--	129	129
Program Income	--	--	16,616	16,616
Other	--	--	899	899
Total Revenues	21,530	27,306	55,530	28,224
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	21,530	27,306	55,530	28,224
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	--	--	--	--
Public Works	--	--	--	--
Health and Sanitation	--	--	--	--
Transportation	--	--	--	--
Cultural and Recreational Services	--	--	--	--
Community Development	55,594	99,822	40,940	58,882
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	55,594	99,822	40,940	58,882
Other Financing Uses				
Transfers to Other Funds	28,562	35,147	17,661	17,486
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	84,156	134,969	58,601	76,368
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	(62,626)	(107,663)	(3,071)	104,592
FUND BALANCES (DEFICIT), JULY 1	--	--	(7,318)	(7,318)
Appropriation of Fund Balances and Carryforward Appropriations	62,626	106,900	--	(106,900)
Encumbrances Lapsed	--	763	763	--
<b>FUND BALANCES (DEFICIT), JUNE 30</b>	\$ --	\$ --	\$ (9,626)	\$ (9,626)

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, 2020  
(amounts expressed in thousands)

	Home Investment Partnership Program			
	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts (Budgetary Basis)	with Final Budget Positive (Negative)
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues				
Taxes	\$ --	\$ --	\$ --	--
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	7,169	7,169	15,034	7,865
Charges for Services	--	--	--	--
Services to Enterprise Funds	--	--	--	--
Special Assessments	--	--	--	--
Interest	--	--	577	577
Program Income	--	--	19,419	19,419
Other	--	--	14	14
Total Revenues	7,169	7,169	35,044	27,875
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	7,169	7,169	35,044	27,875
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	--	--	--	--
Public Works	--	--	--	--
Health and Sanitation	--	--	--	--
Transportation	--	--	--	--
Cultural and Recreational Services	--	--	--	--
Community Development	51,320	83,870	16,977	66,893
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	51,320	83,870	16,977	66,893
Other Financing Uses				
Transfers to Other Funds	7,213	7,211	3,067	4,144
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	58,533	91,081	20,044	71,037
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	(51,364)	(83,912)	15,000	98,912
FUND BALANCES (DEFICIT), JULY 1	--	--	13,570	13,570
Appropriation of Fund Balances and Carryforward Appropriations	51,364	83,492	--	(83,492)
Encumbrances Lapsed	--	420	420	--
<b>FUND BALANCES (DEFICIT), JUNE 30</b>	\$ --	\$ --	\$ 28,990	\$ 28,990

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, 2020  
(amounts expressed in thousands)

	Workforce Innovation Opportunity Act			
	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts (Budgetary Basis)	with Final Budget Positive (Negative)
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues				
Taxes	\$ --	\$ --	\$ --	--
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	17,252	17,252	--	(17,252)
Charges for Services	--	--	--	--
Services to Enterprise Funds	--	--	--	--
Special Assessments	--	--	--	--
Interest	--	--	21	21
Program Income	--	--	--	--
Other	--	--	12	12
Total Revenues	17,252	17,252	33	(17,219)
Other Financing Sources				
Transfers from Other Funds	--	--	347	347
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	17,252	17,252	380	(16,872)
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	--	--	--	--
Public Works	--	--	--	--
Health and Sanitation	--	--	--	--
Transportation	--	--	--	--
Cultural and Recreational Services	--	--	--	--
Community Development	81,504	81,504	--	81,504
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	81,504	81,504	--	81,504
Other Financing Uses				
Transfers to Other Funds	29,166	29,166	--	29,166
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	110,670	110,670	--	110,670
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	(93,418)	(93,418)	380	93,798
FUND BALANCES (DEFICIT), JULY 1	--	--	(7,594)	(7,594)
Appropriation of Fund Balances and Carryforward Appropriations	93,418	93,418	--	(93,418)
<b>FUND BALANCES (DEFICIT), JUNE 30</b>	\$ --	\$ --	\$ (7,214)	\$ (7,214)

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, 2020  
(amounts expressed in thousands)**

	<b>Other Nonmajor Grant Fund - Disaster Assistance</b>			
	<b>Budgeted Amounts</b>		<b>Actual Amounts (Budgetary Basis)</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	10,719	10,719	6,611	(4,108)
Charges for Services	--	--	--	--
Services to Enterprise Funds	--	--	--	--
Special Assessments	--	--	--	--
Interest	197	197	300	103
Program Income	--	--	--	--
Other	--	--	--	--
<b>Total Revenues</b>	<b>10,916</b>	<b>10,916</b>	<b>6,911</b>	<b>(4,005)</b>
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	<b>10,916</b>	<b>10,916</b>	<b>6,911</b>	<b>(4,005)</b>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	287,845	287,845	4,872	282,973
Public Works	--	--	--	--
Health and Sanitation	--	--	--	--
Transportation	--	--	--	--
Cultural and Recreational Services	--	--	--	--
Community Development	--	--	--	--
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
<b>Total Expenditures</b>	<b>287,845</b>	<b>287,845</b>	<b>4,872</b>	<b>282,973</b>
Other Financing Uses				
Transfers to Other Funds	714	714	219	495
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	<b>288,559</b>	<b>288,559</b>	<b>5,091</b>	<b>283,468</b>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	<b>(277,643)</b>	<b>(277,643)</b>	<b>1,820</b>	<b>279,463</b>
FUND BALANCES (DEFICIT), JULY 1	13,715	13,715	13,790	75
Appropriation of Fund Balances and Carryforward Appropriations	263,928	263,928	--	(263,928)
Encumbrances Lapsed	--	--	--	--
<b>FUND BALANCES (DEFICIT), JUNE 30</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ 15,610</b>	<b>\$ 15,610</b>

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, 2020  
(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		
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues				
Taxes	\$ --	\$ --	\$ --	--
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	1,591	1,591	6,289	4,698
Charges for Services	--	--	--	--
Services to Enterprise Funds	--	--	--	--
Special Assessments	--	--	--	--
Interest	--	--	9	9
Program Income	--	--	--	--
Other	--	--	3	3
Total Revenues	1,591	1,591	6,301	4,710
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	1,591	1,591	6,301	4,710
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	--	--	--	--
Public Works	--	--	--	--
Health and Sanitation	--	--	--	--
Transportation	--	--	--	--
Cultural and Recreational Services	--	--	--	--
Community Development	5,500	5,583	5,337	246
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	5,500	5,583	5,337	246
Other Financing Uses				
Transfers to Other Funds	1,572	1,818	1,180	638
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	7,072	7,401	6,517	884
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	(5,481)	(5,810)	(216)	5,594
FUND BALANCES (DEFICIT), JULY 1	--	--	1,629	1,629
Appropriation of Fund Balances and Carryforward Appropriations	5,481	5,810	--	(5,810)
<b>FUND BALANCES (DEFICIT), JUNE 30</b>	\$ --	\$ --	1,413	\$ 1,413

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, 2020  
(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		
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues				
Taxes	\$ --	\$ --	\$ --	--
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	--	--	3,043	3,043
Charges for Services	--	--	--	--
Services to Enterprise Funds	--	--	--	--
Special Assessments	--	--	--	--
Interest	--	--	976	976
Program Income	--	--	--	--
Other	--	--	--	--
Total Revenues	--	--	4,019	4,019
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	--	--	4,019	4,019
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	8,618	8,113	2,086	6,027
Public Works	--	--	--	--
Health and Sanitation	--	--	--	--
Transportation	--	--	--	--
Cultural and Recreational Services	--	--	--	--
Community Development	--	--	--	--
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	8,618	8,113	2,086	6,027
Other Financing Uses				
Transfers to Other Funds	116	116	25	91
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	8,734	8,229	2,111	6,118
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	(8,734)	(8,229)	1,908	10,137
FUND BALANCES (DEFICIT), JULY 1	5,066	5,066	9,434	4,368
Appropriation of Fund Balances and Carryforward Appropriations	3,668	3,104	--	(3,104)
Encumbrances Lapsed	--	59	59	--
<b>FUND BALANCES (DEFICIT), JUNE 30</b>	\$ --	\$ --	\$ 11,401	\$ 11,401

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, 2020  
(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		
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues				
Taxes	\$ --	\$ --	\$ --	--
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	3,900	3,900	1,701	(2,199)
Charges for Services	--	--	--	--
Services to Enterprise Funds	--	--	--	--
Special Assessments	--	--	--	--
Interest	60	60	93	33
Program Income	--	--	--	--
Other	--	--	--	--
Total Revenues	<u>3,960</u>	<u>3,960</u>	<u>1,794</u>	<u>(2,166)</u>
Other Financing Sources				
Transfers from Other Funds	19	19	19	--
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	<u>3,979</u>	<u>3,979</u>	<u>1,813</u>	<u>(2,166)</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	--	--	--	--
Public Works	--	--	--	--
Health and Sanitation	13,652	14,785	632	14,153
Transportation	--	--	--	--
Cultural and Recreational Services	--	--	--	--
Community Development	--	--	--	--
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	<u>13,652</u>	<u>14,785</u>	<u>632</u>	<u>14,153</u>
Other Financing Uses				
Transfers to Other Funds	3,198	3,159	1,786	1,373
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	<u>16,850</u>	<u>17,944</u>	<u>2,418</u>	<u>15,526</u>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	(12,871)	(13,965)	(605)	13,360
FUND BALANCES (DEFICIT), JULY 1	5,033	5,033	4,604	(429)
Appropriation of Fund Balances and Carryforward Appropriations	7,838	7,792	--	(7,792)
Encumbrances Lapsed	--	1,140	1,140	--
<b>FUND BALANCES (DEFICIT), JUNE 30</b>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 5,139</u>	<u>\$ 5,139</u>

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, 2020  
(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		
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	554	554	16,531	15,977
Charges for Services	--	--	--	--
Services to Enterprise Funds	--	--	--	--
Special Assessments	--	--	--	--
Interest	--	--	2	2
Program Income	--	--	54	54
Other	--	--	--	--
Total Revenues	554	554	16,587	16,033
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	554	554	16,587	16,033
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	--	--	--	--
Public Works	--	--	--	--
Health and Sanitation	--	--	--	--
Transportation	--	--	--	--
Cultural and Recreational Services	--	--	--	--
Community Development	11,954	30,302	19,457	10,845
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	11,954	30,302	19,457	10,845
Other Financing Uses				
Transfers to Other Funds	358	331	234	97
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	12,312	30,633	19,691	10,942
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	(11,758)	(30,079)	(3,104)	26,975
FUND BALANCES (DEFICIT), JULY 1	--	--	(4,963)	(4,963)
Appropriation of Fund Balances and Carryforward Appropriations	11,758	29,935	--	(29,935)
Encumbrances Lapsed	--	144	144	--
<b>FUND BALANCES (DEFICIT), JUNE 30</b>	\$ --	\$ --	\$ (7,923)	\$ (7,923)

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, 2020  
(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		
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	5,200	5,200	5,224	24
Charges for Services	--	--	--	--
Services to Enterprise Funds	--	--	--	--
Special Assessments	--	--	--	--
Interest	50	50	130	80
Program Income	--	--	--	--
Other	--	--	--	--
Total Revenues	5,250	5,250	5,354	104
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	5,250	5,250	5,354	104
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	--	--	--	--
Public Works	--	--	--	--
Health and Sanitation	7,918	6,992	4,459	2,533
Transportation	--	--	--	--
Community Development	--	--	--	--
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	7,918	6,992	4,459	2,533
Other Financing Uses				
Transfers to Other Funds	3,003	3,160	2,937	223
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	10,921	10,152	7,396	2,756
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	(5,671)	(4,902)	(2,042)	2,860
FUND BALANCES (DEFICIT), JULY 1	1,716	1,716	4,819	3,103
Appropriation of Fund Balances and Carryforward Appropriations	3,955	3,186	--	(3,186)
Encumbrances Lapsed	--	--	--	--
<b>FUND BALANCES (DEFICIT), JUNE 30</b>	\$ --	\$ --	\$ 2,777	\$ 2,777

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, 2020  
(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		
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	2,892	26,736	26,687	(49)
Charges for Services	--	--	--	--
Services to Enterprise Funds	--	--	--	--
Special Assessments	--	--	--	--
Interest	--	--	--	--
Program Income	--	--	--	--
Other	--	--	--	--
Total Revenues	2,892	26,736	26,687	(49)
Other Financing Sources				
Transfers from Other Funds	--	--	4,120	4,120
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	2,892	26,736	30,807	4,071
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	--	--	--	--
Public Works	--	--	--	--
Health and Sanitation	--	--	--	--
Transportation	--	--	--	--
Cultural and Recreational Services	--	--	--	--
Community Development	11,309	34,922	18,660	16,262
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	11,309	34,922	18,660	16,262
Other Financing Uses				
Transfers to Other Funds	10,928	11,192	2,131	9,061
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	22,237	46,114	20,791	25,323
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	(19,345)	(19,378)	10,016	29,394
FUND BALANCES (DEFICIT), JULY 1	--	--	470	470
Appropriation of Fund Balances and Carryforward Appropriations	19,345	19,345	--	(19,345)
Encumbrances Lapsed	--	33	33	--
<b>FUND BALANCES (DEFICIT), JUNE 30</b>	\$ --	\$ --	\$ 10,519	\$ 10,519

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, 2020  
(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		
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	9,180	9,180	10,497	1,317
Charges for Services	--	--	--	--
Services to Enterprise Funds	--	--	--	--
Special Assessments	--	--	--	--
Interest	201	201	443	242
Program Income	--	--	--	--
Other	--	--	--	--
Total Revenues	9,381	9,381	10,940	1,559
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	<b>9,381</b>	<b>9,381</b>	<b>10,940</b>	<b>1,559</b>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
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	31,379	31,379	20,821	10,558
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	<b>34,633</b>	<b>34,633</b>	<b>20,821</b>	<b>13,812</b>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	<b>(25,252)</b>	<b>(25,252)</b>	<b>(9,881)</b>	<b>15,371</b>
FUND BALANCES (DEFICIT), JULY 1	4,397	4,397	10,128	5,731
Appropriation of Fund Balances and Carryforward Appropriations	20,855	20,855	--	(20,855)
Encumbrances Lapsed	--	--	--	--
<b>FUND BALANCES (DEFICIT), JUNE 30</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ 247</b>	<b>\$ 247</b>

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, 2020  
(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		
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	--	--	--	--
Charges for Services	1,258	1,258	864	(394)
Services to Enterprise Funds	--	--	--	--
Special Assessments	--	--	--	--
Interest	130	130	186	56
Program Income	--	--	--	--
Other	--	--	--	--
Total Revenues	<u>1,388</u>	<u>1,388</u>	<u>1,050</u>	<u>(338)</u>
Other Financing Sources				
Transfers from Other Funds	25,125	25,125	25,524	399
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	<u>26,513</u>	<u>26,513</u>	<u>26,574</u>	<u>61</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	--	--	--	--
Public Works	--	--	--	--
Health and Sanitation	--	--	--	--
Transportation	--	--	--	--
Cultural and Recreational Services	14,280	15,280	7,986	7,294
Community Development	--	--	--	--
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	<u>14,280</u>	<u>15,280</u>	<u>7,986</u>	<u>7,294</u>
Other Financing Uses				
Transfers to Other Funds	29,952	29,647	18,631	11,016
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	<u>44,232</u>	<u>44,927</u>	<u>26,617</u>	<u>18,310</u>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	(17,719)	(18,414)	(43)	18,371
FUND BALANCES (DEFICIT), JULY 1	1,838	1,838	9,725	7,887
Appropriation of Fund Balances and Carryforward Appropriations	15,881	16,574	--	(16,574)
Encumbrances Lapsed	--	2	2	--
<b>FUND BALANCES (DEFICIT), JUNE 30</b>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 9,684</u>	<u>\$ 9,684</u>

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, 2020  
(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		
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	--	--	--	--
Charges for Services	3,000	3,000	5,426	2,426
Services to Enterprise Funds	--	--	--	--
Special Assessments	--	--	--	--
Interest	150	150	409	259
Program Income	--	--	--	--
Other	--	--	--	--
Total Revenues	<u>3,150</u>	<u>3,150</u>	<u>5,835</u>	<u>2,685</u>
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	<u>3,150</u>	<u>3,150</u>	<u>5,835</u>	<u>2,685</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	--	--	--	--
Public Works	--	--	--	--
Health and Sanitation	--	--	--	--
Transportation	--	--	--	--
Cultural and Recreational Services	31,862	35,329	2,826	32,503
Community Development	--	--	--	--
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	<u>31,862</u>	<u>35,329</u>	<u>2,826</u>	<u>32,503</u>
Other Financing Uses				
Transfers to Other Funds	183	242	198	44
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	<u>32,045</u>	<u>35,571</u>	<u>3,024</u>	<u>32,547</u>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	(28,895)	(32,421)	2,811	35,232
FUND BALANCES (DEFICIT), JULY 1	1,957	1,957	17,494	15,537
Appropriation of Fund Balances and Carryforward Appropriations	26,938	30,445	--	(30,445)
Encumbrances Lapsed	--	19	19	--
<b>FUND BALANCES (DEFICIT), JUNE 30</b>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 20,324</u>	<u>\$ 20,324</u>

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, 2020  
(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		
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	--	--	--	--
Charges for Services	--	--	--	--
Services to Enterprise Funds	--	--	--	--
Special Assessments	--	--	--	--
Interest	41	41	75	34
Program Income	--	--	--	--
Other	3,100	3,100	2,905	(195)
Total Revenues	3,141	3,141	2,980	(161)
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	<b>3,141</b>	<b>3,141</b>	<b>2,980</b>	<b>(161)</b>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
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	8,430	4,394	2,334	2,060
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	<b>8,430</b>	<b>4,394</b>	<b>2,334</b>	<b>2,060</b>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	<b>(5,289)</b>	<b>(1,253)</b>	<b>646</b>	<b>1,899</b>
FUND BALANCES (DEFICIT), JULY 1	2,773	2,773	2,895	122
Appropriation of Fund Balances and Carryforward Appropriations	2,516	(1,520)	--	1,520
Encumbrances Lapsed	--	--	--	--
<b>FUND BALANCES (DEFICIT), JUNE 30</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ 3,541</b>	<b>\$ 3,541</b>

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, 2020  
(amounts expressed in thousands)**

	<b>Other Nonmajor Special Revenue Fund - City of Los Angeles Affordable Housing</b>			
	<b>Budgeted Amounts</b>		<b>Actual Amounts (Budgetary Basis)</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	--	--	--	--
Charges for Services	--	--	148	148
Services to Enterprise Funds	--	--	--	--
Special Assessments	--	--	--	--
Interest	496	496	925	429
Program Income	1,244	1,244	1,916	672
Other	--	--	3	3
<b>Total Revenues</b>	<b>1,740</b>	<b>1,740</b>	<b>2,992</b>	<b>1,252</b>
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	<b>1,740</b>	<b>1,740</b>	<b>2,992</b>	<b>1,252</b>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	--	--	--	--
Public Works	--	--	--	--
Health and Sanitation	--	--	--	--
Transportation	--	--	--	--
Cultural and Recreational Services	--	--	--	--
Community Development	161,494	162,012	2,569	159,443
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
<b>Total Expenditures</b>	<b>161,494</b>	<b>162,012</b>	<b>2,569</b>	<b>159,443</b>
Other Financing Uses				
Transfers to Other Funds	1,020	1,353	927	426
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	<b>162,514</b>	<b>163,365</b>	<b>3,496</b>	<b>159,869</b>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	<b>(160,774)</b>	<b>(161,625)</b>	<b>(504)</b>	<b>161,121</b>
FUND BALANCES (DEFICIT), JULY 1	11,715	11,715	42,419	30,704
Appropriation of Fund Balances and Carryforward Appropriations	149,059	149,230	--	(149,230)
Encumbrances Lapsed	--	680	680	--
<b>FUND BALANCES (DEFICIT), JUNE 30</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ 42,595</b>	<b>\$ 42,595</b>

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, 2020  
(amounts expressed in thousands)**

	<b>Other Nonmajor Special Revenue Fund - El Pueblo de Los Angeles Historical Monument</b>			
	<b>Budgeted Amounts</b>		<b>Actual Amounts (Budgetary Basis)</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	--	--	--	--
Charges for Services	2,768	2,768	3,428	660
Services to Enterprise Funds	--	--	--	--
Special Assessments	--	--	--	--
Interest	12	12	49	37
Program Income	--	--	--	--
Other	2,214	2,214	1,703	(511)
<b>Total Revenues</b>	<b>4,994</b>	<b>4,994</b>	<b>5,180</b>	<b>186</b>
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	<b>4,994</b>	<b>4,994</b>	<b>5,180</b>	<b>186</b>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	--	--	--	--
Public Works	--	--	--	--
Health and Sanitation	--	--	--	--
Transportation	--	--	--	--
Cultural and Recreational Services	1,344	689	655	34
Community Development	--	--	--	--
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
<b>Total Expenditures</b>	<b>1,344</b>	<b>689</b>	<b>655</b>	<b>34</b>
Other Financing Uses				
Transfers to Other Funds	4,424	5,027	4,649	378
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	<b>5,768</b>	<b>5,716</b>	<b>5,304</b>	<b>412</b>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	<b>(774)</b>	<b>(722)</b>	<b>(124)</b>	<b>598</b>
FUND BALANCES (DEFICIT), JULY 1	421	421	922	501
Appropriation of Fund Balances and Carryforward Appropriations	353	301	--	(301)
Encumbrances Lapsed	--	--	--	--
<b>FUND BALANCES (DEFICIT), JUNE 30</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ 798</b>	<b>\$ 798</b>

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, 2020  
(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		
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	47,940	47,940	46,110	(1,830)
Charges for Services	--	--	--	--
Services to Enterprise Funds	--	--	--	--
Special Assessments	--	--	--	--
Interest	--	--	--	--
Program Income	--	--	--	--
Other	--	--	--	--
Total Revenues	47,940	47,940	46,110	(1,830)
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	47,940	47,940	46,110	(1,830)
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
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	68,430	68,430	46,109	22,321
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	68,430	68,430	46,109	22,321
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	(20,490)	(20,490)	1	20,491
FUND BALANCES (DEFICIT), JULY 1	950	950	988	38
Appropriation of Fund Balances and Carryforward Appropriations	19,540	19,540	--	(19,540)
Encumbrances Lapsed	--	--	--	--
<b>FUND BALANCES (DEFICIT), JUNE 30</b>	\$ --	\$ --	\$ 989	\$ 989

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, 2020  
(amounts expressed in thousands)**

	<b>Other Nonmajor Special Revenue Fund - Los Angeles Convention and Visitors Bureau</b>			
	<b>Budgeted Amounts</b>		<b>Actual Amounts (Budgetary Basis)</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues				
Taxes	\$ 25,125	\$ 25,125	\$ 19,505	\$ (5,620)
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	--	--	--	--
Charges for Services	--	--	--	--
Services to Enterprise Funds	--	--	--	--
Special Assessments	--	--	--	--
Interest	--	--	--	--
Program Income	--	--	--	--
Other	--	--	--	--
<b>Total Revenues</b>	<b>25,125</b>	<b>25,125</b>	<b>19,505</b>	<b>(5,620)</b>
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	<b>25,125</b>	<b>25,125</b>	<b>19,505</b>	<b>(5,620)</b>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	--	--	--	--
Public Works	--	--	--	--
Health and Sanitation	--	--	--	--
Transportation	--	--	--	--
Cultural and Recreational Services	49,447	49,447	20,244	29,203
Community Development	--	--	--	--
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
<b>Total Expenditures</b>	<b>49,447</b>	<b>49,447</b>	<b>20,244</b>	<b>29,203</b>
Other Financing Uses				
Transfers to Other Funds	700	700	617	83
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	<b>50,147</b>	<b>50,147</b>	<b>20,861</b>	<b>29,286</b>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	<b>(25,022)</b>	<b>(25,022)</b>	<b>(1,356)</b>	<b>23,666</b>
FUND BALANCES (DEFICIT), JULY 1	3,884	3,884	2,481	(1,403)
Appropriation of Fund Balances and Carryforward Appropriations	21,138	21,138	--	(21,138)
Encumbrances Lapsed	--	--	--	--
<b>FUND BALANCES (DEFICIT), JUNE 30</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ 1,125</b>	<b>\$ 1,125</b>

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, 2020  
(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		
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	--	--	--	--
Charges for Services	7,420	7,420	7,227	(193)
Services to Enterprise Funds	--	--	--	--
Special Assessments	--	--	--	--
Interest	80	80	150	70
Program Income	--	--	--	--
Other	--	--	--	--
Total Revenues	<u>7,500</u>	<u>7,500</u>	<u>7,377</u>	<u>(123)</u>
Other Financing Sources				
Transfers from Other Funds	555	555	555	--
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	<u>8,055</u>	<u>8,055</u>	<u>7,932</u>	<u>(123)</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	--	--	--	--
Public Works	16,424	10,522	4,425	6,097
Health and Sanitation	--	--	--	--
Transportation	--	--	--	--
Cultural and Recreational Services	--	--	--	--
Community Development	--	--	--	--
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	<u>16,424</u>	<u>10,522</u>	<u>4,425</u>	<u>6,097</u>
Other Financing Uses				
Transfers to Other Funds	5,854	4,520	2,928	1,592
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	<u>22,278</u>	<u>15,042</u>	<u>7,353</u>	<u>7,689</u>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	(14,223)	(6,987)	579	7,566
FUND BALANCES (DEFICIT), JULY 1	7,036	7,036	7,001	(35)
Appropriation of Fund Balances and Carryforward Appropriations	7,187	(49)	--	49
Encumbrances Lapsed	--	--	--	--
<b>FUND BALANCES (DEFICIT), JUNE 30</b>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 7,580</u>	<u>\$ 7,580</u>

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, 2020  
(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		
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	--	--	--	--
Charges for Services	5,858	5,858	9,202	3,344
Services to Enterprise Funds	--	--	--	--
Special Assessments	--	--	--	--
Interest	62	62	298	236
Program Income	900	900	1,384	484
Other	41	41	289	248
Total Revenues	6,861	6,861	11,173	4,312
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	<b>6,861</b>	<b>6,861</b>	<b>11,173</b>	<b>4,312</b>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	--	--	--	--
Public Works	--	--	--	--
Health and Sanitation	--	--	--	--
Transportation	--	--	--	--
Cultural and Recreational Services	--	--	--	--
Community Development	5,772	5,879	2,611	3,268
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	5,772	5,879	2,611	3,268
Other Financing Uses				
Transfers to Other Funds	6,597	6,606	3,503	3,103
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	<b>12,369</b>	<b>12,485</b>	<b>6,114</b>	<b>6,371</b>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	<b>(5,508)</b>	<b>(5,624)</b>	<b>5,059</b>	<b>10,683</b>
FUND BALANCES (DEFICIT), JULY 1	1,144	1,144	8,077	6,933
Appropriation of Fund Balances and Carryforward Appropriations	4,364	4,369	--	(4,369)
Encumbrances Lapsed	--	111	111	--
<b>FUND BALANCES (DEFICIT), JUNE 30</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ 13,247</b>	<b>\$ 13,247</b>

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, 2020  
(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		
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	--	--	--	--
Charges for Services	32,840	32,840	25,341	(7,499)
Services to Enterprise Funds	--	--	--	--
Special Assessments	--	--	--	--
Interest	160	160	325	165
Program Income	--	--	--	--
Other	--	--	--	--
Total Revenues	<u>33,000</u>	<u>33,000</u>	<u>25,666</u>	<u>(7,334)</u>
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	<u>33,000</u>	<u>33,000</u>	<u>25,666</u>	<u>(7,334)</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	--	--	--	--
Public Works	--	--	--	--
Health and Sanitation	--	--	--	--
Transportation	--	--	--	--
Cultural and Recreational Services	--	--	--	--
Community Development	10,411	6,188	4,319	1,869
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	<u>10,411</u>	<u>6,188</u>	<u>4,319</u>	<u>1,869</u>
Other Financing Uses				
Transfers to Other Funds	28,433	23,306	21,656	1,650
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	<u>38,844</u>	<u>29,494</u>	<u>25,975</u>	<u>3,519</u>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	(5,844)	3,506	(309)	(3,815)
FUND BALANCES (DEFICIT), JULY 1	2,311	2,311	4,700	2,389
Appropriation of Fund Balances and Carryforward Appropriations	3,533	(5,817)	--	5,817
Encumbrances Lapsed	--	--	--	--
<b>FUND BALANCES (DEFICIT), JUNE 30</b>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 4,391</u>	<u>\$ 4,391</u>

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, 2020  
(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		
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	--	--	--	--
Charges for Services	14,748	14,748	21,664	6,916
Services to Enterprise Funds	--	--	--	--
Special Assessments	--	--	--	--
Interest	--	--	121	121
Program Income	--	--	--	--
Other	38	38	20	(18)
Total Revenues	14,786	14,786	21,805	7,019
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	14,786	14,786	21,805	7,019
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	--	--	--	--
Public Works	--	--	--	--
Health and Sanitation	--	--	--	--
Transportation	--	--	--	--
Cultural and Recreational Services	--	--	--	--
Community Development	27,311	27,388	6,687	20,701
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	27,311	27,388	6,687	20,701
Other Financing Uses				
Transfers to Other Funds	14,202	14,601	9,654	4,947
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	41,513	41,989	16,341	25,648
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	(26,727)	(27,203)	5,464	32,667
FUND BALANCES (DEFICIT), JULY 1	12,886	12,886	11,076	(1,810)
Appropriation of Fund Balances and Carryforward Appropriations	13,841	13,915	--	(13,915)
Encumbrances Lapsed	--	402	402	--
<b>FUND BALANCES (DEFICIT), JUNE 30</b>	\$ --	\$ --	\$ 16,942	\$ 16,942

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, 2020  
(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		
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	--	--	--	--
Charges for Services	73,000	73,000	63,728	(9,272)
Services to Enterprise Funds	--	--	--	--
Special Assessments	--	--	--	--
Interest	477	477	155	(322)
Program Income	--	--	--	--
Other	--	--	--	--
Total Revenues	<u>73,477</u>	<u>73,477</u>	<u>63,883</u>	<u>(9,594)</u>
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	<u>73,477</u>	<u>73,477</u>	<u>63,883</u>	<u>(9,594)</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	--	--	--	--
Public Works	40,760	13,396	4,327	9,069
Health and Sanitation	--	--	--	--
Transportation	--	--	--	--
Cultural and Recreational Services	--	--	--	--
Community Development	--	--	--	--
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	<u>40,760</u>	<u>13,396</u>	<u>4,327</u>	<u>9,069</u>
Other Financing Uses				
Transfers to Other Funds	76,825	45,699	44,283	1,416
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	<u>117,585</u>	<u>59,095</u>	<u>48,610</u>	<u>10,485</u>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	(44,108)	14,382	15,273	891
FUND BALANCES (DEFICIT), JULY 1	23	23	(5,127)	(5,150)
Appropriation of Fund Balances and Carryforward Appropriations	44,085	(14,405)	--	14,405
Encumbrances Lapsed	--	--	--	--
<b>FUND BALANCES (DEFICIT), JUNE 30</b>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 10,146</u>	<u>\$ 10,146</u>

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, 2020  
(amounts expressed in thousands)**

	<b>Other Nonmajor Special Revenue Fund - Code Enforcement Trust</b>			
	<b>Budgeted Amounts</b>		<b>Actual Amounts (Budgetary Basis)</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	--	--	--	--
Charges for Services	43,322	40,373	38,971	(1,402)
Services to Enterprise Funds	--	--	--	--
Special Assessments	--	--	--	--
Interest	549	549	736	187
Program Income	--	--	45	45
Other	465	465	76	(389)
<b>Total Revenues</b>	<b>44,336</b>	<b>41,387</b>	<b>39,828</b>	<b>(1,559)</b>
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	<b>44,336</b>	<b>41,387</b>	<b>39,828</b>	<b>(1,559)</b>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	56,390	53,142	23,405	29,737
Public Works	--	--	--	--
Health and Sanitation	--	--	--	--
Transportation	--	--	--	--
Cultural and Recreational Services	--	--	--	--
Community Development	--	--	--	--
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
<b>Total Expenditures</b>	<b>56,390</b>	<b>53,142</b>	<b>23,405</b>	<b>29,737</b>
Other Financing Uses				
Transfers to Other Funds	39,904	40,711	32,042	8,669
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	<b>96,294</b>	<b>93,853</b>	<b>55,447</b>	<b>38,406</b>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	<b>(51,958)</b>	<b>(52,466)</b>	<b>(15,619)</b>	<b>36,847</b>
FUND BALANCES (DEFICIT), JULY 1	21,228	21,228	26,031	4,803
Appropriation of Fund Balances and Carryforward Appropriations	30,730	30,959	--	(30,959)
Encumbrances Lapsed	--	279	279	--
<b>FUND BALANCES (DEFICIT), JUNE 30</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ 10,691</b>	<b>\$ 10,691</b>

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, 2020  
(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		
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues				
Taxes	\$ 18,500	\$ 18,500	\$ 18,504	\$ 4
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	--	--	--	--
Charges for Services	--	--	105	105
Services to Enterprise Funds	--	--	--	--
Special Assessments	--	--	--	--
Interest	--	--	--	--
Program Income	--	--	--	--
Other	--	--	2	2
Total Revenues	18,500	18,500	18,611	111
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	<b>18,500</b>	<b>18,500</b>	<b>18,611</b>	<b>111</b>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	38,627	38,335	7,739	30,596
Public Works	--	--	--	--
Health and Sanitation	--	--	--	--
Transportation	--	--	--	--
Cultural and Recreational Services	--	--	--	--
Community Development	--	--	--	--
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	38,627	38,335	7,739	30,596
Other Financing Uses				
Transfers to Other Funds	14,016	14,016	12,330	1,686
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	<b>52,643</b>	<b>52,351</b>	<b>20,069</b>	<b>32,282</b>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	<b>(34,143)</b>	<b>(33,851)</b>	<b>(1,458)</b>	<b>32,393</b>
FUND BALANCES (DEFICIT), JULY 1	1,204	1,204	34,137	32,933
Appropriation of Fund Balances and Carryforward Appropriations	32,939	32,416	--	(32,416)
Encumbrances Lapsed	--	231	231	--
<b>FUND BALANCES (DEFICIT), JUNE 30</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ 32,910</b>	<b>\$ 32,910</b>

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, 2020  
(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		
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses, Permits and Fines	4,100	4,100	3,621	(479)
Intergovernmental	--	--	--	--
Charges for Services	--	--	--	--
Services to Enterprise Funds	--	--	--	--
Special Assessments	--	--	--	--
Interest	--	--	--	--
Program Income	--	--	--	--
Other	--	--	--	--
Total Revenues	4,100	4,100	3,621	(479)
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	4,100	4,100	3,621	(479)
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
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	3,621	479
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	4,100	4,100	3,621	479
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	--	--	--	--
FUND BALANCES (DEFICIT), JULY 1	--	--	--	--
Appropriation of Fund Balances and Carryforward Appropriations	--	--	--	--
Encumbrances Lapsed	--	--	--	--
<b>FUND BALANCES (DEFICIT), JUNE 30</b>	\$ --	\$ --	\$ --	\$ --

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, 2020  
(amounts expressed in thousands)

	Other Nonmajor Special Revenue Fund - Zoo			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	--	--	--	--
Charges for Services	24,644	24,644	17,750	(6,894)
Services to Enterprise Funds	--	--	--	--
Special Assessments	--	--	--	--
Interest	40	40	151	111
Program Income	--	--	--	--
Other	600	600	164	(436)
Total Revenues	25,284	25,284	18,065	(7,219)
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	25,284	25,284	18,065	(7,219)
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	--	--	--	--
Public Works	--	--	--	--
Health and Sanitation	--	--	--	--
Transportation	--	--	--	--
Cultural and Recreational Services	16,269	7,845	2,025	5,820
Community Development	--	--	--	--
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	16,269	7,845	2,025	5,820
Other Financing Uses				
Transfers to Other Funds	37,005	26,124	23,801	2,323
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	53,274	33,969	25,826	8,143
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	(27,990)	(8,685)	(7,761)	924
FUND BALANCES (DEFICIT), JULY 1	5,007	5,007	9,541	4,534
Appropriation of Fund Balances and Carryforward Appropriations	22,983	3,644	--	(3,644)
Encumbrances Lapsed	--	34	34	--
<b>FUND BALANCES (DEFICIT), JUNE 30</b>	\$ --	\$ --	\$ 1,814	\$ 1,814

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, 2020  
 (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		
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	--	--	--	--
Charges for Services	--	--	--	--
Services to Enterprise Funds	--	--	--	--
Special Assessments	--	--	--	--
Interest	104	104	39	(65)
Program Income	--	--	--	--
Other	--	--	--	--
<b>Total Revenues</b>	<b>104</b>	<b>104</b>	<b>39</b>	<b>(65)</b>
Other Financing Sources				
Transfers from Other Funds	15,447	15,447	15,447	--
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	<b>15,551</b>	<b>15,551</b>	<b>15,486</b>	<b>(65)</b>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	13,482	13,391	6,643	6,748
Public Works	--	--	--	--
Health and Sanitation	--	--	--	--
Transportation	--	--	--	--
Cultural and Recreational Services	--	--	--	--
Community Development	--	--	--	--
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
<b>Total Expenditures</b>	<b>13,482</b>	<b>13,391</b>	<b>6,643</b>	<b>6,748</b>
Other Financing Uses				
Transfers to Other Funds	13,293	13,484	11,076	2,408
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	<b>26,775</b>	<b>26,875</b>	<b>17,719</b>	<b>9,156</b>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	<b>(11,224)</b>	<b>(11,324)</b>	<b>(2,233)</b>	<b>9,091</b>
FUND BALANCES (DEFICIT), JULY 1	555	555	(1,281)	(1,836)
Appropriation of Fund Balances and Carryforward Appropriations	10,669	10,769	--	(10,769)
<b>FUND BALANCES (DEFICIT), JUNE 30</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ (3,514)</b>	<b>\$ (3,514)</b>

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, 2020  
(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		
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses and Permits	1,594	1,594	1,220	(374)
Intergovernmental	--	--	--	--
Charges for Services	--	--	--	--
Services to Enterprise Funds	--	--	--	--
Special Assessments	--	--	--	--
Interest	--	--	--	--
Program Income	--	--	--	--
Other	--	--	--	--
Total Revenues	<u>1,594</u>	<u>1,594</u>	<u>1,220</u>	<u>(374)</u>
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	<u>1,594</u>	<u>1,594</u>	<u>1,220</u>	<u>(374)</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures				
Current	--	--	--	--
General Government	--	--	--	--
Protection of Persons and Property	2,406	2,406	754	1,652
Public Works	--	--	--	--
Health and Sanitation	--	--	--	--
Transportation	--	--	--	--
Cultural and Recreational Services	--	--	--	--
Community Development	--	--	--	--
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	<u>2,406</u>	<u>2,406</u>	<u>754</u>	<u>1,652</u>
Other Financing Uses				
Transfers to Other Funds	866	866	723	143
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	<u>3,272</u>	<u>3,272</u>	<u>1,477</u>	<u>1,795</u>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	(1,678)	(1,678)	(257)	1,421
FUND BALANCE, JULY 1	743	743	863	120
Appropriation of Fund Balances and Carryforward Appropriations	935	935	--	(935)
Encumbrances Lapsed	--	--	--	--
<b>FUND BALANCES (DEFICIT), JUNE 30</b>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 606</u>	<u>\$ 606</u>

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, 2020  
(amounts expressed in thousands)

	Other Nonmajor Special Revenue Fund - Cannabis Regulation Special Revenue			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses and Permits	11,000	11,000	4,581	(6,419)
Intergovernmental	--	--	--	--
Charges for Services	--	--	--	--
Services to Enterprise Funds	--	--	--	--
Special Assessments	--	--	--	--
Interest	125	125	184	59
Program Income	--	--	--	--
Other	--	--	--	--
Total Revenues	<u>11,125</u>	<u>11,125</u>	<u>4,765</u>	<u>(6,360)</u>
Other Financing Sources				
Transfers from Other Funds	3,000	3,000	3,000	--
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	<u>14,125</u>	<u>14,125</u>	<u>7,765</u>	<u>(6,360)</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures				
Current				
General Government	15,635	15,635	4,767	10,868
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	<u>15,635</u>	<u>15,635</u>	<u>4,767</u>	<u>10,868</u>
Other Financing Uses				
Transfers to Other Funds	8,266	8,266	5,274	2,992
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	<u>23,901</u>	<u>23,901</u>	<u>10,041</u>	<u>13,860</u>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	(9,776)	(9,776)	(2,276)	7,500
FUND BALANCE, JULY 1	4,662	4,662	6,626	1,964
Appropriation of Fund Balances and Carryforward Appropriations	5,114	5,114	--	(5,114)
Encumbrances Lapsed	--	--	--	--
<b>FUND BALANCES (DEFICIT), JUNE 30</b>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 4,350</u>	<u>\$ 4,350</u>

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, 2020  
(amounts expressed in thousands)**

	<u>Allocations from Other Governmental Agencies</u>			
	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues				
Taxes	\$ 880	\$ 880	\$ 807	\$ (73)
Licenses, Permits and Fines	5,000	5,000	1,314	(3,686)
Intergovernmental	14,039	19,213	17,758	(1,455)
Charges for Services	31,370	27,599	25,317	(2,282)
Services to Enterprise Funds	77	77	31	(46)
Special Assessments	2,112	1,880	1,151	(729)
Interest	5,652	5,598	3,694	(1,904)
Program Income	6,233	6,233	4,577	(1,656)
Other	53	53	84	31
Total Revenues	<u>65,416</u>	<u>66,533</u>	<u>54,733</u>	<u>(11,800)</u>
Other Financing Sources				
Transfers from Other Funds	1,232	1,303	1,825	522
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	<u>66,648</u>	<u>67,836</u>	<u>56,558</u>	<u>(11,278)</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	4,291	3,685	3,208	477
Public Works	--	--	--	--
Health and Sanitation	--	--	--	--
Transportation	3,966	3,966	2,432	1,534
Cultural and Recreational Services	--	--	--	--
Community Development	16,038	13,634	9,195	4,439
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	<u>24,295</u>	<u>21,285</u>	<u>14,835</u>	<u>6,450</u>
Other Financing Uses				
Transfers to Other Funds	42,353	46,137	39,663	6,474
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	<u>66,648</u>	<u>67,422</u>	<u>54,498</u>	<u>12,924</u>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	--	414	2,060	1,646
FUND BALANCES (DEFICIT), JULY 1	--	--	22,806	22,806
Appropriation of Fund Balances and Carryforward Appropriations	--	(414)	--	414
Encumbrances Lapsed	--	--	--	--
<b>FUND BALANCES (DEFICIT), JUNE 30</b>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 24,866</u>	<u>\$ 24,866</u>

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, 2020  
(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		
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	--	--	--	--
Charges for Services	--	--	--	--
Services to Enterprise Funds	--	--	--	--
Special Assessments	--	--	--	--
Interest	--	--	--	--
Program Income	--	--	--	--
Other	40	40	39	(1)
Total Revenues	40	40	39	(1)
Other Financing Sources				
Transfers from Other Funds	3,147	3,147	3,509	362
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	<b>3,187</b>	<b>3,187</b>	<b>3,548</b>	<b>361</b>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures				
Current				
General Government	923	410	52	358
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	923	410	52	358
Other Financing Uses				
Transfers to Other Funds	3,673	3,550	3,105	445
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	<b>4,596</b>	<b>3,960</b>	<b>3,157</b>	<b>803</b>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	<b>(1,409)</b>	<b>(773)</b>	<b>391</b>	<b>1,164</b>
FUND BALANCES (DEFICIT), JULY 1	369	369	84	(285)
Appropriation of Fund Balances and Carryforward Appropriations	1,040	404	--	(404)
Encumbrances Lapsed	--	--	--	--
<b>FUND BALANCES (DEFICIT), JUNE 30</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ 475</b>	<b>\$ 475</b>

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, 2020  
(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		
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
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	3,333	3,333	3,333	--
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	<b>3,333</b>	<b>3,333</b>	<b>3,333</b>	<b>--</b>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures				
Current				
General Government	3,116	3,116	--	3,116
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	3,116	3,116	--	3,116
Other Financing Uses				
Transfers to Other Funds	7,290	7,290	3,542	3,748
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	<b>10,406</b>	<b>10,406</b>	<b>3,542</b>	<b>6,864</b>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	<b>(7,073)</b>	<b>(7,073)</b>	<b>(209)</b>	<b>6,864</b>
FUND BALANCES (DEFICIT), JULY 1	577	577	437	(140)
Appropriation of Fund Balances and Carryforward Appropriations	6,496	6,496	--	(6,496)
Encumbrances Lapsed	--	--	--	--
<b>FUND BALANCES (DEFICIT), JUNE 30</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ 228</b>	<b>\$ 228</b>

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, 2020  
(amounts expressed in thousands)

	Other Nonmajor General Fund - Accessible Housing			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses, Permits and Fines	--	--	--	--
Intergovernmental	--	--	--	--
Charges for Services	--	--	--	--
Services to Enterprise Funds	--	--	--	--
Special Assessments	--	--	--	--
Interest	--	--	--	--
Program Income	--	--	--	--
Other	3	3	6	3
Total Revenues	3	3	6	3
Other Financing Sources				
Transfers from Other Funds	7,247	7,247	7,247	--
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	<b>7,250</b>	<b>7,250</b>	<b>7,253</b>	<b>3</b>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures				
Current				
General Government	--	--	--	--
Protection of Persons and Property	--	--	--	--
Public Works	--	--	--	--
Health and Sanitation	--	--	--	--
Transportation	--	--	--	--
Cultural and Recreational Services	--	--	--	--
Community Development	10,528	14,923	11,220	3,703
Capital Outlay	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	10,528	14,923	11,220	3,703
Other Financing Uses				
Transfers to Other Funds	22,594	18,199	7,150	11,049
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	<b>33,122</b>	<b>33,122</b>	<b>18,370</b>	<b>14,752</b>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	<b>(25,872)</b>	<b>(25,872)</b>	<b>(11,117)</b>	<b>14,755</b>
FUND BALANCES (DEFICIT), JULY 1	8,884	8,884	13,840	4,956
Appropriation of Fund Balances and Carryforward Appropriations	16,988	16,988	--	(16,988)
Encumbrances Lapsed	--	--	--	--
<b>FUND BALANCES (DEFICIT), JUNE 30</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ 2,723</b>	<b>\$ 2,723</b>

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, 2020  
(amounts expressed in thousands)**

	<b>Total Annually Budgeted Nonmajor Special Revenue Funds</b>			
	<b>Budgeted Amounts</b>		<b>Actual Amounts (Budgetary Basis)</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues				
Taxes	\$ 73,155	\$ 73,155	\$ 60,728	\$ (12,427)
Licenses, Permits and Fines	77,908	77,908	65,473	(12,435)
Intergovernmental	588,065	624,047	593,354	(30,693)
Charges for Services	1,022,797	958,327	910,554	(47,773)
Services to Enterprise Funds	6,277	6,277	5,601	(676)
Special Assessments	50,412	50,180	47,015	(3,165)
Interest	21,194	21,140	50,176	29,036
Program Income	8,377	8,377	44,074	35,697
Other	12,663	12,663	18,330	5,667
<b>Total Revenues</b>	<b>1,860,848</b>	<b>1,832,074</b>	<b>1,795,305</b>	<b>(36,769)</b>
Other Financing Sources				
Transfers from Other Funds	70,800	72,271	79,408	7,137
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	<b>1,931,648</b>	<b>1,904,345</b>	<b>1,874,713</b>	<b>(29,632)</b>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures				
Current				
General Government	19,674	19,161	4,819	14,342
Protection of Persons and Property	1,214,019	1,082,964	122,889	960,075
Public Works	215,918	203,459	57,125	146,334
Health and Sanitation	522,010	402,773	230,501	172,272
Transportation	826,855	780,178	283,915	496,263
Cultural and Recreational Services	113,202	108,590	33,736	74,854
Community Development	448,735	566,027	137,972	428,055
Capital Outlay	202,191	167,015	84,370	82,645
Debt Service				
Principal	37,975	37,975	37,975	--
Interest	9,528	9,528	9,528	--
<b>Total Expenditures</b>	<b>3,610,107</b>	<b>3,377,670</b>	<b>1,002,830</b>	<b>2,374,840</b>
Other Financing Uses				
Transfers to Other Funds	1,298,092	1,244,243	959,486	284,757
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	<b>4,908,199</b>	<b>4,621,913</b>	<b>1,962,316</b>	<b>2,659,597</b>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	<b>(2,976,551)</b>	<b>(2,717,568)</b>	<b>(87,603)</b>	<b>2,629,965</b>
FUND BALANCES (DEFICIT), JULY 1	722,214	722,214	1,148,270	426,056
Appropriation of Fund Balances and Carryforward Appropriations	2,254,337	1,952,572	--	(1,952,572)
Encumbrances Lapsed	--	42,782	42,782	--
<b>FUND BALANCES (DEFICIT), JUNE 30</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ 1,103,449</b>	<b>\$ 1,103,449</b>

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, 2020  
(amounts expressed in thousands)**

<b>Deficiency of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses - Budgetary</b>	\$	(87,603)
<b>Basis Difference</b>		
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.		17,753
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).		(5,522)
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		233,256
Prior year encumbrances expended in current year		(129,863)
<b>Perspective Difference</b>		
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.		155,114
Certain Budgeted Funds reclassified as General category:		
Department of Neighborhood Empowerment		(397)
City Ethics Commission		210
Accessible Housing Fund		3,737
<b>Net Change in Fund Balances - Nonmajor Special Revenue Funds</b>	<b>\$</b>	<b><u>186,685</u></b>
 <b>DETAILS OF RESTATEMENT OF JULY 1 FUND BALANCES</b>		
Fund Balances, July 1, as previously reported	\$	1,147,433
Certain funds were budgeted in prior year and others were not included in this year's budget.		<u>837</u>
Fund Balances, July 1, as restated	<b>\$</b>	<b><u>1,148,270</u></b>

**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, 2020  
(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, 2020</u>	<u>Total Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>NONMAJOR FUNDS</b>							
<b>BUILDING AND SAFETY PERMIT</b>							
Current - Special Purpose	\$ 799,106	\$ (126,313)	\$ 672,793	\$ 69,864	\$ 4,318	\$ 74,182	\$ 598,611
Capital Outlay	42,576	1,480	44,056	1,975	1,323	3,298	40,758
Transfers to Other Funds	167,578	722	168,300	111,861	--	111,861	56,439
<b>TOTAL</b>	<b>1,009,260</b>	<b>(124,111)</b>	<b>885,149</b>	<b>183,700</b>	<b>5,641</b>	<b>189,341</b>	<b>695,808</b>
<b>CITYWIDE RECYCLING</b>							
Current - Special Purpose	66,104	(2,338)	63,766	11,841	921	12,762	51,004
Transfers to Other Funds	22,875	(5,419)	17,456	15,404	--	15,404	2,052
<b>TOTAL</b>	<b>88,979</b>	<b>(7,757)</b>	<b>81,222</b>	<b>27,245</b>	<b>921</b>	<b>28,166</b>	<b>53,056</b>
<b>PROPOSITION C ANTI-GRIDLOCK TRANSIT IMPROVEMENT</b>							
Current - Special Purpose	50,451	(5,723)	44,728	32,096	1,837	33,933	10,795
Capital Outlay	2,827	6	2,833	547	922	1,469	1,364
Transfers to Other Funds	76,394	(14,067)	62,327	56,460	--	56,460	5,867
<b>TOTAL</b>	<b>129,672</b>	<b>(19,784)</b>	<b>109,888</b>	<b>89,103</b>	<b>2,759</b>	<b>91,862</b>	<b>18,026</b>
<b>SPECIAL PARKING REVENUE</b>							
Current - Special Purpose	90,616	552	91,168	28,898	8,084	36,982	54,186
Capital Outlay	7,724	7	7,731	3,938	334	4,272	3,459
Transfers to Other Funds	59,686	940	60,626	38,229	--	38,229	22,397
<b>TOTAL</b>	<b>158,026</b>	<b>1,499</b>	<b>159,525</b>	<b>71,065</b>	<b>8,418</b>	<b>79,483</b>	<b>80,042</b>
<b>STORMWATER POLLUTION ABATEMENT</b>							
Current - Special Purpose	26,267	(994)	25,273	5,627	9,131	14,758	10,515
Capital Outlay	9,277	(143)	9,134	6,232	1,136	7,368	1,766
Transfers to Other Funds	27,579	(1,204)	26,375	24,386	--	24,386	1,989
<b>TOTAL</b>	<b>63,123</b>	<b>(2,341)</b>	<b>60,782</b>	<b>36,245</b>	<b>10,267</b>	<b>46,512</b>	<b>14,270</b>
<b>STREET LIGHTING MAINTENANCE ASSESSMENT</b>							
Current - Special Purpose	65,458	2,529	67,987	15,295	2,687	17,982	50,005
Capital Outlay	1,340	765	2,105	1,115	478	1,593	512
Transfers to Other Funds	43,945	85	44,030	42,839	--	42,839	1,191
<b>TOTAL</b>	<b>110,743</b>	<b>3,379</b>	<b>114,122</b>	<b>59,249</b>	<b>3,165</b>	<b>62,414</b>	<b>51,708</b>
<b>PROPOSITION A LOCAL TRANSIT ASSISTANCE</b>							
Current - Special Purpose	560,993	(41,959)	519,034	105,144	66,617	171,761	347,273
Capital Outlay	27,776	(55)	27,721	9,398	12,316	21,714	6,007
Transfers to Other Funds	11,901	(1,253)	10,648	9,141	--	9,141	1,507
<b>TOTAL</b>	<b>600,670</b>	<b>(43,267)</b>	<b>557,403</b>	<b>123,683</b>	<b>78,933</b>	<b>202,616</b>	<b>354,787</b>
<b>MEASURE R LOCAL RETURN</b>							
Current - Special Purpose	120,829	453	121,282	34,710	4,097	38,807	82,475
Capital Outlay	17,336	3,124	20,460	6,079	4,520	10,599	9,861
Transfers to Other Funds	66,626	3,101	69,727	61,831	--	61,831	7,896
<b>TOTAL</b>	<b>204,791</b>	<b>6,678</b>	<b>211,469</b>	<b>102,620</b>	<b>8,617</b>	<b>111,237</b>	<b>100,232</b>

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, 2020  
(amounts expressed in thousands)**

	<b>Original Adopted Budget</b>	<b>Additional Appropriations, Carryforward and Transfers</b>	<b>Final Budget</b>	<b>Expenditures</b>	<b>Encumbrances June 30, 2020</b>	<b>Total Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>SOLID WASTE RESOURCES</b>							
Current - Special Purpose	\$ 408,069	\$ (116,112)	\$ 291,957	\$ 155,065	\$ 42,825	\$ 197,890	\$ 94,067
Capital Outlay	37,467	(36,177)	1,290	53	9	62	1,228
Debt Service							
Principal	37,975	--	37,975	37,975	--	37,975	--
Interest	9,528	--	9,528	9,528	--	9,528	--
Transfers to Other Funds	186,760	265	187,025	165,978	--	165,978	21,047
<b>TOTAL</b>	<b>679,799</b>	<b>(152,024)</b>	<b>527,775</b>	<b>368,599</b>	<b>42,834</b>	<b>411,433</b>	<b>116,342</b>
<b>SPECIAL GAS TAX STREET IMPROVEMENT</b>							
Current - Special Purpose	93,276	18,278	111,554	24,092	6,299	30,391	81,163
Capital Outlay	55,868	(4,183)	51,685	15,961	18,034	33,995	17,690
Transfers to Other Funds	80,129	6,939	87,068	85,480	--	85,480	1,588
<b>TOTAL</b>	<b>229,273</b>	<b>21,034</b>	<b>250,307</b>	<b>125,533</b>	<b>24,333</b>	<b>149,866</b>	<b>100,441</b>
<b>COMMUNITY DEVELOPMENT TRUST</b>							
Current - Special Purpose	55,594	44,228	99,822	32,940	8,000	40,940	58,882
Transfers to Other Funds	28,562	6,585	35,147	17,661	--	17,661	17,486
<b>TOTAL</b>	<b>84,156</b>	<b>50,813</b>	<b>134,969</b>	<b>50,601</b>	<b>8,000</b>	<b>58,601</b>	<b>76,368</b>
<b>HOME INVESTMENT PARTNERSHIP PROGRAM</b>							
Current - Special Purpose	51,320	32,550	83,870	11,028	5,949	16,977	66,893
Transfers to Other Funds	7,213	(2)	7,211	3,067	--	3,067	4,144
<b>TOTAL</b>	<b>58,533</b>	<b>32,548</b>	<b>91,081</b>	<b>14,095</b>	<b>5,949</b>	<b>20,044</b>	<b>71,037</b>
<b>WORKFORCE INNOVATION OPPORTUNITY ACT</b>							
Current - Special Purpose	81,504	--	81,504	--	--	--	81,504
Transfers to Other Funds	29,166	--	29,166	--	--	--	29,166
<b>TOTAL</b>	<b>110,670</b>	<b>--</b>	<b>110,670</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>110,670</b>
<b>DISASTER ASSISTANCE</b>							
Current - Special Purpose	287,845	--	287,845	4,872	--	4,872	282,973
Transfers to Other Funds	714	--	714	219	--	219	495
<b>TOTAL</b>	<b>288,559</b>	<b>--</b>	<b>288,559</b>	<b>5,091</b>	<b>--</b>	<b>5,091</b>	<b>283,468</b>
<b>COMMUNITY SERVICES BLOCK GRANT</b>							
Current - Special Purpose	5,500	83	5,583	5,044	293	5,337	246
Transfers to Other Funds	1,572	246	1,818	1,180	--	1,180	638
<b>TOTAL</b>	<b>7,072</b>	<b>329</b>	<b>7,401</b>	<b>6,224</b>	<b>293</b>	<b>6,517</b>	<b>884</b>
<b>FORFEITED ASSETS TRUST OF POLICE DEPARTMENT</b>							
Current - Special Purpose	8,618	(505)	8,113	1,517	569	2,086	6,027
Transfers to Other Funds	116	--	116	25	--	25	91
<b>TOTAL</b>	<b>8,734</b>	<b>(505)</b>	<b>8,229</b>	<b>1,542</b>	<b>569</b>	<b>2,111</b>	<b>6,118</b>
<b>HOUSEHOLD HAZARDOUS WASTE</b>							
Current - Special Purpose	13,652	1,133	14,785	627	5	632	14,153
Transfers to Other Funds	3,198	(39)	3,159	1,786	--	1,786	1,373
<b>TOTAL</b>	<b>16,850</b>	<b>1,094</b>	<b>17,944</b>	<b>2,413</b>	<b>5</b>	<b>2,418</b>	<b>15,526</b>

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, 2020  
(amounts expressed in thousands)**

	<b>Original Adopted Budget</b>	<b>Additional Appropriations, Carryforward and Transfers</b>	<b>Final Budget</b>	<b>Expenditures</b>	<b>Encumbrances June 30, 2020</b>	<b>Total Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS</b>							
Current - Special Purpose	\$ 11,954	\$ 18,348	\$ 30,302	\$ 11,409	\$ 8,048	\$ 19,457	\$ 10,845
Transfers to Other Funds	358	(27)	331	234	--	234	97
<b>TOTAL</b>	<b>12,312</b>	<b>18,321</b>	<b>30,633</b>	<b>11,643</b>	<b>8,048</b>	<b>19,691</b>	<b>10,942</b>
<b>MOBILE SOURCE AIR POLLUTION REDUCTION</b>							
Current - Special Purpose	7,918	(926)	6,992	3,703	756	4,459	2,533
Transfers to Other Funds	3,003	157	3,160	2,937	--	2,937	223
<b>TOTAL</b>	<b>10,921</b>	<b>(769)</b>	<b>10,152</b>	<b>6,640</b>	<b>756</b>	<b>7,396</b>	<b>2,756</b>
<b>OLDER AMERICANS ACT</b>							
Current - Special Purpose	11,309	23,613	34,922	15,472	3,188	18,660	16,262
Transfers to Other Funds	10,928	264	11,192	2,131	--	2,131	9,061
<b>TOTAL</b>	<b>22,237</b>	<b>23,877</b>	<b>46,114</b>	<b>17,603</b>	<b>3,188</b>	<b>20,791</b>	<b>25,323</b>
<b>SUPPLEMENTAL LAW ENFORCEMENT SERVICES</b>							
Current - Special Purpose	3,254	--	3,254	--	--	--	3,254
Transfers to Other Funds	31,379	--	31,379	20,821	--	20,821	10,558
<b>TOTAL</b>	<b>34,633</b>	<b>--</b>	<b>34,633</b>	<b>20,821</b>	<b>--</b>	<b>20,821</b>	<b>13,812</b>
<b>ARTS AND CULTURAL FACILITIES AND SERVICES</b>							
Current - Special Purpose	14,280	1,000	15,280	7,599	387	7,986	7,294
Transfers to Other Funds	29,952	(305)	29,647	18,631	--	18,631	11,016
<b>TOTAL</b>	<b>44,232</b>	<b>695</b>	<b>44,927</b>	<b>26,230</b>	<b>387</b>	<b>26,617</b>	<b>18,310</b>
<b>ARTS DEVELOPMENT FEE</b>							
Current - Special Purpose	31,862	3,467	35,329	2,039	787	2,826	32,503
Transfers to Other Funds	183	59	242	198	--	198	44
<b>TOTAL</b>	<b>32,045</b>	<b>3,526</b>	<b>35,571</b>	<b>2,237</b>	<b>787</b>	<b>3,024</b>	<b>32,547</b>
<b>CITY EMPLOYEES RIDESHARING</b>							
Transfers to Other Funds	8,430	(4,036)	4,394	2,334	--	2,334	2,060
<b>CITY OF LOS ANGELES AFFORDABLE HOUSING</b>							
Current - Special Purpose	161,494	518	162,012	2,329	240	2,569	159,443
Transfers to Other Funds	1,020	333	1,353	927	--	927	426
<b>TOTAL</b>	<b>162,514</b>	<b>851</b>	<b>163,365</b>	<b>3,256</b>	<b>240</b>	<b>3,496</b>	<b>159,869</b>
<b>EL PUEBLO DE LOS ANGELES HISTORICAL MONUMENT</b>							
Current - Special Purpose	1,344	(655)	689	655	--	655	34
Transfers to Other Funds	4,424	603	5,027	4,649	--	4,649	378
<b>TOTAL</b>	<b>5,768</b>	<b>(52)</b>	<b>5,716</b>	<b>5,304</b>	<b>--</b>	<b>5,304</b>	<b>412</b>
<b>LOCAL PUBLIC SAFETY</b>							
Transfers to Other Funds	68,430	--	68,430	46,109	--	46,109	22,321

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, 2020  
(amounts expressed in thousands)**

	<b>Original Adopted Budget</b>	<b>Additional Appropriations, Carryforward and Transfers</b>	<b>Final Budget</b>	<b>Expenditures</b>	<b>Encumbrances June 30, 2020</b>	<b>Total Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>LOS ANGELES CONVENTION AND VISITORS BUREAU</b>							
Current - Special Purpose	\$ 49,447	\$ --	\$ 49,447	\$ 20,244	\$ --	\$ 20,244	\$ 29,203
Transfers to Other Funds	700	--	700	617	--	617	83
<b>TOTAL</b>	<b>50,147</b>	<b>--</b>	<b>50,147</b>	<b>20,861</b>	<b>--</b>	<b>20,861</b>	<b>29,286</b>
<b>MULTI-FAMILY BULK ITEM FEE</b>							
Current - Special Purpose	16,424	(5,902)	10,522	4,425	--	4,425	6,097
Transfers to Other Funds	5,854	(1,334)	4,520	2,928	--	2,928	1,592
<b>TOTAL</b>	<b>22,278</b>	<b>(7,236)</b>	<b>15,042</b>	<b>7,353</b>	<b>--</b>	<b>7,353</b>	<b>7,689</b>
<b>MUNICIPAL HOUSING FINANCE</b>							
Current - Special Purpose	5,772	107	5,879	2,327	284	2,611	3,268
Transfers to Other Funds	6,597	9	6,606	3,503	--	3,503	3,103
<b>TOTAL</b>	<b>12,369</b>	<b>116</b>	<b>12,485</b>	<b>5,830</b>	<b>284</b>	<b>6,114</b>	<b>6,371</b>
<b>PLANNING CASE PROCESSING SPECIAL</b>							
Current - Special Purpose	10,411	(4,223)	6,188	4,319	--	4,319	1,869
Transfers to Other Funds	28,433	(5,127)	23,306	21,656	--	21,656	1,650
<b>TOTAL</b>	<b>38,844</b>	<b>(9,350)</b>	<b>29,494</b>	<b>25,975</b>	<b>--</b>	<b>25,975</b>	<b>3,519</b>
<b>RENT STABILIZATION</b>							
Current - Special Purpose	27,311	77	27,388	5,799	888	6,687	20,701
Transfers to Other Funds	14,202	399	14,601	9,654	--	9,654	4,947
<b>TOTAL</b>	<b>41,513</b>	<b>476</b>	<b>41,989</b>	<b>15,453</b>	<b>888</b>	<b>16,341</b>	<b>25,648</b>
<b>STREET DAMAGE RESTORATION FEE</b>							
Current - Special Purpose	40,760	(27,364)	13,396	2,986	1,341	4,327	9,069
Transfers to Other Funds	76,825	(31,126)	45,699	44,283	--	44,283	1,416
<b>TOTAL</b>	<b>117,585</b>	<b>(58,490)</b>	<b>59,095</b>	<b>47,269</b>	<b>1,341</b>	<b>48,610</b>	<b>10,485</b>
<b>CODE ENFORCEMENT TRUST</b>							
Current - Special Purpose	56,390	(3,248)	53,142	20,461	2,944	23,405	29,737
Transfers to Other Funds	39,904	807	40,711	32,042	--	32,042	8,669
<b>TOTAL</b>	<b>96,294</b>	<b>(2,441)</b>	<b>93,853</b>	<b>52,503</b>	<b>2,944</b>	<b>55,447</b>	<b>38,406</b>
<b>TELECOMMUNICATIONS LIQUIDATED DAMAGES AND LOST FRANCHISE FEES</b>							
Current - Special Purpose	38,627	(292)	38,335	4,881	2,858	7,739	30,596
Transfers to Other Funds	14,016	--	14,016	12,330	--	12,330	1,686
<b>TOTAL</b>	<b>52,643</b>	<b>(292)</b>	<b>52,351</b>	<b>17,211</b>	<b>2,858</b>	<b>20,069</b>	<b>32,282</b>
<b>TRAFFIC SAFETY</b>							
Transfers to Other Funds	4,100	--	4,100	3,621	--	3,621	479

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, 2020  
(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, 2020</u>	<u>Total Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>ZOO</b>							
Current - Special Purpose	\$ 16,269	\$ (8,424)	\$ 7,845	\$ 2,005	\$ 20	\$ 2,025	\$ 5,820
Transfers to Other Funds	37,005	(10,881)	26,124	23,801	--	23,801	2,323
<b>TOTAL</b>	<u>53,274</u>	<u>(19,305)</u>	<u>33,969</u>	<u>25,806</u>	<u>20</u>	<u>25,826</u>	<u>8,143</u>
<b>SIDEWALK REPAIR</b>							
Current - Special Purpose	13,482	(91)	13,391	3,857	2,786	6,643	6,748
Transfers to Other Funds	13,293	191	13,484	11,076	--	11,076	2,408
<b>TOTAL</b>	<u>26,775</u>	<u>100</u>	<u>26,875</u>	<u>14,933</u>	<u>2,786</u>	<u>17,719</u>	<u>9,156</u>
<b>CODE COMPLIANCE TRUST</b>							
Current - Special Purpose	2,406	--	2,406	689	65	754	1,652
Transfers to Other Funds	866	--	866	723	--	723	143
<b>TOTAL</b>	<u>3,272</u>	<u>--</u>	<u>3,272</u>	<u>1,412</u>	<u>65</u>	<u>1,477</u>	<u>1,795</u>
<b>CANNABIS REGULATION</b>							
Current - Special Purpose	15,635	--	15,635	4,767	--	4,767	10,868
Transfers to Other Funds	8,266	--	8,266	5,274	--	5,274	2,992
<b>TOTAL</b>	<u>23,901</u>	<u>--</u>	<u>23,901</u>	<u>10,041</u>	<u>--</u>	<u>10,041</u>	<u>13,860</u>
<b>ALLOCATIONS FROM OTHER GOVERNMENTAL AGENCIES</b>							
Current - Special Purpose	24,295	(3,010)	21,285	14,835	--	14,835	6,450
Transfers to Other Funds	42,353	3,784	46,137	39,663	--	39,663	6,474
<b>TOTAL</b>	<u>66,648</u>	<u>774</u>	<u>67,422</u>	<u>54,498</u>	<u>--</u>	<u>54,498</u>	<u>12,924</u>
<b>TOTAL BUDGETED SPECIAL REVENUE FUNDS</b>							
	<u>\$ 4,860,075</u>	<u>\$ (285,650)</u>	<u>\$ 4,574,425</u>	<u>\$ 1,711,951</u>	<u>\$ 225,296</u>	<u>\$ 1,937,247</u>	<u>\$ 2,637,178</u>
<b>ALL ANNUALLY BUDGETED SPECIAL REVENUE FUNDS</b>							
Current - Special Purpose	\$ 3,345,846	\$ (201,143)	\$ 3,144,703	\$ 673,461	\$ 186,224	\$ 859,685	\$ 2,285,018
Capital Outlay	202,191	(35,176)	167,015	45,298	39,072	84,370	82,645
Debt Service							
Principal	37,975	--	37,975	37,975	--	37,975	--
Interest	9,528	--	9,528	9,528	--	9,528	--
Transfers to Other Funds	1,264,535	(49,331)	1,215,204	945,689	--	945,689	269,515
<b>TOTAL</b>	<u>\$ 4,860,075</u>	<u>\$ (285,650)</u>	<u>\$ 4,574,425</u>	<u>\$ 1,711,951</u>	<u>\$ 225,296</u>	<u>\$ 1,937,247</u>	<u>\$ 2,637,178</u>
<b>NONMAJOR GENERAL FUNDS</b>							
<b>DEPARTMENT OF NEIGHBORHOOD EMPOWERMENT</b>							
Current - Special Purpose	\$ 923	\$ (513)	\$ 410	\$ 52	\$ --	\$ 52	\$ 358
Transfers to Other Funds	3,673	(123)	3,550	3,105	--	3,105	445
<b>TOTAL</b>	<u>4,596</u>	<u>(636)</u>	<u>3,960</u>	<u>3,157</u>	<u>--</u>	<u>3,157</u>	<u>803</u>
<b>CITY ETHICS COMMISSION</b>							
Current - Special Purpose	3,116	--	3,116	--	--	--	3,116
Transfers to Other Funds	7,290	--	7,290	3,542	--	3,542	3,748
<b>TOTAL</b>	<u>10,406</u>	<u>--</u>	<u>10,406</u>	<u>3,542</u>	<u>--</u>	<u>3,542</u>	<u>6,864</u>

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, 2020  
(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, 2020</u>	<u>Total Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>ACCESSIBLE HOUSING</b>							
Current - Special Purpose	\$ 10,528	\$ 4,395	\$ 14,923	\$ 3,258	\$ 7,962	\$ 11,220	\$ 3,703
Transfers to Other Funds	22,594	(4,395)	18,199	7,150	--	7,150	11,049
<b>TOTAL</b>	<u>33,122</u>	<u>--</u>	<u>33,122</u>	<u>10,408</u>	<u>7,962</u>	<u>18,370</u>	<u>14,752</u>
<b>TOTAL BUDGETED GENERAL FUND</b>	<u>\$ 48,124</u>	<u>\$ (636)</u>	<u>\$ 47,488</u>	<u>\$ 17,107</u>	<u>\$ 7,962</u>	<u>\$ 25,069</u>	<u>\$ 22,419</u>
<b>ALL ANNUALLY BUDGETED GENERAL FUNDS</b>							
Current - Special Purpose	\$ 14,567	\$ 3,882	\$ 18,449	\$ 3,310	\$ 7,962	\$ 11,272	\$ 7,177
Transfers to Other Funds	33,557	(4,518)	29,039	13,797	--	13,797	15,242
<b>TOTAL</b>	<u>\$ 48,124</u>	<u>\$ (636)</u>	<u>\$ 47,488</u>	<u>\$ 17,107</u>	<u>\$ 7,962</u>	<u>\$ 25,069</u>	<u>\$ 22,419</u>
<b>GRAND TOTAL</b>	<u>\$ 4,908,199</u>	<u>\$ (286,286)</u>	<u>\$ 4,621,913</u>	<u>\$ 1,729,058</u>	<u>\$ 233,258</u>	<u>\$ 1,962,316</u>	<u>\$ 2,659,597</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, 2020  
(amounts expressed in thousands)**

	<b>General Obligation Bonds</b>					
	<b>Series 2011-A</b>	<b>Refunding Series 2011-B</b>	<b>Refunding Series 2012-A</b>	<b>Refunding Series 2016-A</b>	<b>Proposition HHH - Debt Service</b>	<b>Refunding Series 2017-B</b>
<b>ASSETS</b>						
Cash and Pooled Investments	\$ 1,100	\$ 41,295	\$ 30,276	\$ 22,538	\$ 29,342	\$ 14,954
Taxes Receivable (Net of Allowance for Uncollectibles of \$311)	--	4,342	3,309	2,462	3,698	992
Investment Income Receivable	3	100	73	54	71	36
<b>TOTAL ASSETS</b>	<b>\$ 1,103</b>	<b>\$ 45,737</b>	<b>\$ 33,658</b>	<b>\$ 25,054</b>	<b>\$ 33,111</b>	<b>\$ 15,982</b>
<b>LIABILITIES</b>						
Obligations Under Securities Lending Transactions	\$ 7	\$ 262	\$ 191	\$ 142	\$ 185	\$ 96
Interest Payable	--	--	--	--	--	--
Advances from Other Funds	--	--	--	--	--	--
Other Liabilities	3	94	69	51	67	34
<b>TOTAL LIABILITIES</b>	<b>10</b>	<b>356</b>	<b>260</b>	<b>193</b>	<b>252</b>	<b>130</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Property Tax	--	3,477	2,650	1,972	2,962	794
Interest Receivable on Loans and Others	--	15	11	8	11	5
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>--</b>	<b>3,492</b>	<b>2,661</b>	<b>1,980</b>	<b>2,973</b>	<b>799</b>
<b>FUND BALANCES</b>						
Restricted	1,093	41,889	30,737	22,881	29,886	15,053
Unassigned	--	--	--	--	--	--
<b>TOTAL FUND BALANCES</b>	<b>1,093</b>	<b>41,889</b>	<b>30,737</b>	<b>22,881</b>	<b>29,886</b>	<b>15,053</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 1,103</b>	<b>\$ 45,737</b>	<b>\$ 33,658</b>	<b>\$ 25,054</b>	<b>\$ 33,111</b>	<b>\$ 15,982</b>

Continued...



CITY OF LOS ANGELES

Combining Balance Sheet - (Continued)  
 Nonmajor Debt Service Funds  
 June 30, 2020  
 (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>		
<b>ASSETS</b>					
Cash and Pooled Investments	\$ 1,143	\$ 250	\$ 22,888	\$ 6,242	\$ 170,028
Taxes Receivable (Net of Allowance for Uncollectibles of \$311)	218	48	--	--	15,069
Investment Income Receivable	3	1	--	14	355
<b>TOTAL ASSETS</b>	<u>\$ 1,364</u>	<u>\$ 299</u>	<u>\$ 22,888</u>	<u>\$ 6,256</u>	<u>\$ 185,452</u>
<b>LIABILITIES</b>					
Obligations Under Securities Lending Transactions	\$ 7	\$ 2	\$ --	\$ 37	\$ 929
Interest Payable	--	--	--	319	319
Advances from Other Funds	--	--	--	9,695	9,695
Other Liabilities	3	--	--	12	333
<b>TOTAL LIABILITIES</b>	<u>10</u>	<u>2</u>	<u>--</u>	<u>10,063</u>	<u>11,276</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Property Tax	175	39	--	--	12,069
Interest Receivable on Loans and Others	--	--	--	3	53
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>175</u>	<u>39</u>	<u>--</u>	<u>3</u>	<u>12,122</u>
<b>FUND BALANCES</b>					
Restricted	1,179	258	22,888	145	166,009
Unassigned	--	--	--	(3,955)	(3,955)
<b>TOTAL FUND BALANCES</b>	<u>1,179</u>	<u>258</u>	<u>22,888</u>	<u>(3,810)</u>	<u>162,054</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<u>\$ 1,364</u>	<u>\$ 299</u>	<u>\$ 22,888</u>	<u>\$ 6,256</u>	<u>\$ 185,452</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, 2020  
(amounts expressed in thousands)**

	<b>General Obligation Bonds</b>					
	<u>Series 2011-A</u>	<u>Refunding Series 2011-B</u>	<u>Refunding Series 2012-A</u>	<u>Refunding Series 2016-A</u>	<u>Proposition HHH - Debt Service</u>	<u>Refunding Series 2017-B</u>
<b>REVENUES</b>						
Property Taxes	\$ --	\$ 34,318	\$ 25,771	\$ 20,562	\$ 27,613	\$ 11,783
Charges for Services	--	--	--	--	--	--
Investment Earnings	34	1,428	1,043	779	1,022	513
Other	--	--	--	--	31	--
<b>TOTAL REVENUES</b>	<b>34</b>	<b>35,746</b>	<b>26,814</b>	<b>21,341</b>	<b>28,666</b>	<b>12,296</b>
<b>EXPENDITURES</b>						
General Government	137	--	--	--	--	--
Debt Service						
Principal	5,850	32,705	22,885	11,385	18,135	14,495
Interest	117	4,835	5,496	3,451	12,284	2,538
<b>TOTAL EXPENDITURES</b>	<b>6,104</b>	<b>37,540</b>	<b>28,381</b>	<b>14,836</b>	<b>30,419</b>	<b>17,033</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(6,070)</b>	<b>(1,794)</b>	<b>(1,567)</b>	<b>6,505</b>	<b>(1,753)</b>	<b>(4,737)</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers In	--	--	--	--	--	--
Transfers Out	--	--	--	--	--	--
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(6,070)</b>	<b>(1,794)</b>	<b>(1,567)</b>	<b>6,505</b>	<b>(1,753)</b>	<b>(4,737)</b>
FUND BALANCES, JULY 1	7,163	43,683	32,304	16,376	31,639	19,790
<b>FUND BALANCES, JUNE 30</b>	<b>\$ 1,093</b>	<b>\$ 41,889</b>	<b>\$ 30,737</b>	<b>\$ 22,881</b>	<b>\$ 29,886</b>	<b>\$ 15,053</b>

**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, 2020  
(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>		
<b>REVENUES</b>					
Property Taxes	\$ 1,577	\$ 344	\$ --	\$ --	\$ 121,968
Charges for Services	--	--	--	2,355	2,355
Investment Earnings	42	9	646	252	5,768
Other	5	2	--	1,000	1,038
<b>TOTAL REVENUES</b>	<u>1,624</u>	<u>355</u>	<u>646</u>	<u>3,607</u>	<u>131,129</u>
<b>EXPENDITURES</b>					
General Government	--	--	--	378	515
Debt Service					
Principal	--	--	37,975	18,086	161,516
Interest	1,733	378	9,528	1,211	41,571
<b>TOTAL EXPENDITURES</b>	<u>1,733</u>	<u>378</u>	<u>47,503</u>	<u>19,675</u>	<u>203,602</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(109)</u>	<u>(23)</u>	<u>(46,857)</u>	<u>(16,068)</u>	<u>(72,473)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	--	--	33,209	19,289	52,498
Transfers Out	--	--	--	(3)	(3)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>--</u>	<u>--</u>	<u>33,209</u>	<u>19,286</u>	<u>52,495</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>(109)</u>	<u>(23)</u>	<u>(13,648)</u>	<u>3,218</u>	<u>(19,978)</u>
FUND BALANCES, JULY 1	<u>1,288</u>	<u>281</u>	<u>36,536</u>	<u>(7,028)</u>	<u>182,032</u>
<b>FUND BALANCES, JUNE 30</b>	<u>\$ 1,179</u>	<u>\$ 258</u>	<u>\$ 22,888</u>	<u>\$ (3,810)</u>	<u>\$ 162,054</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, 2020  
(amounts expressed in thousands)**

	<b>General Obligation Bonds Series 2011-A</b>			
	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>with</b>
			<b>(Budgetary</b>	<b>Final Budget</b>
		<b>Basis)</b>	<b>Positive</b>	
			<b>(Negative)</b>	
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues				
Taxes	\$ 5,967	\$ 5,967	\$ --	\$ (5,967)
Charges for Services	--	--	--	--
Interest	--	--	67	67
Total Revenues	<u>5,967</u>	<u>5,967</u>	<u>67</u>	<u>(5,900)</u>
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	<u>5,967</u>	<u>5,967</u>	<u>67</u>	<u>(5,900)</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures				
Current				
General Government	--	--	--	--
Debt Service				
Principal	5,850	5,850	5,850	--
Interest	117	117	117	--
Total Expenditures	<u>5,967</u>	<u>5,967</u>	<u>5,967</u>	<u>--</u>
Other Financing Uses				
Transfers to Other Funds	--	--	--	--
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	<u>5,967</u>	<u>5,967</u>	<u>5,967</u>	<u>--</u>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES</b>				
<b>OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	--	--	(5,900)	(5,900)
FUND BALANCES, JULY 1	--	--	6,959	6,959
<b>FUND BALANCES, JUNE 30</b>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 1,059</u>	<u>\$ 1,059</u>

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, 2020  
(amounts expressed in thousands)**

	<b>General Obligation Bonds Refunding Series 2011-B</b>			
	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts (Budgetary Basis)</b>	<b>Final Budget Positive (Negative)</b>
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues				
Taxes	\$ 38,227	\$ 38,227	\$ 34,341	\$ (3,886)
Charges for Services	--	--	--	--
Interest	--	--	578	578
Total Revenues	<u>38,227</u>	<u>38,227</u>	<u>34,919</u>	<u>(3,308)</u>
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	<u>38,227</u>	<u>38,227</u>	<u>34,919</u>	<u>(3,308)</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures				
Current				
General Government	--	--	--	--
Debt Service				
Principal	32,705	32,705	32,705	--
Interest	5,522	5,522	4,835	687
Total Expenditures	<u>38,227</u>	<u>38,227</u>	<u>37,540</u>	<u>687</u>
Other Financing Uses				
Transfers to Other Funds	--	--	--	--
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	<u>38,227</u>	<u>38,227</u>	<u>37,540</u>	<u>687</u>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	--	--	(2,621)	(2,621)
<b>FUND BALANCES, JULY 1</b>	<u>--</u>	<u>--</u>	<u>42,388</u>	<u>42,388</u>
<b>FUND BALANCES, JUNE 30</b>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 39,767</u>	<u>\$ 39,767</u>

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, 2020  
(amounts expressed in thousands)**

	<b>General Obligation Bonds Refunding Series 2012-A</b>			
	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts (Budgetary Basis)</b>	<b>Final Budget Positive (Negative)</b>
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues				
Taxes	\$ 29,250	\$ 29,250	\$ 25,789	\$ (3,461)
Charges for Services	--	--	--	--
Interest	--	--	425	425
Total Revenues	29,250	29,250	26,214	(3,036)
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	<b>29,250</b>	<b>29,250</b>	<b>26,214</b>	<b>(3,036)</b>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures				
Current				
General Government	--	--	--	--
Debt Service				
Principal	22,885	22,885	22,885	--
Interest	6,365	6,365	5,496	869
Total Expenditures	29,250	29,250	28,381	869
Other Financing Uses				
Transfers to Other Funds	--	--	--	--
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	<b>29,250</b>	<b>29,250</b>	<b>28,381</b>	<b>869</b>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	<b>--</b>	<b>--</b>	<b>(2,167)</b>	<b>(2,167)</b>
<b>FUND BALANCES, JULY 1</b>	<b>--</b>	<b>--</b>	<b>31,327</b>	<b>31,327</b>
<b>FUND BALANCES, JUNE 30</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ 29,160</b>	<b>\$ 29,160</b>

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, 2020  
 (amounts expressed in thousands)

	General Obligation Bonds Refunding Series 2016-A			
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts (Budgetary Basis)	Final Budget Positive (Negative)
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues				
Taxes	\$ 14,835	\$ 14,835	\$ 20,433	\$ 5,598
Charges for Services	--	--	--	--
Interest	--	--	246	246
Total Revenues	14,835	14,835	20,679	5,844
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	<u>14,835</u>	<u>14,835</u>	<u>20,679</u>	<u>5,844</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures				
Current				
General Government	--	--	--	--
Debt Service				
Principal	11,385	11,385	11,385	--
Interest	3,450	3,450	3,450	--
Total Expenditures	14,835	14,835	14,835	--
Other Financing Uses				
Transfers to Other Funds	--	--	--	--
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	<u>14,835</u>	<u>14,835</u>	<u>14,835</u>	<u>--</u>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	--	--	5,844	5,844
FUND BALANCES, JULY 1	--	--	15,864	15,864
<b>FUND BALANCES, JUNE 30</b>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 21,708</u>	<u>\$ 21,708</u>

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, 2020  
(amounts expressed in thousands)**

	<b>Proposition HHH - Debt Service</b>			
	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts (Budgetary Basis)</b>	<b>Final Budget Positive (Negative)</b>
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues				
Taxes	\$ 30,419	\$ 30,419	\$ 27,734	\$ (2,685)
Charges for Services	--	--	--	--
Interest	--	--	421	421
Total Revenues	30,419	30,419	28,155	(2,264)
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	<b>30,419</b>	<b>30,419</b>	<b>28,155</b>	<b>(2,264)</b>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures				
Current				
General Government	--	--	--	--
Debt Service				
Principal	18,135	18,135	18,135	--
Interest	12,284	12,284	12,284	--
Total Expenditures	30,419	30,419	30,419	--
Other Financing Uses				
Transfers to Other Funds	--	--	--	--
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	<b>30,419</b>	<b>30,419</b>	<b>30,419</b>	<b>--</b>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	<b>--</b>	<b>--</b>	<b>(2,264)</b>	<b>(2,264)</b>
FUND BALANCES, JULY 1	--	--	30,523	30,523
<b>FUND BALANCES, JUNE 30</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ 28,259</b>	<b>\$ 28,259</b>

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, 2020  
 (amounts expressed in thousands)

	General Obligation Bonds Refunding Series 2017-B			
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts (Budgetary Basis)	Final Budget Positive (Negative)
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues				
Taxes	\$ 17,528	\$ 17,528	\$ 11,984	\$ (5,544)
Charges for Services	--	--	--	--
Interest	--	--	243	243
Total Revenues	17,528	17,528	12,227	(5,301)
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	<b>17,528</b>	<b>17,528</b>	<b>12,227</b>	<b>(5,301)</b>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures				
Current				
General Government	--	--	--	--
Debt Service				
Principal	14,495	14,495	14,495	--
Interest	3,033	3,033	2,538	495
Total Expenditures	17,528	17,528	17,033	495
Other Financing Uses				
Transfers to Other Funds	--	--	--	--
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	<b>17,528</b>	<b>17,528</b>	<b>17,033</b>	<b>495</b>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	<b>--</b>	<b>--</b>	<b>(4,806)</b>	<b>(4,806)</b>
FUND BALANCES, JULY 1	--	--	19,208	19,208
<b>FUND BALANCES, JUNE 30</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ 14,402</b>	<b>\$ 14,402</b>

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, 2020  
(amounts expressed in thousands)

	General Obligation Bonds Refunding Series 2018-B			
	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts (Budgetary Basis)	with Final Budget Positive (Negative)
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues				
Taxes	\$ 1,733	\$ 1,733	\$ 1,591	\$ (142)
Charges for Services	--	--	--	--
Interest	--	--	18	18
Total Revenues	1,733	1,733	1,609	(124)
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	<b>1,733</b>	<b>1,733</b>	<b>1,609</b>	<b>(124)</b>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
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	--	--	--	--
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	<b>1,733</b>	<b>1,733</b>	<b>1,733</b>	<b>--</b>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	--	--	(124)	(124)
FUND BALANCES, JULY 1	--	--	1,225	1,225
<b>FUND BALANCES, JUNE 30</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ 1,101</b>	<b>\$ 1,101</b>

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, 2020  
 (amounts expressed in thousands)

	General Obligation Bonds Refunding Series 2018-C			
	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts (Budgetary Basis)	with Final Budget Positive (Negative)
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues				
Taxes	\$ 378	\$ 378	\$ 348	\$ (30)
Charges for Services	--	--	--	--
Interest	--	--	4	4
Total Revenues	378	378	352	(26)
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	<b>378</b>	<b>378</b>	<b>352</b>	<b>(26)</b>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures				
Current				
General Government	--	--	--	--
Debt Service				
Principal	--	--	--	--
Interest	378	378	378	--
Total Expenditures	378	378	378	--
Other Financing Uses				
Transfers to Other Funds	--	--	--	--
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	<b>378</b>	<b>378</b>	<b>378</b>	<b>--</b>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	--	--	(26)	(26)
FUND BALANCES, JULY 1	--	--	267	267
<b>FUND BALANCES, JUNE 30</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ 241</b>	<b>\$ 241</b>

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, 2020  
(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		
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues				
Taxes	\$ --	\$ --	\$ --	\$ --
Charges for Services	4,312	4,312	3,355	(957)
Interest	127	127	118	(9)
Total Revenues	4,439	4,439	3,473	(966)
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	<b>4,439</b>	<b>4,439</b>	<b>3,473</b>	<b>(966)</b>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures				
Current				
General Government	13,476	6,266	--	6,266
Debt Service				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	13,476	6,266	--	6,266
Other Financing Uses				
Transfers to Other Funds	3,508	3,508	3,468	40
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	<b>16,984</b>	<b>9,774</b>	<b>3,468</b>	<b>6,306</b>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	<b>(12,545)</b>	<b>(5,335)</b>	<b>5</b>	<b>5,340</b>
FUND BALANCES, JULY 1	6,239	6,239	5,559	(680)
Appropriation of Fund Balances and Carryforward Appropriations	6,306	(904)	--	904
<b>FUND BALANCES, JUNE 30</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ 5,564</b>	<b>\$ 5,564</b>

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, 2020  
(amounts expressed in thousands)

	Total Annually Budgeted Nonmajor Debt Service Funds			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues				
Taxes	\$ 138,337	\$ 138,337	\$ 122,220	\$ (16,117)
Charges for Services	4,312	4,312	3,355	(957)
Interest	127	127	2,120	1,993
Total Revenues	142,776	142,776	127,695	(15,081)
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	<b>142,776</b>	<b>142,776</b>	<b>127,695</b>	<b>(15,081)</b>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures				
Current				
General Government	13,476	6,266	--	6,266
Debt Service				
Principal	105,455	105,455	105,455	--
Interest	32,882	32,882	30,831	2,051
Total Expenditures	151,813	144,603	136,286	8,317
Other Financing Uses				
Transfers to Other Funds	3,508	3,508	3,468	40
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	<b>155,321</b>	<b>148,111</b>	<b>139,754</b>	<b>8,357</b>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	<b>(12,545)</b>	<b>(5,335)</b>	<b>(12,059)</b>	<b>(6,724)</b>
FUND BALANCES, JULY 1	6,239	6,239	153,320	147,081
Appropriation of Fund Balances and Carryforward Appropriations	6,306	(904)	--	904
<b>FUND BALANCES, JUNE 30</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ 141,261</b>	<b>\$ 141,261</b>

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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, 2020  
(amounts expressed in thousands)

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<b>Deficiency of Revenues and Other Financing Sources Under Expenditures and Other Financing Uses - Budgetary</b>	\$ (12,059)
<b>Basis Difference</b>	
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.	5,732
<b>Perspective Difference</b>	
Certain Nonmajor Debt Service funds are not included in the legally adopted budget	(13,651)
<b>Net Change in Fund Balances - Nonmajor Debt Service Funds</b>	<u>\$ (19,978)</u>
<b>DETAILS OF RESTATEMENT OF JULY 1 FUND BALANCES</b>	
Fund Balances, July 1, as previously reported	\$ 128,021
Certain funds were budgeted in prior year and others were not included in this year's budget.	<u>25,299</u>
Fund Balances, July 1, as restated	<u>\$ 153,320</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.

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## 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 87.4% 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, and 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 12.6% 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, 2020  
(amounts expressed in thousands)**

	<b>General Obligation Bonds</b>					
	<b>Series 2003-A</b>	<b>Series 2004-A</b>	<b>Series 2005-A</b>	<b>Series 2006-A</b>	<b>Series 2008-A</b>	<b>Series 2009</b>
<b>ASSETS</b>						
Cash and Pooled Investments	\$ 1,053	\$ 962	\$ 4,940	\$ 6,232	\$ 3,969	\$ 22,481
Accounts Receivable	--	--	--	--	--	106
Special Assessments Receivable	--	--	--	--	--	--
Investment Income Receivable	3	2	12	17	10	61
Intergovernmental Receivable	--	--	--	--	--	--
Due from Other Funds	--	--	--	--	--	--
<b>TOTAL ASSETS</b>	<b>\$ 1,056</b>	<b>\$ 964</b>	<b>\$ 4,952</b>	<b>\$ 6,249</b>	<b>\$ 3,979</b>	<b>\$ 22,648</b>
<b>LIABILITIES</b>						
Accounts, Contracts and Retainage Payable	\$ 680	\$ --	\$ 801	\$ 93	\$ --	\$ 2,144
Obligations Under Securities Lending						
Transactions	7	6	31	39	26	142
Due to Other Funds	--	125	--	1,626	364	203
Deposits and Advances	--	--	--	--	--	--
Advances from Other Funds	--	--	--	--	--	--
Other Liabilities	2	2	11	14	9	51
<b>TOTAL LIABILITIES</b>	<b>689</b>	<b>133</b>	<b>843</b>	<b>1,772</b>	<b>399</b>	<b>2,540</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Receivables from Other Government Agencies	--	--	--	--	--	106
Interest Receivable on Loans and Others	--	--	2	2	1	8
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>--</b>	<b>--</b>	<b>2</b>	<b>2</b>	<b>1</b>	<b>114</b>
<b>FUND BALANCES</b>						
Restricted	367	831	4,107	4,475	3,579	19,994
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 1,056</b>	<b>\$ 964</b>	<b>\$ 4,952</b>	<b>\$ 6,249</b>	<b>\$ 3,979</b>	<b>\$ 22,648</b>

Continued...

**CITY OF LOS ANGELES**

**Combining Balance Sheet - (Continued)  
Nonmajor Capital Projects Funds  
June 30, 2020  
(amounts expressed in thousands)**

	<b>General Obligation Bonds</b>				<b>Other Nonmajor Capital Projects Funds</b>	<b>Total</b>
	<b>Series 2011-A</b>	<b>Proposition HHH - Facilities Program</b>	<b>Recreation &amp; Parks Grant</b>	<b>Parks Assessment</b>		
<b>ASSETS</b>						
Cash and Pooled Investments	\$ 39,063	\$ 24,614	\$ 71,146	\$ 141,939	\$ 24,418	\$ 340,817
Accounts Receivable	510	--	49	--	91	756
Special Assessments Receivable	--	--	--	1,213	--	1,213
Investment Income Receivable	103	93	171	382	15	869
Intergovernmental Receivable	--	--	10,279	--	--	10,279
Due from Other Funds	--	156	274	5	27	462
<b>TOTAL ASSETS</b>	<b>\$ 39,676</b>	<b>\$ 24,863</b>	<b>\$ 81,919</b>	<b>\$ 143,539</b>	<b>\$ 24,551</b>	<b>\$ 354,396</b>
<b>LIABILITIES</b>						
Accounts, Contracts and Retainage Payable	\$ 1,753	\$ 64	\$ 1,433	\$ 6,472	\$ 2,119	\$ 15,559
Obligations Under Securities Lending Transactions	246	221	450	897	23	2,088
Due to Other Funds	266	676	--	116	102	3,478
Deposits and Advances	--	--	2,937	--	4	2,941
Advances from Other Funds	--	--	3,000	--	--	3,000
Other Liabilities	89	80	162	323	8	751
<b>TOTAL LIABILITIES</b>	<b>2,354</b>	<b>1,041</b>	<b>7,982</b>	<b>7,808</b>	<b>2,256</b>	<b>27,817</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Receivables from Other Government Agencies	--	--	1,559	--	92	1,757
Interest Receivable on Loans and Others	13	12	22	872	1	933
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>13</b>	<b>12</b>	<b>1,581</b>	<b>872</b>	<b>93</b>	<b>2,690</b>
<b>FUND BALANCES</b>						
Restricted	37,309	23,810	72,356	134,859	22,202	323,889
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 39,676</b>	<b>\$ 24,863</b>	<b>\$ 81,919</b>	<b>\$ 143,539</b>	<b>\$ 24,551</b>	<b>\$ 354,396</b>

**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, 2020  
(amounts expressed in thousands)**

**General Obligation Bonds**

	<b>Series 2003-A</b>	<b>Series 2004-A</b>	<b>Series 2005-A</b>	<b>Series 2006-A</b>	<b>Series 2008-A</b>	<b>Series 2009</b>
<b>REVENUES</b>						
Other Taxes	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Licenses and Permits	--	--	--	--	--	--
Intergovernmental	--	--	--	--	--	--
Charges for Services	--	--	--	--	--	--
Special Assessments	--	--	--	--	--	--
Investment Earnings	57	40	212	271	169	1,045
Other	--	--	--	--	22	--
<b>TOTAL REVENUES</b>	<b>57</b>	<b>40</b>	<b>212</b>	<b>271</b>	<b>191</b>	<b>1,045</b>
<b>EXPENDITURES</b>						
Capital Outlay	4,367	--	1,587	1,842	1,296	11,964
<b>TOTAL EXPENDITURES</b>	<b>4,367</b>	<b>--</b>	<b>1,587</b>	<b>1,842</b>	<b>1,296</b>	<b>11,964</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(4,310)</b>	<b>40</b>	<b>(1,375)</b>	<b>(1,571)</b>	<b>(1,105)</b>	<b>(10,919)</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers In	--	--	--	--	--	--
Transfers Out	--	--	--	--	--	--
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(4,310)</b>	<b>40</b>	<b>(1,375)</b>	<b>(1,571)</b>	<b>(1,105)</b>	<b>(10,919)</b>
FUND BALANCES, JULY 1	4,677	791	5,482	6,046	4,684	30,913
<b>FUND BALANCES, JUNE 30</b>	<b>\$ 367</b>	<b>\$ 831</b>	<b>\$ 4,107</b>	<b>\$ 4,475</b>	<b>\$ 3,579</b>	<b>\$ 19,994</b>

**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, 2020  
(amounts expressed in thousands)**

	<u>General Obligation Bonds</u>				<u>Other Nonmajor Capital Projects Funds</u>	<u>Total</u>
	<u>Series 2011-A</u>	<u>Proposition HHH - Facilities Program</u>	<u>Recreation &amp; Parks Grant</u>	<u>Parks Assessment</u>		
<b>REVENUES</b>						
Other Taxes	\$ --	\$ --	\$ --	\$ --	\$ 3,213	\$ 3,213
Licenses and Permits	--	--	--	--	16	16
Intergovernmental	544	--	17,700	--	5,057	23,301
Charges for Services	--	--	1,540	--	--	1,540
Special Assessments	--	--	--	24,678	--	24,678
Investment Earnings	1,650	1,576	2,904	5,866	145	13,935
Other	--	--	107	--	5	134
<b>TOTAL REVENUES</b>	<u>2,194</u>	<u>1,576</u>	<u>22,251</u>	<u>30,544</u>	<u>8,436</u>	<u>66,817</u>
<b>EXPENDITURES</b>						
Capital Outlay	10,043	12,325	19,704	27,904	7,983	99,015
<b>TOTAL EXPENDITURES</b>	<u>10,043</u>	<u>12,325</u>	<u>19,704</u>	<u>27,904</u>	<u>7,983</u>	<u>99,015</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(7,849)</u>	<u>(10,749)</u>	<u>2,547</u>	<u>2,640</u>	<u>453</u>	<u>(32,198)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers In	--	--	--	--	120	120
Transfers Out	--	(7,215)	--	(120)	(300)	(7,635)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>--</u>	<u>(7,215)</u>	<u>--</u>	<u>(120)</u>	<u>(180)</u>	<u>(7,515)</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>(7,849)</u>	<u>(17,964)</u>	<u>2,547</u>	<u>2,520</u>	<u>273</u>	<u>(39,713)</u>
FUND BALANCES, JULY 1	<u>45,158</u>	<u>41,774</u>	<u>69,809</u>	<u>132,339</u>	<u>21,929</u>	<u>363,602</u>
<b>FUND BALANCES, JUNE 30</b>	<u>\$ 37,309</u>	<u>\$ 23,810</u>	<u>\$ 72,356</u>	<u>\$ 134,859</u>	<u>\$ 22,202</u>	<u>\$ 323,889</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, 2020  
(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		
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues				
Taxes	\$ --	\$ --	\$ --	\$ --
Intergovernmental	3,107	3,107	5,061	1,954
Interest	35	35	42	7
Total Revenues	<u>3,142</u>	<u>3,142</u>	<u>5,103</u>	<u>1,961</u>
Other Financing Sources				
Transfers from Other Funds	--	--	--	--
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	<u>3,142</u>	<u>3,142</u>	<u>5,103</u>	<u>1,961</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures				
Capital Outlay	9,894	9,738	4,993	4,745
Other Financing Uses				
Transfers to Other Funds	89	89	--	89
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	<u>9,983</u>	<u>9,827</u>	<u>4,993</u>	<u>4,834</u>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	(6,841)	(6,685)	110	6,795
FUND BALANCES, JULY 1	916	916	(1,128)	(2,044)
Appropriation of Fund Balances and Carryforward Appropriations	5,925	4,790	--	(4,790)
Encumbrances Lapsed	--	979	979	--
<b>FUND BALANCES (DEFICIT), JUNE 30</b>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ (39)</u>	<u>\$ (39)</u>

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, 2020  
(amounts expressed in thousands)

	Other Nonmajor Capital Projects Fund - Park and Recreation Sites and Facilities			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues				
Taxes	\$ 3,500	\$ 3,500	\$ 3,218	\$ (282)
Intergovernmental	--	--	--	--
Interest	--	--	--	--
Total Revenues	<u>3,500</u>	<u>3,500</u>	<u>--</u>	<u>(282)</u>
Other Financing Sources				
Transfers from Other Funds	--	--	120	120
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	<u>3,500</u>	<u>3,500</u>	<u>3,338</u>	<u>(162)</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures				
Capital Outlay	3,500	19,673	3,804	15,869
Other Financing Uses				
Transfers to Other Funds	765	1,003	364	639
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	<u>4,265</u>	<u>20,676</u>	<u>4,168</u>	<u>16,508</u>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	(765)	(17,176)	(830)	16,346
FUND BALANCES, JULY 1	--	--	17,219	17,219
Appropriation of Fund Balances and Carryforward Appropriations	765	17,138	--	(17,138)
Encumbrances Lapsed	--	38	38	--
<b>FUND BALANCES, JUNE 30</b>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 16,427</u>	<u>\$ 16,427</u>

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, 2020  
(amounts expressed in thousands)**

	<b>Total Annually Budgeted Nonmajor Capital Projects Funds</b>			
	<b>Budgeted Amounts</b>		<b>Actual Amounts (Budgetary Basis)</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues				
Taxes	\$ 3,500	\$ 3,500	\$ 3,218	\$ (282)
Intergovernmental	3,107	3,107	5,061	1,954
Interest	35	35	42	7
Total Revenues	<u>6,642</u>	<u>6,642</u>	<u>8,321</u>	<u>1,679</u>
Other Financing Sources				
Transfers from Other Funds	--	--	120	120
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	<u>6,642</u>	<u>6,642</u>	<u>8,441</u>	<u>1,799</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures				
Capital Outlay	13,394	29,411	8,797	20,614
Other Financing Uses				
Transfers to Other Funds	854	1,092	364	728
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	<u>14,248</u>	<u>30,503</u>	<u>9,161</u>	<u>21,342</u>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	(7,606)	(23,861)	(720)	23,141
FUND BALANCES, JULY 1	916	916	16,091	15,175
Appropriation of Fund Balances and Carryforward Appropriations	6,690	21,928	--	(21,928)
Encumbrances Lapsed	--	1,017	1,017	--
<b>FUND BALANCES, JUNE 30</b>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 16,388</u>	<u>\$ 16,388</u>

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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, 2020  
(amounts expressed in thousands)

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**Deficiency of Revenues and Other Financing Sources Under**

**Expenditures and Other Financing Uses - Budgetary** \$ (720)

**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. 1,953

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).

Encumbrances reported as budgetary expenditures 3,188  
Prior year encumbrances expended in current year (4,091)

**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. (40,043)

**Net Change in Fund Balances - Nonmajor Capital Projects Funds** \$ (39,713)



**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, 2020  
(amounts expressed in thousands)**

	<b>Original Adopted Budget</b>	<b>Additional Appropriations, Carryforward and Transfers</b>	<b>Final Budget</b>	<b>Expenditures</b>	<b>Encumbrances June 30, 2020</b>	<b>Total Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>LOCAL TRANSPORTATION</b>							
Capital Outlay	\$ 9,894	\$ (156)	\$ 9,738	\$ 2,726	\$ 2,267	\$ 4,993	\$ 4,745
Transfers to Other Funds	89	--	89	--	--	--	89
<b>TOTAL</b>	<u>9,983</u>	<u>(156)</u>	<u>9,827</u>	<u>2,726</u>	<u>2,267</u>	<u>4,993</u>	<u>4,834</u>
<b>PARKS AND RECREATION SITES AND FACILITIES</b>							
Capital Outlay	3,500	16,173	19,673	2,883	921	3,804	15,869
Transfers to Other Funds	765	238	1,003	364	--	364	639
<b>TOTAL</b>	<u>4,265</u>	<u>16,411</u>	<u>20,676</u>	<u>3,247</u>	<u>921</u>	<u>4,168</u>	<u>16,508</u>
<b>TOTAL BUDGETED CAPITAL PROJECTS FUNDS</b>	<u>\$ 14,248</u>	<u>\$ 16,255</u>	<u>\$ 30,503</u>	<u>\$ 5,973</u>	<u>\$ 3,188</u>	<u>\$ 9,161</u>	<u>\$ 21,342</u>
<b>ALL ANNUALLY BUDGETED CAPITAL PROJECTS FUNDS</b>							
Capital Outlay	\$ 13,394	\$ 16,017	\$ 29,411	\$ 5,609	\$ 3,188	\$ 8,797	\$ 20,614
Transfers to Other Funds	854	238	1,092	364	--	364	728
<b>TOTAL</b>	<u>\$ 14,248</u>	<u>\$ 16,255</u>	<u>\$ 30,503</u>	<u>\$ 5,973</u>	<u>\$ 3,188</u>	<u>\$ 9,161</u>	<u>\$ 21,342</u>

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## **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.

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## 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 Agency 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, Disability and Death Benefit Insurance Plan.

**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' Retiree Health Benefits Plan.

**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 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, 2020  
(amounts expressed in thousands)**

	<b>Pension Trust Funds</b>	<b>Other Postemployment Benefits Trust Funds</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and Pooled Investments	\$ 95,611	\$ 2,049	\$ 97,660
Receivables			
Contributions	85,916	246	86,162
Accrued Investment Income	142,541	20,747	163,288
Contingent Disability Benefit Advance	3,310	--	3,310
Other Receivables	21,613	2,996	24,609
Advance to Other Entities	586,614	80,334	666,948
Other Investments			
Short-Term Investments	2,383,327	308,749	2,692,076
U.S. Government Obligations	4,072,875	574,712	4,647,587
U.S. Agency Notes	843,706	145,653	989,359
Municipal Bonds	4,612	727	5,339
Domestic Corporate Bonds	4,442,195	597,444	5,039,639
International Bonds	1,115,699	193,838	1,309,537
Other Fixed Income	438,911	83,361	522,272
Bank Loans	3,535	671	4,206
Opportunistic Debt	187,722	35,653	223,375
Domestic Stocks	16,226,595	2,322,851	18,549,446
International Stocks	10,422,512	1,577,561	12,000,073
Mortgage-Backed Securities	599,700	111,638	711,338
Government Agencies	31,572	5,996	37,568
Derivative Instruments	1,785	339	2,124
Real Estate	2,934,407	418,538	3,352,945
Alternative Investments	6,420,103	951,449	7,371,552
Securities Lending Collateral	2,050,205	300,247	2,350,452
Prepaid Expense	26	--	26
Prepaid Health Subsidy	1	12,517	12,518
Capital Assets			
Land, Furniture, Equipment and Software (Net of Accumulated Depreciation and Amortization of \$9,136)	59,702	9,162	68,864
<b>TOTAL ASSETS</b>	<b>53,174,795</b>	<b>7,757,478</b>	<b>60,932,273</b>
<b>LIABILITIES</b>			
Accounts Payable and Accrued Expenses	143,407	16,614	160,021
Accrued Investment Expenses	10,184	1,934	12,118
Benefits in Process of Payment	21,342	1,265	22,607
Due to Brokers	922,808	121,426	1,044,234
Obligations Under Securities Lending Transactions	2,050,205	300,247	2,350,452
Mortgage Loan Payable - Current Portion	966	96	1,062
Mortgage Loan Payable - Noncurrent Portion	175,796	17,512	193,308
Deposits and Advances	34	3	37
<b>TOTAL LIABILITIES</b>	<b>3,324,742</b>	<b>459,097</b>	<b>3,783,839</b>
<b>NET POSITION</b>			
Restricted for Pension and Other Postemployment Benefits			
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
<b>TOTAL NET POSITION</b>	<b>\$ 49,850,053</b>	<b>\$ 7,298,381</b>	<b>\$ 57,148,434</b>

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, 2020  
(amounts expressed in thousands)**

	<b>Pension Trust Funds</b>	<b>Other Postemployment Benefits Trust Funds</b>	<b>Total</b>
<b>ADDITIONS</b>			
Contributions			
Employer	\$ 1,529,876	\$ 415,795	\$ 1,945,671
Plan Member	538,948	--	538,948
Other	375	36	411
Total contributions	<u>2,069,199</u>	<u>415,831</u>	<u>2,485,030</u>
Self-Funded Insurance Premium	--	10,364	10,364
Health Insurance Premium Reserve	--	2,137	2,137
Investment Income			
Net Appreciation in Fair Value of Investments	549,429	83,065	632,494
Interest Income	374,196	54,871	429,067
Income from Alternative Investments	21,517	2,525	24,042
Dividend Income	520,375	74,125	594,500
Securities Lending Income	21,522	3,845	25,367
Other Investment Income	43,049	8,392	51,441
Income from Real Estate Investments	82,229	11,505	93,734
Investment Income	<u>1,612,317</u>	<u>238,328</u>	<u>1,850,645</u>
Investment Expense	(228,012)	(35,330)	(263,342)
Securities Lending Expense	(8,052)	(1,712)	(9,764)
Net Investment Income	<u>1,376,253</u>	<u>201,286</u>	<u>1,577,539</u>
Other Income	645	147	792
<b>TOTAL ADDITIONS</b>	<u>3,446,097</u>	<u>629,765</u>	<u>4,075,862</u>
<b>DEDUCTIONS</b>			
Benefits Payments	2,745,182	392,715	3,137,897
Administrative Expenses	49,388	9,034	58,422
Refunds of Member Contributions	23,663	--	23,663
<b>TOTAL DEDUCTIONS</b>	<u>2,818,233</u>	<u>401,749</u>	<u>3,219,982</u>
<b>CHANGE IN NET POSITION</b>			
Pension Plans	617,661	--	617,661
Disability Plan	1,645	--	1,645
Death Benefit Plan	8,558	--	8,558
Postemployment Healthcare Plans	--	228,016	228,016
<b>TOTAL CHANGE IN NET POSITION</b>	<u>627,864</u>	<u>228,016</u>	<u>855,880</u>
Net Position Restricted for Pension and Postemployment Benefits, July 1			
Benefit Pension Plans	49,145,099	--	49,145,099
Disability Plan	48,283	--	48,283
Death Benefit Plan	28,807	--	28,807
Postemployment Healthcare Plans	--	7,070,365	7,070,365
<b>NET POSITION RESTRICTED FOR PENSION AND OTHER POSTEMPLOYMENT BENEFITS, JUNE 30</b>	<u>\$ 49,850,053</u>	<u>\$ 7,298,381</u>	<u>\$ 57,148,434</u>

**CITY OF LOS ANGELES**

**Combining Statement of Fiduciary Net Position  
Pension Trust Funds  
June 30, 2020  
(amounts expressed in thousands)**

	<b>Fire and Police Pension Plan</b>	<b>Los Angeles City Employees' Retirement Plan</b>	<b>Water and Power Employees' Retirement, Disability, and Death Benefit Insurance Plan</b>	<b>Total</b>
<b>ASSETS</b>				
Cash and Pooled Investments	\$ 1,861	\$ 4,078	\$ 89,672	\$ 95,611
Receivables				
Contributions	9,804	--	76,112	85,916
Accrued Investment Income	58,356	51,228	32,957	142,541
Contingent Disability Benefit Advance	--	--	3,310	3,310
Other Receivables	--	15,777	5,836	21,613
Advance to Other Entities	299,044	61,795	225,775	586,614
Other Investments				
Short-Term Investments	1,401,803	554,820	426,704	2,383,327
U.S. Government Obligations	2,101,494	1,343,146	628,235	4,072,875
U.S. Agency Notes	--	--	843,706	843,706
Municipal Bonds	--	--	4,612	4,612
Domestic Corporate Bonds	2,470,731	909,500	1,061,964	4,442,195
International Bonds	60,093	547,866	507,740	1,115,699
Other Fixed Income	--	438,911	--	438,911
Bank Loans	--	3,535	--	3,535
Opportunistic Debt	--	187,722	--	187,722
Domestic Stocks	7,895,255	3,826,132	4,505,208	16,226,595
International Stocks	3,867,682	4,180,522	2,374,308	10,422,512
Mortgage-Backed Securities	--	474,694	125,006	599,700
Government Agencies	--	31,572	--	31,572
Derivative Instruments	--	1,785	--	1,785
Real Estate	1,307,944	629,395	997,068	2,934,407
Alternative Investments	2,658,133	1,884,636	1,877,334	6,420,103
Securities Lending Collateral	1,257,406	273,347	519,452	2,050,205
Prepaid Expense	--	--	26	26
Prepaid Health Subsidy	1	--	--	1
Capital Assets				
Land, Furniture, Equipment and Software (Net of Accumulated Depreciation and Amortization of \$8,065)	24,104	35,598	--	59,702
<b>TOTAL ASSETS</b>	<b>23,413,711</b>	<b>15,456,059</b>	<b>14,305,025</b>	<b>53,174,795</b>
<b>LIABILITIES</b>				
Accounts Payable and Accrued Expenses	17,891	54,859	70,657	143,407
Accrued Investment Expenses	--	10,184	--	10,184
Benefits in Process of Payment	16,957	--	4,385	21,342
Due to Brokers	547,729	105,549	269,530	922,808
Obligations Under Securities Lending Transactions	1,257,406	273,347	519,452	2,050,205
Mortgage Loan Payable - Current Portion	966	--	--	966
Mortgage Loan Payable - Noncurrent Portion	175,796	--	--	175,796
Deposits and Advances	34	--	--	34
<b>TOTAL LIABILITIES</b>	<b>2,016,779</b>	<b>443,939</b>	<b>864,024</b>	<b>3,324,742</b>
<b>NET POSITION</b>				
Restricted for Pension Benefits				
Pension Plans	21,396,932	15,012,120	13,353,708	49,762,760
Disability Plan	--	--	49,928	49,928
Death Benefit Plan	--	--	37,365	37,365
<b>TOTAL NET POSITION</b>	<b>\$ 21,396,932</b>	<b>\$ 15,012,120</b>	<b>\$ 13,441,001</b>	<b>\$ 49,850,053</b>

**CITY OF LOS ANGELES**

**Combining Statement of Changes in Fiduciary Net Position  
Pension Trust Funds  
For the Fiscal Year Ended June 30, 2020  
(amounts expressed in thousands)**

	<b>Fire and Police Pension Plan</b>	<b>Los Angeles City Employees' Retirement Plan</b>	<b>Water and Power Employees' Retirement, Disability, and Death Benefit Insurance Plan</b>	<b>Total</b>
<b>ADDITIONS</b>				
Contributions				
Employer	\$ 516,638	\$ 553,222	\$ 460,016	\$ 1,529,876
Plan Member	153,787	263,936	121,225	538,948
Other	375	--	--	375
<b>Total contributions</b>	<b>670,800</b>	<b>817,158</b>	<b>581,241</b>	<b>2,069,199</b>
Investment Income				
Net Appreciation (Depreciation) in Fair Value of Investments	233,990	41,055	274,384	549,429
Interest Income	153,181	102,466	118,549	374,196
Income from Alternative Investments	14,534	--	6,983	21,517
Dividend Income	260,828	185,605	73,942	520,375
Securities Lending Income	6,135	6,210	9,177	21,522
Other Investment Income	(278)	42,402	925	43,049
Income from Real Estate Investments	39,455	--	42,774	82,229
<b>Investment Income</b>	<b>707,845</b>	<b>377,738</b>	<b>526,734</b>	<b>1,612,317</b>
Investment Expense	(101,118)	(71,530)	(55,364)	(228,012)
Securities Lending Expense	(858)	(917)	(6,277)	(8,052)
<b>Net Investment Income</b>	<b>605,869</b>	<b>305,291</b>	<b>465,093</b>	<b>1,376,253</b>
Other Income	--	645	--	645
<b>TOTAL ADDITIONS</b>	<b>1,276,669</b>	<b>1,123,094</b>	<b>1,046,334</b>	<b>3,446,097</b>
<b>DEDUCTIONS</b>				
Benefits Payments	1,116,722	973,197	655,263	2,745,182
Refunds of Member Contributions	4,530	12,332	6,801	23,663
Administrative Expenses	20,685	21,257	7,446	49,388
<b>TOTAL DEDUCTIONS</b>	<b>1,141,937</b>	<b>1,006,786</b>	<b>669,510</b>	<b>2,818,233</b>
<b>CHANGE IN NET POSITION</b>				
Benefit Pension Plans	134,732	116,308	366,621	617,661
Disability Plan	--	--	1,645	1,645
Death Benefit Plan	--	--	8,558	8,558
<b>TOTAL CHANGE IN NET POSITION</b>	<b>134,732</b>	<b>116,308</b>	<b>376,824</b>	<b>627,864</b>
Net Position Restricted for Pension, July 1				
Benefit Pension Plans	21,262,200	14,895,812	12,987,087	49,145,099
Disability Plan	--	--	48,283	48,283
Death Benefit Plan	--	--	28,807	28,807
<b>NET POSITION RESTRICTED FOR PENSION, JUNE 30</b>	<b>\$ 21,396,932</b>	<b>\$ 15,012,120</b>	<b>\$ 13,441,001</b>	<b>\$ 49,850,053</b>

**CITY OF LOS ANGELES**

**Combining Statement of Fiduciary Net Position  
Other Postemployment Benefits Trust Funds  
June 30, 2020  
(amounts expressed in thousands)**

	<b>Fire and Police Health Subsidy Plan</b>	<b>Los Angeles City Employees' Postemployment Health Care Plan</b>	<b>Water and Power Employees' Retiree Health Benefits Plan</b>	<b>Total</b>
<b>ASSETS</b>				
Cash and Pooled Investments	\$ 185	\$ 775	\$ 1,089	\$ 2,049
Receivables				
Contributions	--	--	246	246
Accrued Investment Income	5,813	9,730	5,204	20,747
Accounts Receivable	--	2,996	--	2,996
Advance to Other Entities	29,790	11,737	38,807	80,334
Other Investments				
Short-Term Investments	139,643	105,375	63,731	308,749
U.S. Government Obligations	209,343	255,100	110,269	574,712
U.S. Agency Notes	--	--	145,653	145,653
Municipal Bonds	--	--	727	727
Domestic Corporate Bonds	246,125	172,738	178,581	597,444
International Bonds	5,986	104,054	83,798	193,838
Other Fixed Income	--	83,361	--	83,361
Bank Loans	--	671	--	671
Opportunistic Debt	--	35,653	--	35,653
Domestic Stocks	786,496	726,685	809,670	2,322,851
International Stocks	385,284	793,994	398,283	1,577,561
Mortgage-Backed Securities	--	90,157	21,481	111,638
Government Agencies	--	5,996	--	5,996
Derivative Instruments	--	339	--	339
Real Estate	130,293	119,539	168,706	418,538
Alternative Investments	264,794	357,943	328,712	951,449
Securities Lending Collateral	125,258	51,916	123,073	300,247
Prepaid Health Subsidy	12,517	--	--	12,517
Capital Assets				
Land, Furniture, Equipment and Software (Net of Accumulated Depreciation and Amortization of \$1,071)	2,401	6,761	--	9,162
<b>TOTAL ASSETS</b>	<b>2,343,928</b>	<b>2,935,520</b>	<b>2,478,030</b>	<b>7,757,478</b>
<b>LIABILITIES</b>				
Accounts Payable and Accrued Expenses	1,783	10,419	4,412	16,614
Accrued Investment Expenses	--	1,934	--	1,934
Benefits in Process of Payment	1,265	--	--	1,265
Due to Brokers	54,563	20,047	46,816	121,426
Obligations Under Securities Lending Transactions	125,258	51,916	123,073	300,247
Mortgage Loan Payable - Current Portion	96	--	--	96
Mortgage Loan Payable - Noncurrent Portion	17,512	--	--	17,512
Deposits and Advances	3	--	--	3
<b>TOTAL LIABILITIES</b>	<b>200,480</b>	<b>84,316</b>	<b>174,301</b>	<b>459,097</b>
<b>NET POSITION</b>				
Restricted for Postemployment Healthcare Benefits	\$ 2,143,448	\$ 2,851,204	\$ 2,303,729	\$ 7,298,381



CITY OF LOS ANGELES

**Combining Statement of Changes in Fiduciary Net Position  
Other Postemployment Benefits Trust Funds  
For the Fiscal Year Ended June 30, 2020  
(amounts expressed in thousands)**

	Fire and Police Health Subsidy Plan	Los Angeles City Employees' Postemployment Health Care Plan	Water and Power Employees' Retiree Health Benefits Plan	Total
<b>ADDITIONS</b>				
Contributions				
Employer	\$ 193,213	\$ 112,136	\$ 110,445	\$ 415,794
Other	36	--	--	36
Total contributions	<u>193,249</u>	<u>112,136</u>	<u>110,445</u>	<u>415,830</u>
Self-Funded Insurance Premium	--	10,364	--	10,364
Health Insurance Premium Reserve	--	2,137	--	2,137
Investment Income				
Net Appreciation (Depreciation) in Fair Value of Investments	22,425	9,146	51,494	83,065
Interest Income	14,681	21,587	18,604	54,872
Income from Alternative Investments	1,393	--	1,132	2,525
Dividend Income	24,997	36,185	12,943	74,125
Securities Lending Income	588	1,211	2,046	3,845
Other Investment Income	(27)	8,266	153	8,392
Income from Real Estate Investments	3,781	--	7,724	11,505
Investment Income	67,838	76,395	94,096	238,329
Investment Expense	(9,691)	(16,000)	(9,639)	(35,330)
Securities Lending Expense	(82)	(194)	(1,436)	(1,712)
Net Investment Income	<u>58,065</u>	<u>60,201</u>	<u>83,021</u>	<u>201,287</u>
Other Income	--	147	--	147
<b>TOTAL ADDITIONS</b>	<u>251,314</u>	<u>184,985</u>	<u>193,466</u>	<u>629,765</u>
<b>DEDUCTIONS</b>				
Benefits Payments	143,600	139,714	109,401	392,715
Administrative Expenses	1,982	6,165	887	9,034
<b>TOTAL DEDUCTIONS</b>	<u>145,582</u>	<u>145,879</u>	<u>110,288</u>	<u>401,749</u>
<b>CHANGE IN NET POSITION</b>	105,732	39,106	83,178	228,016
Net Position Restricted for Postemployment Healthcare Benefits, July 1	<u>2,037,716</u>	<u>2,812,098</u>	<u>2,220,551</u>	<u>7,070,365</u>
<b>NET POSITION RESTRICTED FOR POSTEMPLOYMENT HEALTHCARE BENEFITS, JUNE 30</b>	<u>\$ 2,143,448</u>	<u>\$ 2,851,204</u>	<u>\$ 2,303,729</u>	<u>\$ 7,298,381</u>

CITY OF LOS ANGELES

**Combining Statement of Fiduciary Net Position  
Custodial Funds  
June 30, 2020  
(amounts expressed in thousands)**

	<b>Unclaimed Money Seized</b>	<b>Bond Deposit Trust Fund</b>	<b>Custodial Assessment Funds</b>	<b>Total</b>
<b>ASSETS</b>				
Cash and Pooled Investments	\$ 4,071	\$ 2,380	\$ 8,009	\$ 14,460
Special Assessments Receivable	--	--	166	166
Investment Income Receivable	--	--	18	18
<b>TOTAL ASSETS</b>	<b>4,071</b>	<b>2,380</b>	<b>8,193</b>	<b>14,644</b>
<b>LIABILITIES</b>				
Fiduciary Liabilities	--	--	184	184
Obligations Under Securities Lending Transactions	--	--	49	49
Due to Other Entities	--	2,380	162	2,542
Deposits and Advances	4,071	--	--	4,071
<b>TOTAL LIABILITIES</b>	<b>4,071</b>	<b>2,380</b>	<b>395</b>	<b>6,846</b>
<b>NET POSITION</b>				
Restricted for Individuals, Organizations and Other Governments	--	--	7,798	7,798
<b>TOTAL NET POSITION</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ 7,798</b>	<b>\$ 7,798</b>

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CITY OF LOS ANGELES

Combining Statement of Changes in Fiduciary Net Position  
Custodial Funds  
For the Fiscal Year Ended June 30, 2020  
(amounts expressed in thousands)

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	<u>Custodial Assessment Funds</u>	<u>Total</u>
<b>ADDITIONS</b>		
Taxes Collections from Community Facilities Districts	\$ 8,169	\$ 8,169
Interest Income	324	324
Securities Lending Income	49	49
<b>TOTAL ADDITIONS</b>	<u>8,542</u>	<u>8,542</u>
<b>DEDUCTIONS</b>		
Debt Service Payments for Community Facilities Districts	<u>7,461</u>	<u>7,461</u>
<b>TOTAL DEDUCTIONS</b>	<u>7,461</u>	<u>7,461</u>
<b>CHANGE IN NET POSITION</b>	1,081	1,081
Net Position Restricted for Individuals, Organizations and Other Governments, July 1	<u>6,717</u>	<u>6,717</u>
<b>NET POSITION RESTRICTED FOR INDIVIDUALS, ORGANIZATIONS, AND OTHER GOVERNMENTS, JUNE 30</b>	<u>\$ 7,798</u>	<u>\$ 7,798</u>

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# STATISTICAL SECTION

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CITY OF LOS ANGELES

Statistical Section  
For the Fiscal Year Ended June 30, 2020

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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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CITY OF LOS ANGELES

Statistical Section  
For the Fiscal Year Ended June 30, 2020

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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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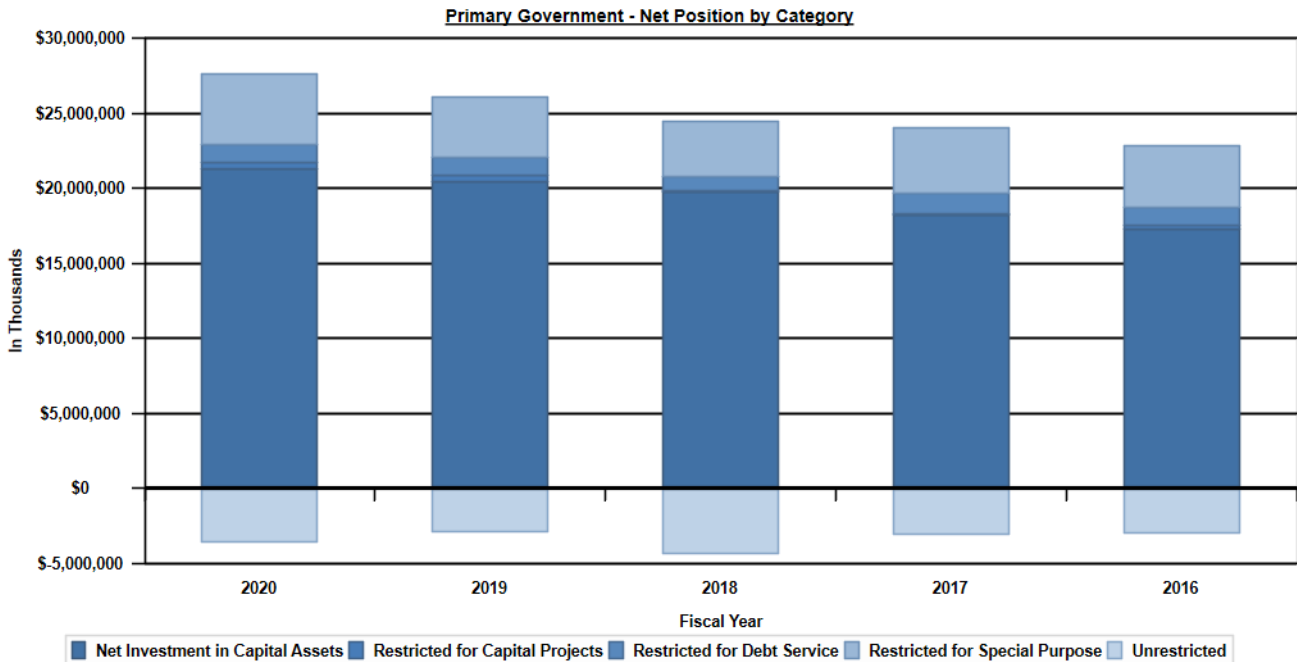
CITY OF LOS ANGELES

Net Position by Category  
Accrual Basis of Accounting  
Last Ten Fiscal Year  
(amounts expressed in thousands)

	Fiscal Year				
	2020	2019	2018	2017	2016
<b>GOVERNMENTAL ACTIVITIES</b>					
Net Investment in Capital Assets	\$ 6,113,258	\$ 5,890,308	\$ 5,699,812	\$ 5,385,062	\$ 5,267,860
Restricted Net Position					
Capital Projects	407,609	474,603	90,884	98,258	96,477
Debt Service	346,878	379,192	208,037	181,685	162,142
Special Purposes	3,371,035	2,643,601	2,387,135	2,191,572	1,877,242
Unrestricted (Deficit)	(7,444,581)	(6,980,964)	(8,022,270)	(6,579,324)	(6,559,669)
<b>SUBTOTAL GOVERNMENTAL ACTIVITIES NET POSITION</b>	<b>2,794,199</b>	<b>2,406,740</b>	<b>363,598</b>	<b>1,277,253</b>	<b>844,052</b>
<b>BUSINESS-TYPE ACTIVITIES</b>					
Net Investment in Capital Assets	15,181,630	14,515,311	14,032,397	12,798,720	11,990,919
Restricted Net Position					
Capital Projects	--	--	--	--	143,033
Debt Service	871,541	848,900	797,375	1,172,984	1,086,557
Special Purposes	1,351,593	1,352,280	1,204,517	2,248,391	2,177,049
Unrestricted (Deficit)	3,912,652	4,086,882	3,680,122	3,481,621	3,625,643
<b>SUBTOTAL BUSINESS-TYPE ACTIVITIES NET POSITION</b>	<b>21,317,416</b>	<b>20,803,373</b>	<b>19,714,411</b>	<b>19,701,716</b>	<b>19,023,201</b>
<b>PRIMARY GOVERNMENT</b>					
Net Investment in Capital Assets	21,294,888	20,405,619	19,732,209	18,183,782	17,258,779
Restricted Net Position					
Capital Projects	407,609	474,603	90,884	98,258	239,510
Debt Service	1,218,419	1,228,092	1,005,412	1,354,669	1,248,699
Special Purpose	4,722,628	3,995,881	3,591,652	4,439,963	4,054,291
Unrestricted (Deficit)	(3,531,929)	(2,894,082)	(4,342,148)	(3,097,703)	(2,934,026)
<b>TOTAL PRIMARY GOVERNMENT NET POSITION</b>	<b>\$ 24,111,615</b>	<b>\$ 23,210,113</b>	<b>\$ 20,078,009</b>	<b>\$ 20,978,969</b>	<b>\$ 19,867,253</b>

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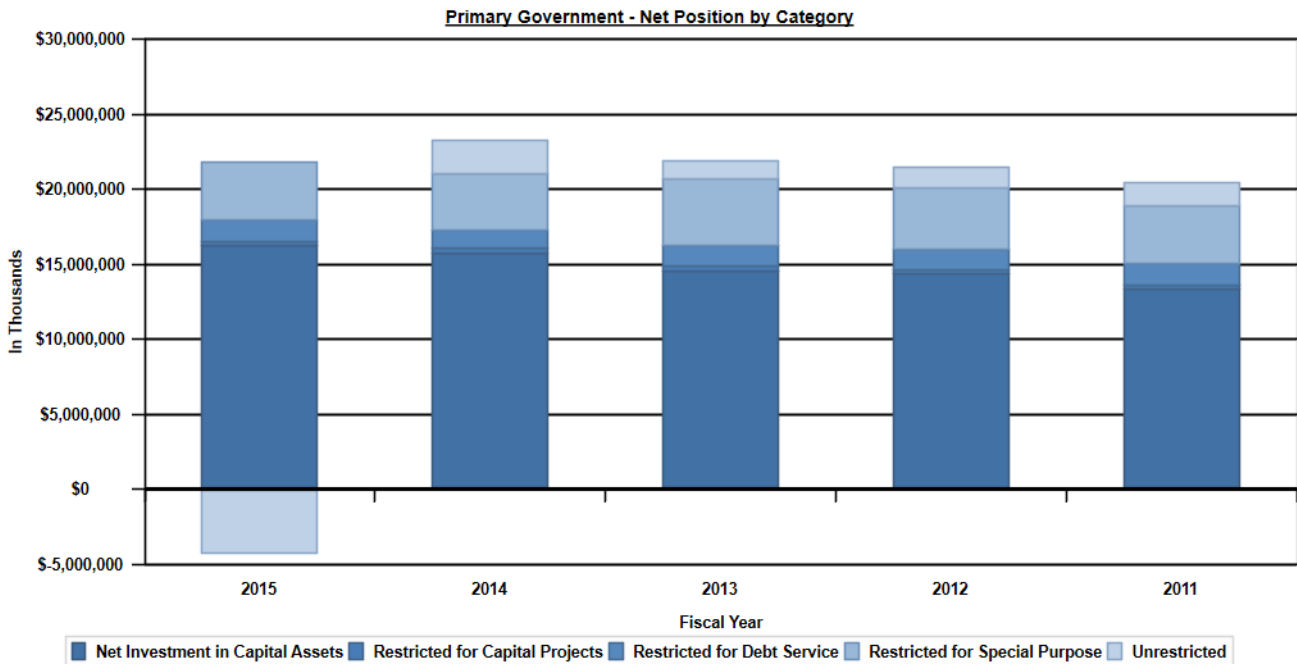
Note: GASB Statement No. 68, 75, and 84 were implemented in fiscal year 2015, 2018 and 2020, respectively. Prior years' financial statements were not restated.



CITY OF LOS ANGELES

Net Position by Category  
 Accrual Basis of Accounting - (Continued)  
 Last Ten Fiscal Year  
 (amounts expressed in thousands)

	Fiscal Year				
	2015	2014	2013	2012	2011
<b>GOVERNMENTAL ACTIVITIES</b>					
Net Investment in Capital Assets	\$ 4,760,372	\$ 4,646,514	\$ 4,452,921	\$ 4,416,934	\$ 4,140,258
Restricted Net Position					
Capital Projects	100,835	204,181	89,055	74,721	61,090
Debt Service	322,336	130,104	154,321	157,402	215,496
Special Purposes	1,663,223	1,467,249	2,193,433	1,853,933	1,753,510
Unrestricted (Deficit)	(7,383,558)	(1,276,678)	(2,429,330)	(1,782,463)	(1,794,315)
<b>SUBTOTAL GOVERNMENTAL ACTIVITIES NET POSITION</b>	<b>(536,792)</b>	<b>5,171,370</b>	<b>4,460,400</b>	<b>4,720,527</b>	<b>4,376,039</b>
<b>BUSINESS-TYPE ACTIVITIES</b>					
Net Investment in Capital Assets	11,489,529	11,113,795	10,135,052	9,940,457	9,186,620
Restricted Net Position					
Capital Projects	138,759	135,700	249,773	168,924	237,019
Debt Service	1,118,078	1,045,688	1,147,819	1,223,993	1,262,623
Special Purposes	2,203,721	2,332,259	2,264,948	2,232,788	2,086,775
Unrestricted (Deficit)	3,169,708	3,506,415	3,619,888	3,214,165	3,336,976
<b>SUBTOTAL BUSINESS-TYPE ACTIVITIES NET POSITION</b>	<b>18,119,795</b>	<b>18,133,857</b>	<b>17,417,480</b>	<b>16,780,327</b>	<b>16,110,013</b>
<b>PRIMARY GOVERNMENT</b>					
Net Investment in Capital Assets	16,249,901	15,760,309	14,587,973	14,357,391	13,326,878
Restricted Net Position					
Capital Projects	239,594	339,881	338,828	243,645	298,109
Debt Service	1,440,414	1,175,792	1,302,140	1,381,395	1,478,119
Special Purpose	3,866,944	3,799,508	4,458,381	4,086,721	3,840,285
Unrestricted (Deficit)	(4,213,850)	2,229,737	1,190,558	1,431,702	1,542,661
<b>TOTAL PRIMARY GOVERNMENT NET POSITION</b>	<b>\$ 17,583,003</b>	<b>\$ 23,305,227</b>	<b>\$ 21,877,880</b>	<b>\$ 21,500,854</b>	<b>\$ 20,486,052</b>



**CITY OF LOS ANGELES**

**Changes in Net Position  
Accrual Basis of Accounting  
Last Ten Fiscal Years  
(amounts expressed in thousands)**

	Fiscal Year				
	2020	2019	2018	2017	2016
<b>EXPENSES</b>					
Governmental Activities					
General Government	\$ 1,686,640	\$ 1,409,022	\$ 1,380,143	\$ 1,480,735	\$ 1,348,442
Protection of Persons and Property	3,660,482	3,176,379	3,209,073	3,348,298	2,797,651
Public Works	580,169	468,463	485,045	411,168	235,840
Health and Sanitation	634,141	605,078	496,132	478,040	504,364
Transportation	580,613	532,348	504,166	506,782	420,799
Cultural and Recreational Services	746,670	714,265	682,076	556,152	595,454
Community Development	657,301	295,571	216,225	242,636	187,453
Interest on Long-Term Debt	135,580	146,491	127,970	124,364	131,893
Subtotal Governmental Activities Expenses	8,681,596	7,347,617	7,100,830	7,148,175	6,221,896
Business-Type Activities					
Airports	1,684,907	1,483,713	1,388,201	1,284,299	1,174,620
Harbor	461,393	408,602	410,133	412,315	398,954
Power	3,816,543	3,916,279	3,429,928	3,414,456	3,229,174
Water	1,184,170	1,158,635	1,053,783	1,049,397	1,039,575
Sewer	669,193	678,253	568,199	577,240	584,971
Convention Center	52,138	62,846	59,408	53,686	49,531
Subtotal Business-type Activities Expenses	7,868,344	7,708,328	6,909,652	6,791,393	6,476,825
<b>TOTAL PRIMARY GOVERNMENT EXPENSES</b>	<b>16,549,940</b>	<b>15,055,945</b>	<b>14,010,482</b>	<b>13,939,568</b>	<b>12,698,721</b>
<b>PROGRAM REVENUES</b>					
Governmental Activities					
Charges for Services					
General Government	249,774	251,549	290,901	8,265	96,117
Protection of Persons and Property	691,176	650,442	540,702	600,720	520,550
Public Works	264,334	242,493	177,530	232,095	253,103
Health and Sanitation	506,121	554,868	480,670	565,941	600,117
Transportation	138,652	116,704	206,240	186,386	179,288
Cultural and Recreational Services	167,934	202,485	214,499	203,719	179,046
Community Development	186,120	176,811	150,932	194,568	183,890
Operating Grants and Contributions	1,331,396	1,697,057	866,203	774,953	827,258
Capital Grants and Contributions	153,045	136,649	152,315	145,509	123,757
Subtotal Governmental Activities Program Revenues	3,688,552	4,029,058	3,079,992	2,912,156	2,963,126
Business-type Activities					
Charges for Services					
Airports	1,365,494	1,537,949	1,446,226	1,372,730	1,285,816
Harbor	467,666	506,427	490,760	474,532	441,249
Power	3,807,291	4,070,930	3,804,221	3,697,924	3,517,040
Water	1,275,067	1,253,503	1,190,181	1,118,547	1,131,777
Sewer	752,727	694,963	677,886	634,060	613,092
Convention Center	39,502	50,996	50,174	47,173	44,311
Capital Grants and Contributions	226,943	144,066	153,892	186,635	232,183
Subtotal Business-type Activities Program Revenues	7,934,690	8,258,834	7,813,340	7,531,601	7,265,468
<b>TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES</b>	<b>11,623,242</b>	<b>12,287,892</b>	<b>10,893,332</b>	<b>10,443,757</b>	<b>10,228,594</b>

Continued...

**CITY OF LOS ANGELES**

**Changes in Net Position  
Accrual Basis of Accounting - (Continued)  
Last Ten Fiscal Years  
(amounts expressed in thousands)**

	Fiscal Year				
	2015	2014	2013	2012	2011
<b>EXPENSES</b>					
Governmental Activities					
General Government	\$ 1,240,898	\$ 1,481,977	\$ 2,089,053	\$ 1,335,180	\$ 1,462,581
Protection of Persons and Property	2,872,296	2,963,882	2,789,023	2,707,892	2,641,343
Public Works	422,558	383,433	387,649	413,348	342,722
Health and Sanitation	467,548	519,519	405,934	416,894	393,827
Transportation	406,573	425,967	423,595	365,841	338,755
Cultural and Recreational Services	541,758	524,282	482,692	445,815	446,805
Community Development	169,121	321,263	386,346	437,229	429,695
Interest on Long-Term Debt	146,896	159,991	179,588	194,513	190,424
Subtotal Governmental Activities Expenses	6,267,648	6,780,314	7,143,880	6,316,712	6,246,152
Business-Type Activities					
Airports	1,092,463	984,754	922,914	897,380	834,071
Harbor	379,809	372,645	331,626	333,355	310,534
Power	3,204,535	3,092,108	2,928,377	2,870,609	2,964,399
Water	1,037,652	1,053,150	939,094	799,575	791,049
Sewer	513,226	542,007	572,425	542,850	557,269
Convention Center	43,871	38,450	39,073	39,107	40,400
Subtotal Business-type Activities Expenses	6,271,556	6,083,114	5,733,509	5,482,876	5,497,722
<b>TOTAL PRIMARY GOVERNMENT EXPENSES</b>	<b>12,539,204</b>	<b>12,863,428</b>	<b>12,877,389</b>	<b>11,799,588</b>	<b>11,743,874</b>
<b>PROGRAM REVENUES</b>					
Governmental Activities					
Charges for Services					
General Government	285,973	246,641	305,545	246,357	241,681
Protection of Persons and Property	439,901	443,352	385,961	326,396	317,283
Public Works	182,758	165,229	169,473	166,061	162,551
Health and Sanitation	494,420	492,238	495,544	493,422	467,614
Transportation	151,813	143,103	121,374	125,392	99,797
Cultural and Recreational Services	160,736	153,544	149,237	152,434	128,170
Community Development	139,509	117,097	111,259	112,897	63,903
Operating Grants and Contributions	834,075	903,146	871,459	1,023,001	924,031
Capital Grants and Contributions	42,705	46,878	55,138	96,156	75,744
Subtotal Governmental Activities Program Revenues	2,731,890	2,711,228	2,664,990	2,742,116	2,480,774
Business-type Activities					
Charges for Services					
Airports	1,121,584	1,038,506	1,122,704	1,114,431	1,052,790
Harbor	446,895	425,951	416,974	435,291	406,606
Power	3,336,963	3,319,820	3,264,534	3,212,141	3,252,872
Water	1,082,581	1,141,823	1,073,948	849,122	783,056
Sewer	594,024	571,570	588,987	532,026	517,212
Convention Center	36,158	24,937	27,255	27,355	26,535
Capital Grants and Contributions	270,637	367,841	109,407	158,114	174,574
Subtotal Business-type Activities Program Revenues	6,888,842	6,890,448	6,603,809	6,328,480	6,213,645
<b>TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES</b>	<b>9,620,732</b>	<b>9,601,676</b>	<b>9,268,799</b>	<b>9,070,596</b>	<b>8,694,419</b>

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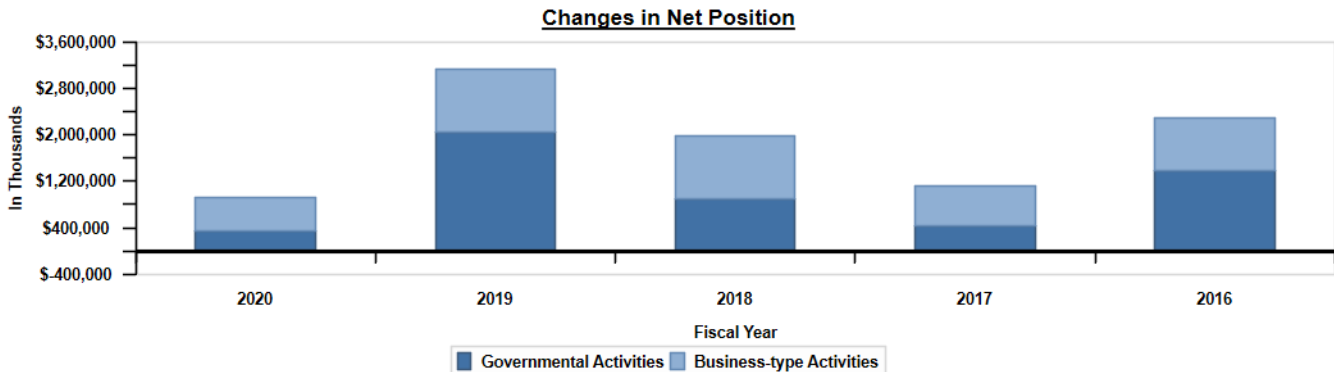
CITY OF LOS ANGELES

Changes in Net Position  
Accrual Basis of Accounting - (Continued)  
Last Ten Fiscal Years  
(amounts expressed in thousands)

	Fiscal Year				
	2020	2019	2018	2017	2016
<b>NET (EXPENSE)/REVENUE</b>					
Governmental Activities	\$ (4,993,044)	\$ (3,318,559)	\$ (4,020,838)	\$ (4,236,019)	\$ (3,258,770)
Business-type Activities	66,346	550,506	903,688	740,208	788,643
<b>TOTAL PRIMARY GOVERNMENT NET EXPENSE</b>	<b>(4,926,698)</b>	<b>(2,768,053)</b>	<b>(3,117,150)</b>	<b>(3,495,811)</b>	<b>(2,470,127)</b>
<b>GENERAL REVENUES AND OTHER CHANGES IN NET POSITION</b>					
Governmental Activities					
Taxes					
Property Taxes	2,374,311	2,251,463	2,108,154	1,991,949	1,844,945
Utility Users' Taxes	642,036	621,192	614,335	629,952	613,748
Business Taxes	677,241	607,786	542,349	433,985	610,467
Sales Taxes	534,631	607,211	517,495	538,651	538,123
Other Taxes	706,645	819,807	802,548	727,376	660,072
Unrestricted Grants and Contributions					
Other	24,703	22,001	22,053	16,758	8,009
Unrestricted Investment Earnings	94,910	86,819	7,142	1,291	39,737
Other General Revenues	64,767	112,865	57,051	63,831	57,531
TRANSFERS	229,913	232,557	241,848	265,427	266,982
Extraordinary Items					
Gain (Loss) on Loan Settlement	--	--	--	--	--
Transfer of Properties from CRA	--	--	--	--	--
Transfer of Assets from CRA	--	--	--	--	--
Subtotal Governmental Activities	5,349,157	5,361,701	4,912,975	4,669,220	4,639,614
Business-Type Activities					
Unrestricted Investment Earnings	322,371	281,122	54,763	32,997	129,316
Other	398,696	489,891	377,160	386,934	252,429
Transfers	(229,913)	(232,557)	(241,848)	(265,427)	(266,982)
Special Item	--	--	--	(225,347)	--
Extraordinary Item	--	--	--	9,150	--
Subtotal Business-type Activities	491,154	538,456	190,075	(61,693)	114,763
<b>TOTAL PRIMARY GOVERNMENT GENERAL REVENUES AND OTHER CHANGES IN NET POSITION</b>	<b>5,840,311</b>	<b>5,900,157</b>	<b>5,103,050</b>	<b>4,607,527</b>	<b>4,754,377</b>
<b>CHANGES IN NET POSITION</b>					
Governmental Activities	356,113	2,043,142	892,137	433,201	1,380,844
Business-Type Activities	557,500	1,088,962	1,093,763	678,515	903,406
<b>TOTAL PRIMARY GOVERNMENT CHANGE IN NET POSITION</b>	<b>\$ 913,613</b>	<b>\$ 3,132,104</b>	<b>\$ 1,985,900</b>	<b>\$ 1,111,716</b>	<b>\$ 2,284,250</b>

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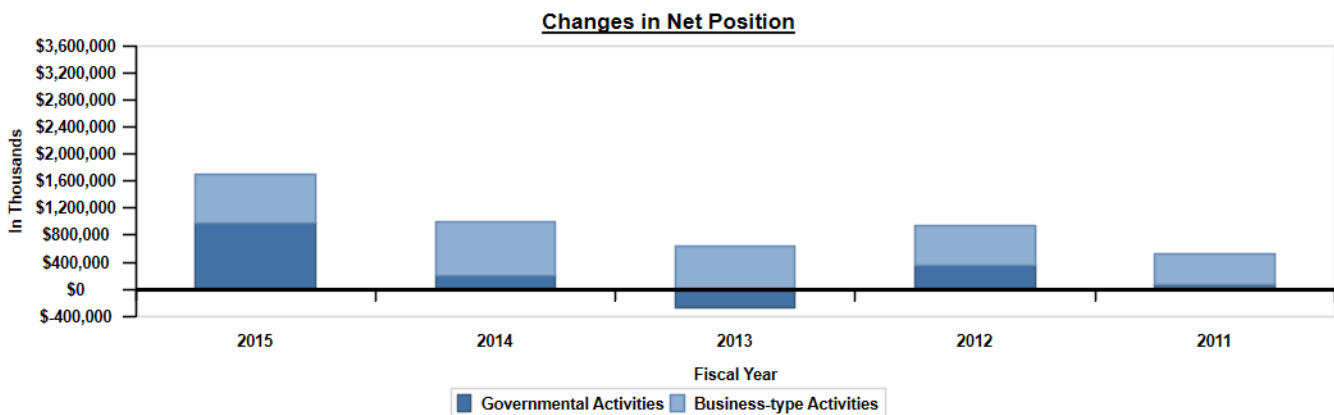
Note: GASB Statement No. 68, 75, and 84 were implemented in fiscal year 2015 and 2018, respectively. Prior years' financial statements were not restated.



**CITY OF LOS ANGELES**

**Changes in Net Position  
Accrual Basis of Accounting - (Continued)  
Last Ten Fiscal Years  
(amounts expressed in thousands)**

	Fiscal Year				
	2015	2014	2013	2012	2011
<b>NET (EXPENSE)/REVENUE</b>					
Governmental Activities	\$ (3,535,758)	\$ (4,069,086)	\$ (4,478,890)	\$ (3,574,596)	\$ (3,765,378)
Business-type Activities	617,286	807,334	870,300	845,604	715,923
<b>TOTAL PRIMARY GOVERNMENT NET EXPENSE</b>	<b>(2,918,472)</b>	<b>(3,261,752)</b>	<b>(3,608,590)</b>	<b>(2,728,992)</b>	<b>(3,049,455)</b>
<b>GENERAL REVENUES AND OTHER CHANGES IN NET POSITION</b>					
Governmental Activities:					
Taxes					
Property Taxes	1,782,124	1,653,067	1,629,914	1,561,778	1,521,632
Utility Users' Taxes	637,248	626,919	627,707	623,721	628,028
Business Taxes	541,844	463,602	482,857	440,327	410,888
Sales Taxes	541,844	478,291	460,086	425,397	434,539
Other Taxes	625,889	565,567	523,308	458,741	392,405
Unrestricted Grants and Contributions					
Other	16,421	55,149	20,825	45,429	52,704
Unrestricted Investment Earnings	20,724	19,935	(298)	21,879	18,814
Other General Revenues	81,303	117,579	105,850	91,735	75,838
TRANSFERS	260,586	253,000	246,534	250,077	258,815
Extraordinary Items					
Gain (Loss) on Loan Settlement	--	--	--	--	(47,007)
Transfer of Properties from CRA	--	--	--	--	93,410
Return of Properties to CRA	--	--	(93,191)	--	--
Transfer of Assets from CRA	4,855	44,155	205,265	--	--
Subtotal Governmental Activities	4,512,838	4,277,264	4,208,857	3,919,084	3,840,066
Business-Type Activities:					
Unrestricted Investment Earnings	86,367	98,264	--	--	--
Other	275,885	122,160	--	--	--
Transfers	(260,586)	(253,000)	(246,534)	(250,077)	(258,815)
Pollution Remediation Liabilities Adjustment	--	15,002	13,387	--	--
Subtotal Business-type Activities	101,666	(17,574)	(233,147)	(250,077)	(258,815)
<b>TOTAL PRIMARY GOVERNMENT GENERAL REVENUES AND OTHER CHANGES IN NET POSITION</b>	<b>4,614,504</b>	<b>4,259,690</b>	<b>3,975,710</b>	<b>3,669,007</b>	<b>3,581,251</b>
<b>CHANGES IN NET POSITION</b>					
Governmental Activities	977,080	208,178	(270,033)	344,488	74,688
Business-Type Activities	718,952	789,760	637,153	595,527	457,108
<b>TOTAL PRIMARY GOVERNMENT CHANGE IN NET POSITION</b>	<b>\$ 1,696,032</b>	<b>\$ 997,938</b>	<b>\$ 367,120</b>	<b>\$ 940,015</b>	<b>\$ 531,796</b>

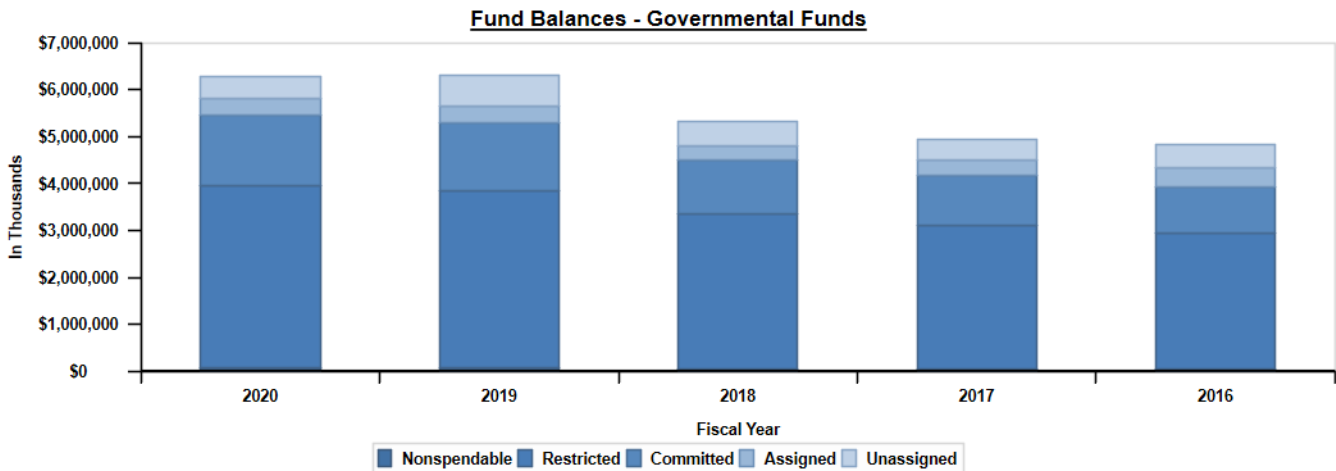


**CITY OF LOS ANGELES**

**Fund Balances - Governmental Funds  
Modified Accrual Basis of Accounting  
Last Ten Fiscal Years  
(amounts expressed in thousands)**

	Fiscal Year				
	2020	2019	2018	2017	2016
<b>GENERAL FUND</b>					
Nonspendable	\$ 62,895	\$ 55,348	\$ 41,823	\$ 45,480	\$ 44,210
Committed	37,386	33,092	25,151	9,723	1,296
Assigned	356,167	334,195	289,080	304,482	392,418
Unassigned	535,681	683,406	573,161	526,543	590,441
<b>SUBTOTAL GENERAL FUND</b>	<b>992,129</b>	<b>1,106,041</b>	<b>929,215</b>	<b>886,228</b>	<b>1,028,365</b>
<b>ALL OTHER GOVERNMENTAL FUNDS</b>					
Nonspendable	10,771	10,025	8,833	8,884	8,893
Restricted	3,888,937	3,780,744	3,313,393	3,045,932	2,880,111
Committed	1,458,310	1,428,812	1,129,752	1,080,301	1,000,834
Assigned	3,982	1,843	1,770	153	15
Unassigned	(60,438)	(15,207)	(55,447)	(72,758)	(96,668)
<b>SUBTOTAL ALL OTHER GOVERNMENTAL FUNDS</b>	<b>5,301,562</b>	<b>5,206,217</b>	<b>4,398,301</b>	<b>4,062,512</b>	<b>3,793,185</b>
<b>ALL GOVERNMENTAL FUNDS</b>					
Nonspendable	73,666	65,373	50,656	54,364	53,103
Restricted	3,888,937	3,780,744	3,313,393	3,045,932	2,880,111
Committed	1,495,696	1,461,904	1,154,903	1,090,024	1,002,130
Assigned	360,149	336,038	290,850	304,635	392,433
Unassigned	475,243	668,199	517,714	453,785	493,773
<b>TOTAL ALL GOVERNMENTAL FUNDS</b>	<b>\$ 6,293,691</b>	<b>\$ 6,312,258</b>	<b>\$ 5,327,516</b>	<b>\$ 4,948,740</b>	<b>\$ 4,821,550</b>

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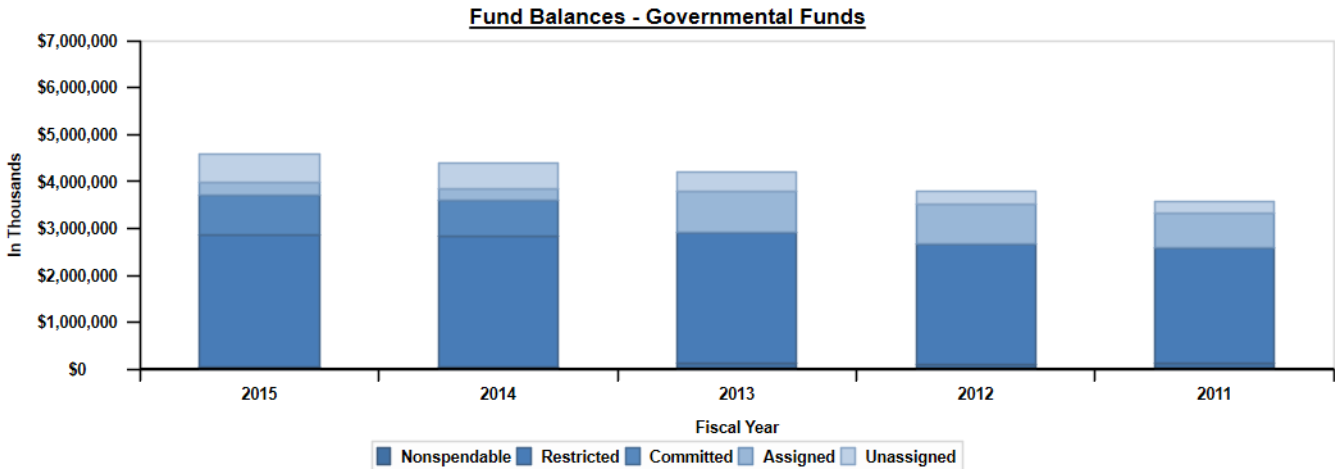




**CITY OF LOS ANGELES**

**Fund Balances - Governmental Funds  
Modified Accrual Basis of Accounting - (Continued)  
Last Ten Fiscal Years  
(amounts expressed in thousands)**

	Fiscal Year				
	2015	2014	2013	2012	2011
<b>GENERAL FUND</b>					
Nonspendable	\$ 42,146	\$ 43,146	\$ 43,115	\$ 31,134	\$ 26,299
Committed	2,457	--	--	--	--
Assigned	253,388	230,717	242,643	267,645	239,877
Unassigned	647,558	622,208	436,858	272,905	253,882
<b>SUBTOTAL GENERAL FUND</b>	<b>945,549</b>	<b>896,071</b>	<b>722,616</b>	<b>571,684</b>	<b>520,058</b>
<b>ALL OTHER GOVERNMENTAL FUNDS</b>					
Nonspendable	10,473	10,946	75,204	82,397	104,175
Restricted	2,806,864	2,788,734	2,813,386	2,548,980	2,447,798
Committed	862,471	761,828	--	--	--
Assigned	14	--	631,529	603,657	512,650
Unassigned	(50,270)	(49,742)	(26,112)	(7,393)	(1,299)
<b>SUBTOTAL ALL OTHER GOVERNMENTAL FUNDS</b>	<b>3,629,552</b>	<b>3,511,766</b>	<b>3,494,007</b>	<b>3,227,641</b>	<b>3,063,324</b>
<b>ALL GOVERNMENTAL FUNDS</b>					
Nonspendable	52,619	54,092	118,319	113,531	130,474
Restricted	2,806,864	2,788,734	2,813,386	2,548,980	2,447,798
Committed	864,928	761,828	--	--	--
Assigned	253,402	230,717	874,172	871,302	752,527
Unassigned	597,288	572,466	410,746	265,512	252,583
<b>TOTAL ALL GOVERNMENTAL FUNDS</b>	<b>\$ 4,575,101</b>	<b>\$ 4,407,837</b>	<b>\$ 4,216,623</b>	<b>\$ 3,799,325</b>	<b>\$ 3,583,382</b>



**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				
	2020	2019	2018	2017	2016
<b>REVENUES</b>					
Taxes	\$ 4,897,805	\$ 4,867,801	\$ 4,584,006	\$ 4,392,121	\$ 4,163,430
Licenses and Permits	101,810	110,289	103,485	97,096	85,910
Intergovernmental	1,181,220	1,127,369	986,991	805,064	860,867
Charges for Services	1,397,862	1,399,841	1,267,718	1,221,306	1,209,467
Services to Enterprise Funds	375,175	334,185	325,183	335,416	326,481
Fines	119,972	149,096	147,224	153,014	159,254
Special Assessments	147,799	154,572	147,387	146,113	140,994
Investment Earnings	267,449	219,097	75,848	56,535	88,844
Other	146,148	220,104	96,593	108,633	160,957
<b>TOTAL REVENUES</b>	<b>8,635,240</b>	<b>8,582,354</b>	<b>7,734,435</b>	<b>7,315,298</b>	<b>7,196,204</b>
<b>EXPENDITURES</b>					
General Government	1,596,223	1,373,924	1,357,581	1,379,386	1,339,233
Protection of Persons and Property	3,686,179	3,540,565	3,397,912	3,261,974	3,166,098
Public Works	482,006	409,688	413,393	414,443	361,380
Health and Sanitation	553,694	554,102	475,410	471,576	487,570
Transportation	514,264	484,307	452,610	434,815	378,821
Cultural and Recreational Services	656,045	646,414	599,560	490,530	512,474
Community Development	637,264	285,920	206,704	245,596	189,865
Capital Outlay	507,531	609,672	513,595	506,648	474,868
Debt Service					
Principal	338,584	523,918	376,188	298,189	465,129
Interest	130,386	139,617	121,139	120,357	139,030
Cost of Issuance	735	2,791	2,538	2,818	6,225
Payment to Refunded Bond Escrow Agent	--	50,252	--	--	--
<b>TOTAL EXPENDITURES</b>	<b>9,102,911</b>	<b>8,621,170</b>	<b>7,916,630</b>	<b>7,626,332</b>	<b>7,520,693</b>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES</b>	<b>(467,671)</b>	<b>(38,816)</b>	<b>(182,195)</b>	<b>(311,034)</b>	<b>(324,489)</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	1,113,738	1,113,917	1,023,374	992,041	1,117,660
Transfers Out	(883,825)	(881,360)	(781,526)	(726,614)	(850,678)
Proceeds from Long-Term Debt	187,845	481,770	241,370	172,298	117,369
Loans from Capital Leases	--	78,393	--	--	--
Loans from HUD	--	217	4,005	1,827	2,500
Discount on Issuance of Long-term Debt	--	--	--	--	--
Premium on Issuance of Long-Term Debt	--	18,319	582	--	150,216
Proceeds from Refunding Bonds	--	234,460	193,225	143,815	1,102,920
Premium on Issuance of Refunding Bonds	--	34,854	27,027	--	--
Payment to Refunding Bond Escrow Agent	--	(70,661)	(146,932)	(142,256)	(1,084,399)
Proceeds of Refunding Loan	--	--	--	--	--
Payment for Current Refunding of Loan	--	--	--	--	--
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>417,758</b>	<b>1,009,909</b>	<b>561,125</b>	<b>441,111</b>	<b>555,588</b>
<b>EXTRAORDINARY ITEMS</b>					
Loss on Loan Settlement	--	--	--	--	--
Transfer of Assets from CRA	--	--	--	--	--
<b>TOTAL EXTRAORDINARY ITEMS</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ (49,913)</b>	<b>\$ 971,093</b>	<b>\$ 378,930</b>	<b>\$ 130,077</b>	<b>\$ 231,099</b>
<b>DEBT SERVICE AS A PERCENTAGE OF NON-CAPITAL EXPENDITURES</b>	<b>5.4 %</b>	<b>8.3 %</b>	<b>6.8 %</b>	<b>5.8 %</b>	<b>8.8 %</b>

Continued...

**CITY OF LOS ANGELES**

**Changes in Fund Balances - Governmental Funds  
Modified Accrual Basis of Accounting - (Continued)  
Last Ten Fiscal Years  
(amounts expressed in thousands)**

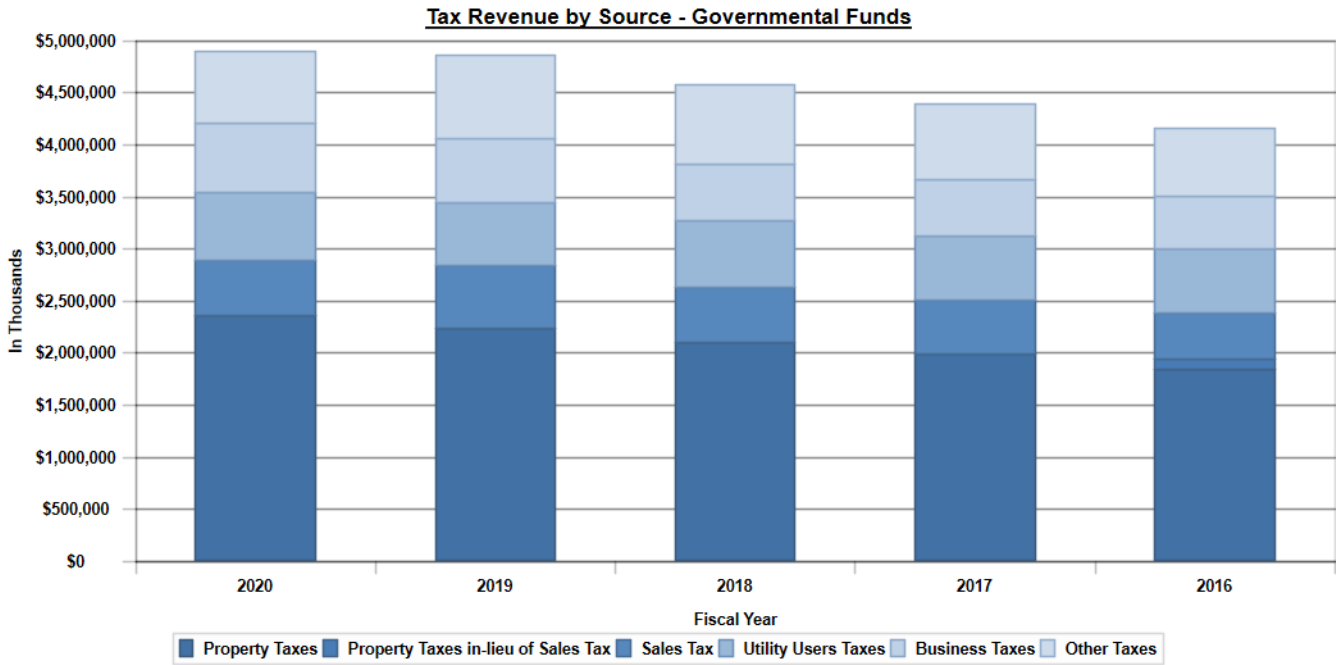
	Fiscal Year				
	2015	2014	2013	2012	2011
<b>REVENUES</b>					
Taxes	\$ 4,016,005	\$ 3,861,140	\$ 3,687,676	\$ 3,518,357	\$ 3,435,063
Licenses and Permits	74,428	66,915	61,605	60,474	51,691
Intergovernmental	783,412	842,540	866,749	937,817	920,809
Charges for Services	1,456,007	1,392,820	1,320,280	1,280,996	1,183,078
Services to Enterprise Funds	278,875	259,912	257,343	252,630	253,899
Fines	164,137	176,503	172,437	158,417	158,612
Special Assessments	132,239	130,459	128,762	123,383	106,514
Investment Earnings	48,735	53,628	5,438	72,411	65,978
Other	194,408	192,483	188,800	172,269	142,968
<b>TOTAL REVENUES</b>	<b>7,148,246</b>	<b>6,976,400</b>	<b>6,689,090</b>	<b>6,576,754</b>	<b>6,318,612</b>
<b>EXPENDITURES</b>					
General Government	1,354,114	1,288,088	1,261,771	1,296,788	1,269,321
Protection of Persons and Property	3,097,860	2,919,246	2,667,236	2,532,262	2,477,648
Public Works	399,365	379,260	400,017	389,139	347,485
Health and Sanitation	492,721	500,921	438,220	453,681	459,785
Transportation	390,155	405,721	400,047	345,671	321,797
Cultural and Recreational Services	496,172	460,274	431,062	406,338	389,165
Community Development	199,420	345,905	417,285	465,984	463,920
Capital Outlay	425,267	345,432	352,685	523,931	362,867
Debt Service					
Principal	452,305	436,801	326,913	410,333	367,206
Interest	145,663	158,206	168,497	182,171	189,902
Cost of Issuance	2,107	1,312	1,777	5,342	2,439
Payment to Refunded Bond Escrow Agent	--	--	--	--	--
<b>TOTAL EXPENDITURES</b>	<b>7,455,149</b>	<b>7,241,166</b>	<b>6,865,510</b>	<b>7,011,640</b>	<b>6,651,535</b>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES</b>	<b>(306,903)</b>	<b>(264,766)</b>	<b>(176,420)</b>	<b>(434,886)</b>	<b>(332,923)</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	1,100,486	1,092,258	951,062	1,004,650	1,086,218
Transfers Out	(839,900)	(839,258)	(704,528)	(754,573)	(827,403)
Proceeds from Long-Term Debt	209,058	--	116,665	318,530	219,186
Loans from Capital Leases	--	--	--	--	--
Loans from HUD	2,102	8,578	29,003	52,521	7,388
Discount on Issuance of Long-term Debt	--	149,479	--	--	--
Premium on Issuance of Long-Term Debt	4,629	--	5,096	24,672	2,216
Proceeds from Refunding Bonds	76,670	--	78,780	595,240	18,705
Premium on Issuance of Refunding Bonds	17,682	--	9,096	100,885	1,198
Payment to Refunding Bond Escrow Agent	(155,196)	--	(94,781)	(694,326)	1,983
Proceeds of Refunding Loan	51,730	--	--	--	--
Payment for Current Refunding of Loan	--	--	--	--	(1,983)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>467,261</b>	<b>411,057</b>	<b>390,393</b>	<b>647,599</b>	<b>507,508</b>
<b>EXTRAORDINARY ITEMS</b>					
Loss on Loan Settlement	--	--	--	--	(47,007)
Transfer of Assets from CRA	4,855	44,155	205,265	--	--
<b>TOTAL EXTRAORDINARY ITEMS</b>	<b>4,855</b>	<b>44,155</b>	<b>205,265</b>	<b>--</b>	<b>(47,007)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ 165,213</b>	<b>\$ 190,446</b>	<b>\$ 419,238</b>	<b>\$ 212,713</b>	<b>\$ 127,578</b>
<b>DEBT SERVICE AS A PERCENTAGE OF NON-CAPITAL EXPENDITURES</b>	<b>8.5 %</b>	<b>8.6 %</b>	<b>7.5 %</b>	<b>9.0 %</b>	<b>9.0 %</b>

**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					
	Percent of Change 2011-		2019	2018	2017	2016
	2020	2020				
Property Taxes	\$ 2,358,299	52 %	\$ 2,243,485	\$ 2,103,053	\$ 1,992,582	\$ 1,844,440
Property Tax In-lieu of Sales Tax	--	(100)	--	--	--	100,348
Sales Taxes	536,362	59	596,465	534,236	521,910	437,775
Utility Users' Taxes	643,564	4	606,369	640,711	611,160	614,814
Business Taxes	668,035	57	617,169	534,994	546,494	507,635
Other Taxes	691,545	68	804,313	771,012	719,975	658,418
<b>TOTAL REVENUES</b>	<b>\$ 4,897,805</b>	<b>43</b>	<b>\$ 4,867,801</b>	<b>\$ 4,584,006</b>	<b>\$ 4,392,121</b>	<b>\$ 4,163,430</b>

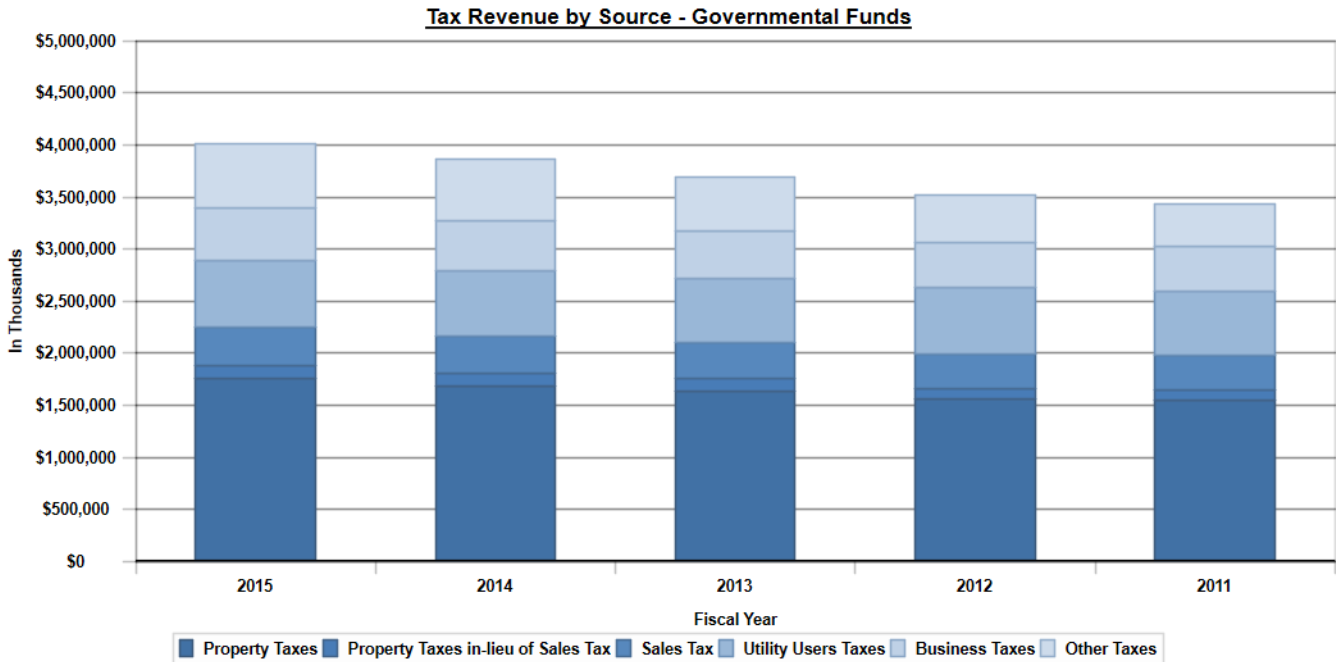
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**CITY OF LOS ANGELES**

**Tax Revenues by Source - Governmental Funds  
Modified Accrual Basis of Accounting - (Continued)  
Last Ten Fiscal Years  
(amounts expressed in thousands)**

	<b>Fiscal Year</b>				
	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
Property Taxes	\$ 1,761,960	\$ 1,688,992	\$ 1,639,355	\$ 1,564,281	\$ 1,546,884
Property Tax In-lieu of Sales Tax	121,903	121,036	116,458	100,538	96,812
Sales Taxes	372,782	357,255	343,628	328,059	337,360
Utility Users' Taxes	637,318	631,492	623,794	634,629	618,307
Business Taxes	500,774	476,908	447,983	438,969	424,762
Other Taxes	621,268	585,457	516,458	451,881	410,938
<b>TOTAL REVENUES</b>	<b>\$ 4,016,005</b>	<b>\$ 3,861,140</b>	<b>\$ 3,687,676</b>	<b>\$ 3,518,357</b>	<b>\$ 3,435,063</b>



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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.

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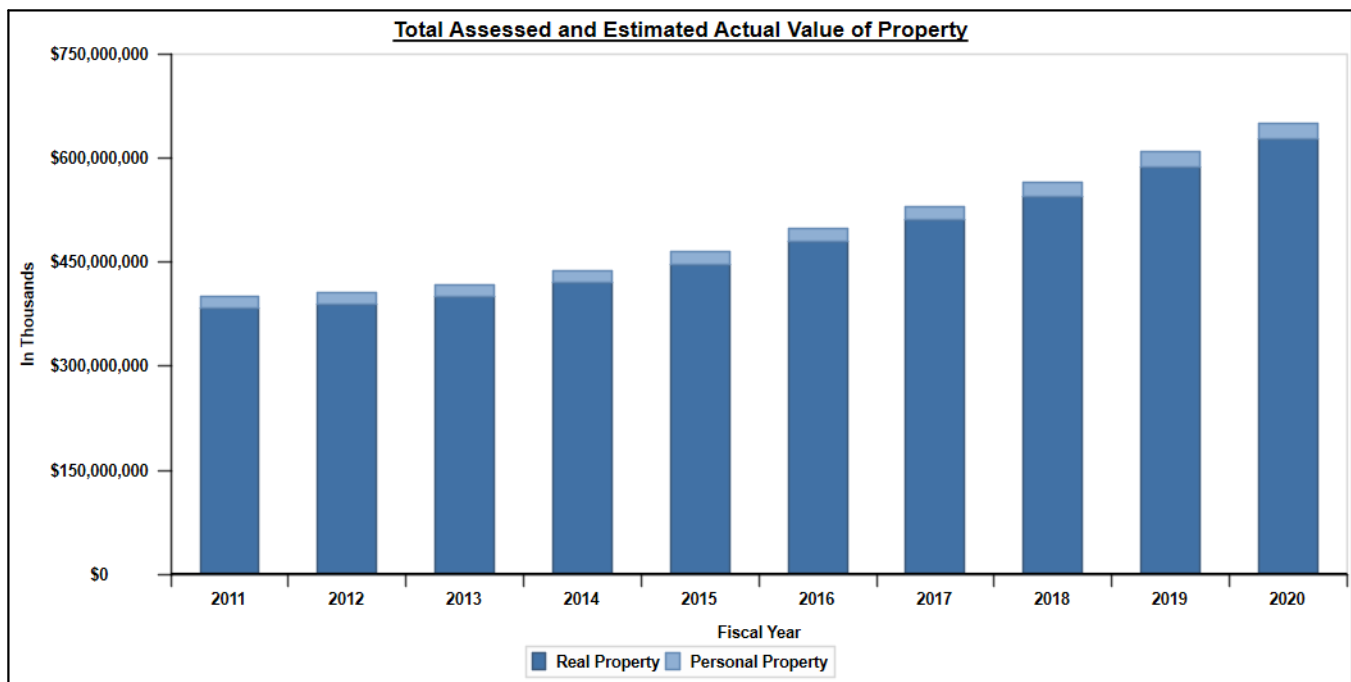
**CITY OF LOS ANGELES**

**Assessed Value and Estimated Actual Value of Property  
Last Ten Fiscal Years**

Fiscal Year	Assessed and Estimated Actual Value <sup>(1)</sup>			Percent of Average Annual Growth	Total Direct Tax Rate <sup>(3)</sup> (per \$1,000 of assessed value)	Assessed Value Per Capita (\$ 000's)
	Real Property <sup>(2)</sup> (\$ 000's)	Personal Property (\$ 000's)	Total (\$ 000's)			
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	389,768,424	16,688,249	406,456,673	1.29	1.038666	105
2011	384,126,153	17,147,802	401,273,955	(2.31)	1.038895	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.





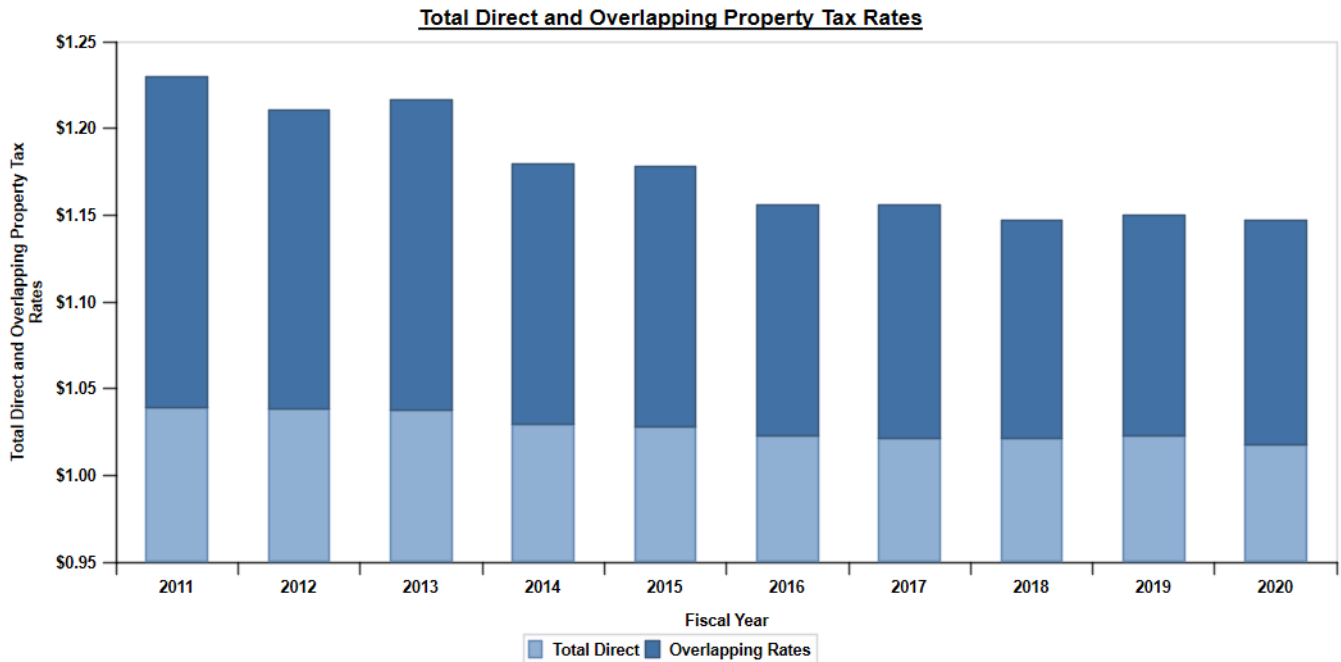
**CITY OF LOS ANGELES**

**Direct and Overlapping Property Tax Rates  
Tax Rate Area No. 4<sup>(a)</sup>  
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	
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
2011	1.000000	0.038895	1.038895	0.186954	0.003700	1.229549

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	2020			2011		
	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	\$ 2,902,632,430	1	0.46 %	\$ 2,313,743,520	1	0.60 %
Essex Portfolio LP	1,377,988,944	2	0.22	--	--	--
Century City Mall LLC	1,058,755,188	3	0.17	--	--	--
FSP South Flower Street	936,124,024	4	0.15	--	--	--
Rochelle H. Sterling	823,015,925	5	0.13	--	--	--
SM 10000 Property LLC	816,424,701	6	0.13	--	--	--
Valero Energy Corporation	801,736,275	7	0.13	--	--	--
Hanjin International Corp	767,924,355	8	0.12	--	--	--
Anheuser Busch Inc.	744,561,687	9	0.12	--	--	--
Greenland LA Metropolis	742,133,768	10	0.12	--	--	--
Anheuser Busch Inc				815,694,562	2	0.21
One Hundred Towers LLC				579,803,019	3	0.15
Donald T. Sterling				526,938,329	4	0.14
Tishman Speyer Archstone Smith				517,308,119	5	0.13
Paramount Pictures Corp				460,510,322	6	0.12
Century City Mall LLC				456,150,450	7	0.12
Taubman-Beverly Center				456,059,070	8	0.12
Duesenberg Investment Company				431,949,723	9	0.11
Trizec 333 LA LLC				383,700,000	10	0.10
<b>TOTAL</b>	<b>\$ 10,971,297,297</b>		<b>1.75 %</b>	<b>\$ 6,941,857,114</b>		<b>1.81 %</b>
<b>Total City Secured Assessed Valuation</b>	<b>\$ 627,259,007,853</b>			<b>\$ 384,084,803,969</b>		

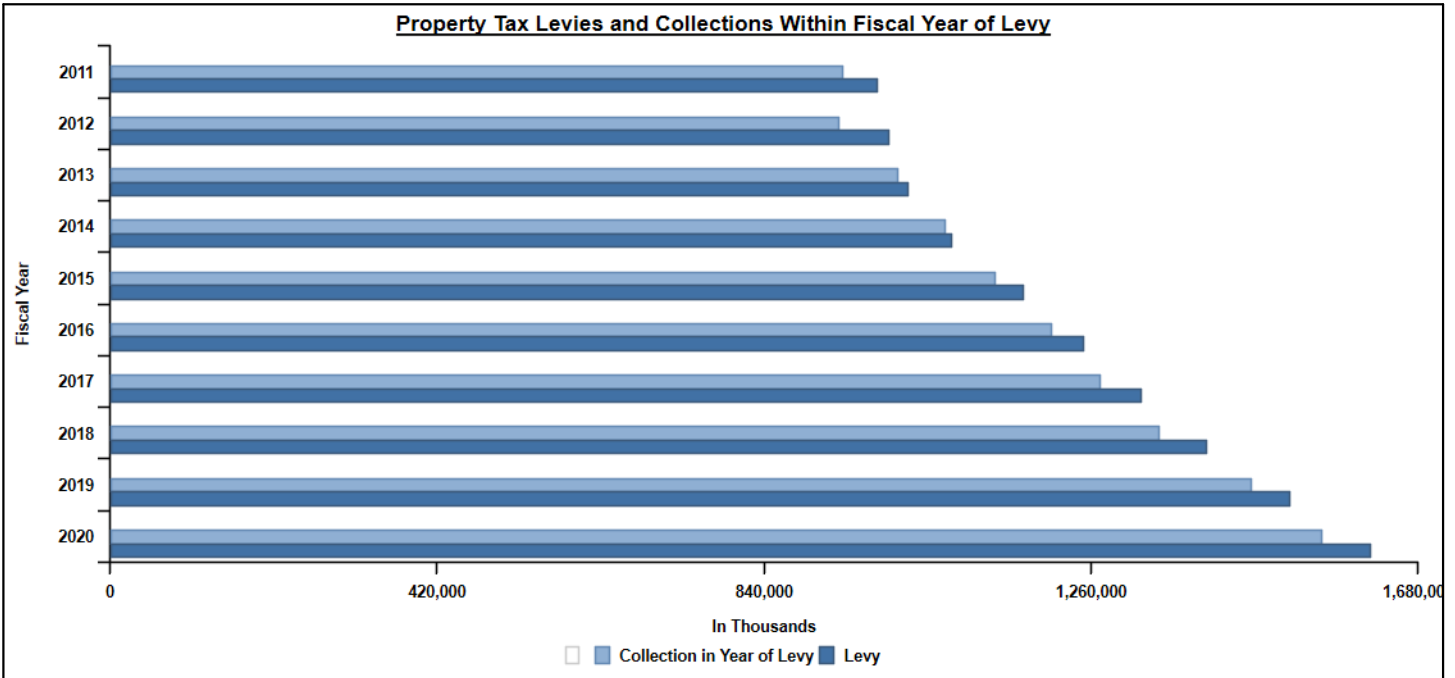
Source: California Municipal Statistics Inc  
Taxpayers' Guides, 2019-2020 and 2010-2011

**CITY OF LOS ANGELES**

**Property Tax Levies and Collections  
Last Ten Fiscal Years  
(amounts expressed in thousands)**

Fiscal Year	Total Tax Levy <sup>(a)</sup> for the Fiscal Year	Collected within the Fiscal Year of Levy		Collections in Subsequent Years <sup>(b)</sup>	Total Collections to Date	
		Amount	Percent of Levy		Amount	Percent of Levy <sup>(c)</sup>
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
2011	984,897	941,070	95.55	73,905	1,014,975	103.05

- (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
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
2011	7,230	15,541	2,060	24,831	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
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
2011	1,263	196	2	1,461

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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)**

Fiscal Year Ended June 30	Governmental Activities						
	General Obligation Bonds	Judgment Obligation Bonds	COP, Direct Placements, and Lease Revenue Bonds	Special Assessment Bonds	Revenue Bonds	Notes Payable	Other Loan Obligations
2020	\$ 751,022	\$ --	\$ 1,519,591	\$ --	\$ 203,571	\$ 336,000	\$ 134,219
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	1,393,867	--	578,193	240,506	144,075
2014	1,069,709	45,889	1,385,151	18,180	652,540	255,881	184,985
2013	1,165,924	53,079	1,456,723	20,240	793,466	184,197	198,600
2012	1,288,674	60,379	1,571,911	22,210	788,731	141,197	204,395
2011	1,288,707	66,891	1,521,095	24,095	851,323	206,173	157,781



**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 <sup>(1)</sup>	Per Capita <sup>(2)</sup>
2020	\$ 28,093,772	\$ 93,197	\$ --	\$ 803,411	\$ 31,934,783	N/A %	\$ 7,962
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
2011	16,762,101	415,012	1,874	274,869	21,569,921	4.70	5,649

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

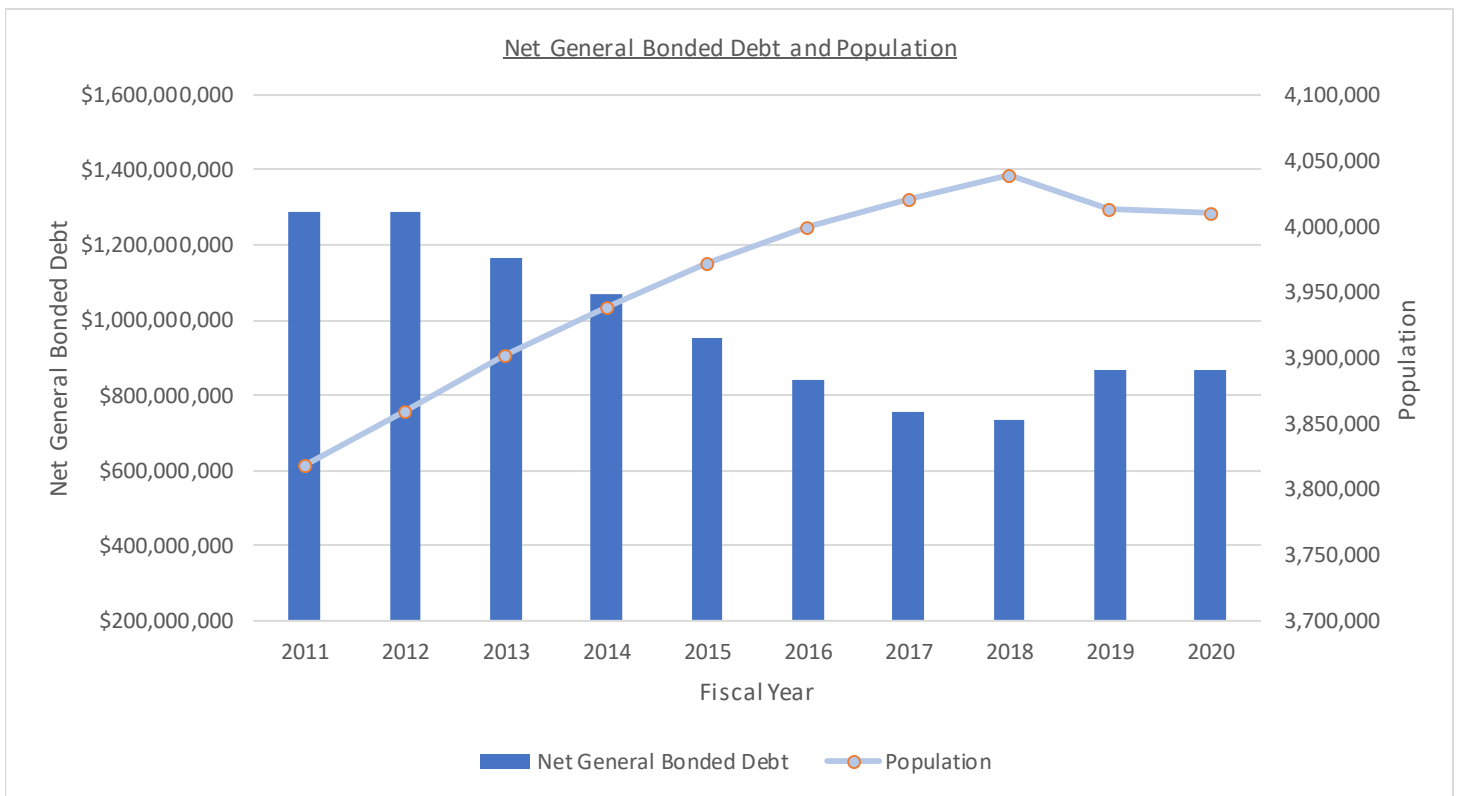
CITY OF LOS ANGELES

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	Assessed Value <sup>(1)</sup>	Net General Bonded Debt Ratio to Assessed Value	Population <sup>(2)</sup>	Net General Bonded Debt Per Capita
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
2011	1,288,707,000	401,273,954,269	0.32	3,818,120	338

(1) Net of homeowners exemptions.

(2) Population data updated based on current estimates.



**CITY OF LOS ANGELES**

**Direct and Overlapping Governmental Activities Debt  
For the Year Ended June 30, 2020**

	<b>Debt Outstanding June 30, 2020</b>	<b>Estimated Percentage Applicable<sup>(1)</sup></b>	<b>Estimated Share of Overlapping Debt June 30, 2020</b>
<b>OVERLAPPING DEBT REPAID WITH PROPERTY TAXES</b>			
Metropolitan Water District of Southern California	\$ 37,300,000	21.114 %	\$ 7,875,522
Los Angeles Community College District	4,234,460,000	72.044	3,050,674,362
Beverly Hills Unified School District	502,185,006	0.148	743,234
Inglewood Unified School District	144,715,000	0.840	1,215,606
Las Virgenes Joint Unified School District	119,776,000	0.898	1,075,588
Los Angeles Unified School District	10,078,835,000	88.257	8,895,277,406
Other School Districts	470,780,019	Various	348,779
City of Los Angeles Community Facilities District No. 3	1,710,000	100.000	1,710,000
City of Los Angeles Community Facilities District No. 4	66,445,000	100.000	66,445,000
City of Los Angeles Community Facilities District No. 8	5,600,000	100.000	5,600,000
Mountains Recreation and Conservation Authority Assessment Districts	16,545,000	100.000	16,545,000
Los Angeles Unified School District supported general obligation bonds	(24,120,638)	100.000	(24,120,638)
<b>OTHER OVERLAPPING DEBT</b>			
Los Angeles County General Fund Obligations	2,317,550,679	40.481	938,167,690
Los Angeles County Superintendent of Schools Certificates of Participation	5,182,434	40.481	2,097,901
Los Angeles County Sanitation District Nos. 1, 4, 5, 8 and 16 Authorities	24,920,314	0.001-11.592	1,212,837
Inglewood Unified School District Certificates of Participation	1,310,000	0.840	11,004
Las Virgenes Joint Unified School District Certificates of Participation	9,969,276	0.898	89,524
Los Angeles Unified School District Certificates of Participation	164,430,000	88.257	145,120,985
Less: Los Angeles Unified School District QZAB Bonds (supported by periodic payments to investment accounts)			(8,492,971)
<b>OVERLAPPING TAX INCREMENT DEBT</b>	361,840,000	100.000	<u>361,840,000</u>
<b>SUBTOTAL- OVERLAPPING DEBT</b>			<u>\$ 13,463,436,829</u>
<b>CITY OF LOS ANGELES DIRECT DEBT</b>			
General Obligation Bonds	751,022,000	100.000	751,022,000
COP and Lease Revenue Bonds	1,421,902,000	100.000	1,421,902,000
Direct Placements	97,689,000	100.000	97,689,000
Revenue Bonds and Notes Payable	539,571,000	100.000	539,571,000
Capital Lease Obligations	54,871,000	100.000	54,871,000
HUD Loans	79,348,000	100.000	<u>79,348,000</u>
<b>SUBTOTAL - CITY OF LOS ANGELES DIRECT DEBT<sup>(2)</sup></b>			<u>2,944,403,000</u>
<b>TOTAL DIRECT AND OVERLAPPING DEBT</b>			<u>\$ 16,407,839,829</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)

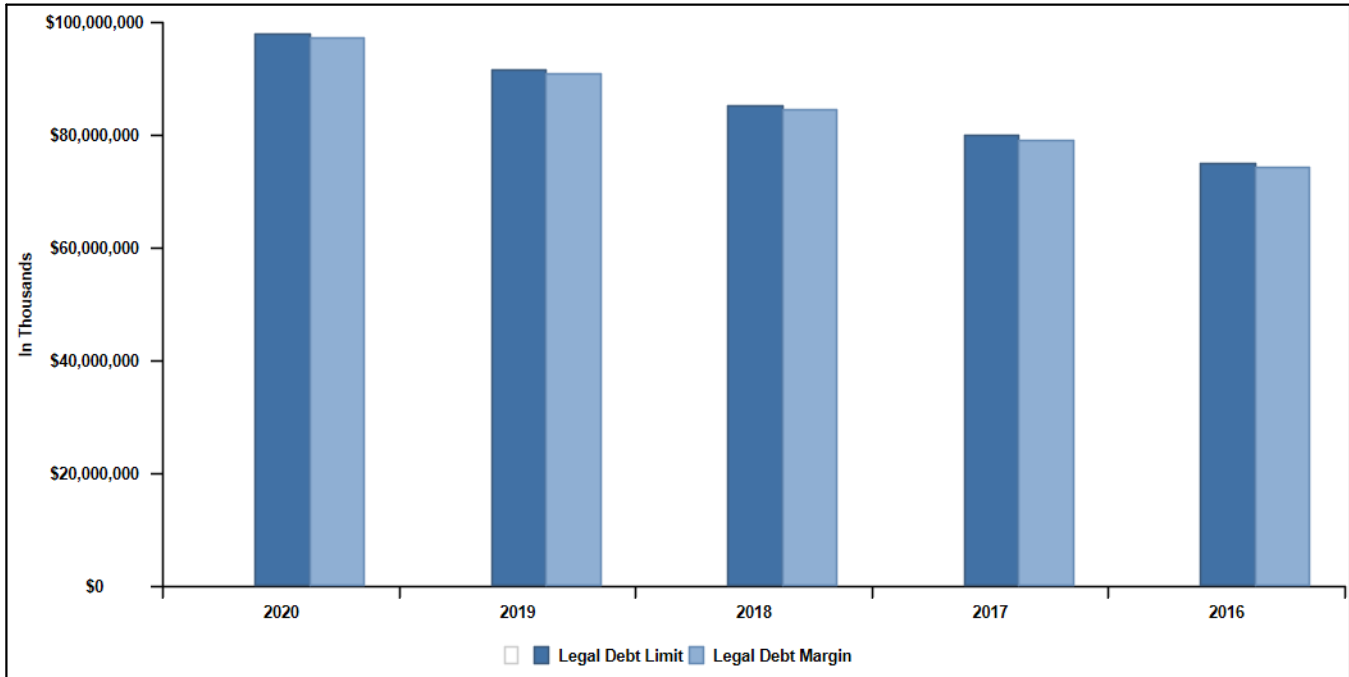
	Fiscal Year				
	2020	2019	2018	2017	2016
Assessed Valuation Net of Homeowners' Exemptions	\$ 650,628,837	\$ 608,927,693	\$ 565,509,609	\$ 530,460,461	\$ 497,896,275
Add: Homeowners' Exemptions	2,329,537	2,364,507	2,411,314	2,454,777	2,502,726
Gross Assessed Valuation	\$ 652,958,374	\$ 611,292,200	\$ 567,920,923	\$ 532,915,238	\$ 500,399,001
Legal Debt Limit <sup>(a)</sup> (15% of assessed value)	\$ 97,943,756	\$ 91,693,830	\$ 85,188,138	\$ 79,937,286	\$ 75,059,850
Less: General Obligation Bonds Outstanding	751,022	865,478	736,177	756,414	842,483
Legal Debt Margin	\$ 97,192,734	\$ 90,828,352	\$ 84,451,961	\$ 79,180,872	\$ 74,217,367
Legal Debt Margin as a Percentage of the Debt Limit	99.23 %	99.06 %	99.14 %	99.05 %	98.88 %
General Obligation Bonds Outstanding as a Percentage of Assessed Value	0.12 %	0.14 %	0.13 %	0.14 %	0.17 %
Population <sup>(b)</sup>	4,010,684	4,013,170	4,054,400	4,021,488	3,999,237
General Obligation Bonds Outstanding per Capita	\$ 187	\$ 216	\$ 182	\$ 188	\$ 211

Continued...

(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

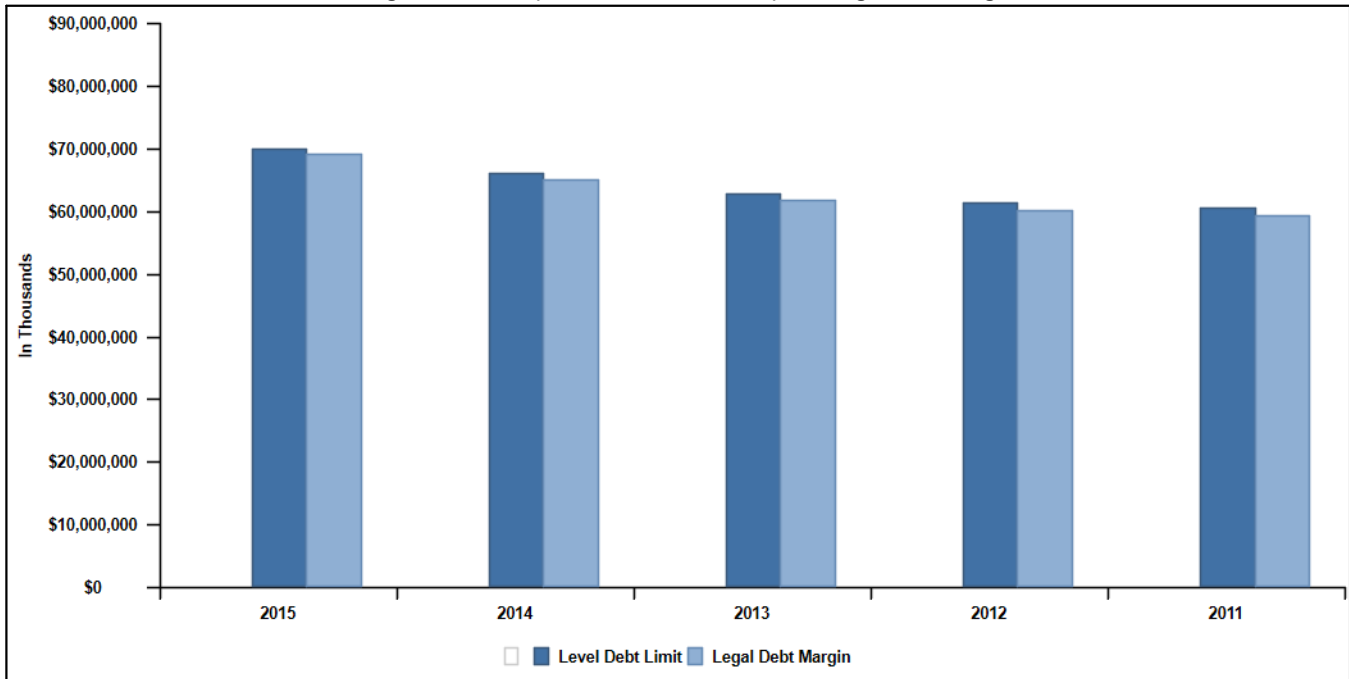


CITY OF LOS ANGELES

Ratios of General Bonded Debt Outstanding and Legal Debt Margin - (Continued)  
Last Ten Fiscal Years  
(amounts expressed in thousands, except per capita)

	Fiscal Year				
	2015	2014	2013	2012	2011
Assessed Valuation Net of Homeowners' Exemptions	\$ 464,420,493	\$ 437,980,451	\$ 416,539,450	\$ 406,456,673	\$ 401,273,954
Add: Homeowners' Exemptions	2,545,253	2,588,592	2,629,357	2,674,226	2,696,221
Gross Assessed Valuation	\$ 466,965,746	\$ 440,569,043	\$ 419,168,807	\$ 409,130,899	\$ 403,970,175
Legal Debt Margin (15% of assessed value)	\$ 70,044,862	\$ 66,085,356	\$ 62,875,321	\$ 61,369,635	\$ 60,595,526
Less: General Obligation Bonds Outstanding	952,278	1,069,709	1,165,924	1,288,674	1,288,707
Legal Debt Margin	\$ 69,092,584	\$ 65,015,647	\$ 61,709,397	\$ 60,080,961	\$ 59,306,819
Legal Debt Margin as a Percentage of the Debt Limit	98.64 %	98.38 %	98.15 %	97.90 %	97.87 %
General Obligation Bonds Outstanding as a Percentage of Assessed Value	0.20 %	0.24 %	0.28 %	0.31 %	0.32 %
Population <sup>(b)</sup>	3,972,348	3,938,037	3,901,412	3,859,854	3,818,120
General Obligation Bonds Outstanding per Capita	\$ 240	\$ 272	\$ 299	\$ 334	\$ 338

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)**

<b>Fiscal Year</b>	<b>Operating Revenues<sup>(1)</sup></b>	<b>Less: Operating Expenses<sup>(2)</sup></b>	<b>Net Available Revenue</b>	<b>Debt Service<sup>(3)</sup></b>	<b>Net Available Revenue Coverage</b>	<b>Net Operating Cash Flow</b>	<b>Net Operating Cash Flow Coverage<sup>(4)</sup></b>
<b>Airports Enterprise Fund Revenue Bonds and Notes</b>							
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
2011	887,762	601,964	285,798	126,331	2.3	215,572	1.7
<b>Harbor Enterprise Fund Revenue Bonds and Notes</b>							
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
2011	412,962	209,695	203,267	72,927	2.8	158,228	2.2
<b>Power Enterprise Fund Revenue Bonds and Notes</b>							
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
2011	3,288,475	2,308,188	980,287	400,846	2.4	666,711	1.7

**CITY OF LOS ANGELES**

**Pledged Revenue Coverage - (Continued)  
Last Ten Fiscal Years  
(amounts expressed in thousands)**

<b>Fiscal Year</b>	<b>Operating Revenues<sup>(1)</sup></b>	<b>Less: Operating Expenses<sup>(2)</sup></b>	<b>Net Available Revenue</b>	<b>Debt Service<sup>(3)</sup></b>	<b>Net Available Revenue Coverage</b>	<b>Net Operating Cash Flow</b>	<b>Net Operating Cash Flow Coverage<sup>(4)</sup></b>
<b>Water Enterprise Fund Revenue Bonds and Notes</b>							
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
2011	831,771	540,041	291,730	167,371	1.7	290,206	1.7
<b>Sewer Enterprise Fund Revenue Bonds and Notes</b>							
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
2011	510,214	256,664	253,550	174,804	1.5	214,662	1.2

(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 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.

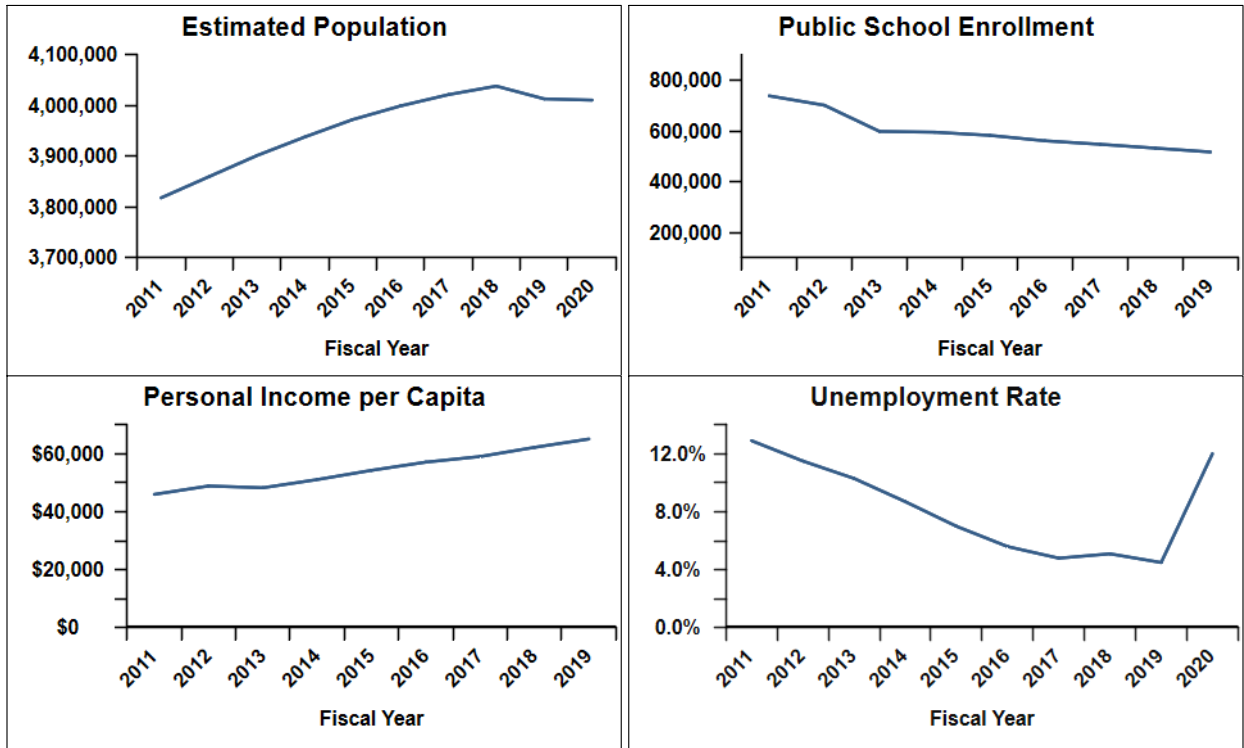
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**CITY OF LOS ANGELES**

**Demographic and Economic Statistics  
Last Ten Fiscal Years**

Fiscal Year	Estimated Population <sup>(1)</sup>	Personal Income (in thousands) <sup>(2)</sup>	Personal Income Per Capita <sup>(2)</sup>	Median Age <sup>(3)</sup>	Public School Enrollment <sup>(4)</sup>	Unemployment Rate <sup>(5)</sup>
2020	4,010,684	\$ N/A	\$ N/A	N/A	N/A	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
2011	3,818,120	459,098,093	46,007	33.9	738,113	12.9

- (1) Data based on California Department of Finance report E-1, released May 1, 2020 with revised estimated population.
- (2) U.S. Department of Commerce, Bureau of Economic Analysis for Los Angeles County updated on November 17, 2020. Data subsequent to 2020 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://factfinder.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.
- (5) Data based on California Employment Development Department for City of Los Angeles - October 2020, not seasonally adjusted, released November 20, 2020.  
N/A Not Available



**CITY OF LOS ANGELES**

**Los Angeles County  
Principal Employers (Non-Government)  
Current Year and Nine Years Ago**

Employer	2020			2011		
	Employees	Rank <sup>(1)</sup>	Percentage of Total County Employment	Employees	Rank <sup>(1)</sup>	Percentage of Total County Employment
Kaiser Permanente	41,349	1	0.9 %	33,600	1	0.8 %
University of Southern California	22,164	2	0.5	16,180	3	0.4
Target Corp.	20,000	3	0.4	15,000	4	0.4
Northrop Grumman Corp.	18,000	4	0.4	21,000	2	0.5
Ralphs/Food 4 Less/Kroger	15,532	5	0.3	13,500	5	0.3
Cedars-Sinai Medical Center	15,302	6	0.3	12,068	6	0.3
Amazon	15,000	7	0.3	--	--	--
Allied Universal	14,480	8	0.3	--	--	--
Providence Health & Services Southern California	14,094	9	0.3	10,616	9	0.3
Walt Disney Co.	12,750	10	0.3	--	--	--
Boeing Co.	--	--	--	11,520	8	0.3
Bank of America Corp.	--	--	--	12,000	7	0.3
Home Depot	--	--	-	10,250	10	0.2
All Others	4,704,500	--	96.1	4,172,166	--	96.4
<b>TOTAL <sup>(2)</sup></b>	<b>4,893,171</b>		<b>100.0 %</b>	<b>4,327,900</b>		<b>100.0 %</b>

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.

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## **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				
	2020	2019	2018	2017	2016
<b>GOVERNMENTAL ACTIVITIES</b>	<b>33,973</b>	<b>33,059</b>	<b>32,535</b>	<b>32,100</b>	<b>31,306</b>
General Government					
City Administrative Officer	119	114	112	113	109
City Attorney	1,003	963	953	935	891
City Ethics Commission	31	25	24	24	22
Controller	146	150	146	142	135
Council	381	375	372	345	339
Employees Relations Board	3	3	3	3	3
General Services	1,394	1,341	1,352	1,342	1,356
Information Technology Agency	406	393	378	391	440
Mayor	210	219	203	185	170
Personnel	545	488	475	499	484
Neighborhood Empowerment	28	28	31	26	26
City Clerk	113	107	105	108	88
Office of Finance <sup>(2)</sup>	297	304	309	329	317
Treasurer <sup>(2)</sup>	--	--	--	--	--
Public Accountability <sup>(8)</sup>	3	4	4	--	--
Protection of Persons and Property					
Animal Services	342	327	314	317	317
Building & Safety	920	903	892	935	849
Fire- Civilian	380	367	347	350	309
Fire- Sworn	3,391	3,348	3,356	3,311	3,265
Police- Civilian	3,070	2,992	3,002	2,920	2,754
Police- Sworn	9,963	10,004	9,990	9,948	9,866
Emergency Management <sup>(3)</sup>	29	24	23	23	25
Public Works					
Public Works- Contract Administration	334	323	314	298	284
Public Works- Engineering	846	827	771	768	756
Public Works- Street Lighting	324	296	251	235	226
Public Works- Street Services	1,230	1,138	992	974	865
Public Works- Board of Public Works	106	106	95	96	95
Health and Sanitation					
Public Works- Sanitation	2,978	2,817	2,739	2,601	2,564
Cannabis Regulation <sup>(8)</sup>	29	21	7	--	--
Transportation					
Transportation	1,474	1,368	1,340	1,324	1,340
Cultural and Recreational Services					
Cultural Affairs	65	61	60	58	46
El Pueblo de los Angeles Historical Monument	8	8	9	9	9
Library	830	813	822	774	748
Recreation and Parks	1,456	1,424	1,379	1,376	1,332
Zoo	238	228	216	204	202
Community Development					
Aging	41	36	32	36	38
Economic and Workforce Development <sup>(5)</sup>	121	119	127	135	136
Disability	27	23	20	20	17
Housing and Community Investment <sup>(6)</sup>	675	599	589	598	591
City Planning	417	373	381	348	292

Continued...

**CITY OF LOS ANGELES**

**Number of City Government Employees by Function/Program - (Continued)  
Full-Time Equivalent  
Last Ten Fiscal Years**

	Fiscal Year				
	2015	2014	2013	2012	2011
<b>GOVERNMENTAL ACTIVITIES</b>	<b>30,606</b>	<b>30,316</b>	<b>31,344</b>	<b>31,225</b>	<b>31,778</b>
General Government					
City Administrative Officer	108	109	103	102	103
City Attorney	882	834	813	825	870
City Ethics Commission	23	20	18	17	18
Controller	146	143	146	152	157
Council	353	333	364	334	321
Employees Relations Board	3	3	3	3	3
General Services	1,321	1,309	1,430	1,630	1,707
Information Technology Agency	431	452	463	488	522
Mayor	161	146	173	175	171
Personnel	480	460	460	380	371
Neighborhood Empowerment	19	22	23	18	18
City Clerk	95	96	97	98	96
Office of Finance <sup>(2)</sup>	311	326	336	345	326
Treasurer <sup>(2)</sup>	--	--	--	--	30
Public Accountability <sup>(8)</sup>	--	--	--	--	--
Protection of Persons and Property					
Animal Services	309	312	318	311	319
Building & Safety	808	744	760	723	719
Fire- Civilian	293	293	297	298	296
Fire- Sworn	3,140	3,181	3,206	3,317	3,459
Police- Civilian	2,723	2,810	2,888	2,783	2,824
Police- Sworn	9,856	9,739	9,875	9,875	9,810
Emergency Management <sup>(3)</sup>	23	21	31	22	24
Public Works					
Public Works- Contract Administration	270	278	294	287	293
Public Works- Engineering	733	710	701	718	737
Public Works- Street Lighting	205	194	209	192	200
Public Works- Street Services	838	869	931	982	1,011
Public Works- Board of Public Works	85	81	81	92	93
Health and Sanitation					
Public Works- Sanitation	2,425	2,318	2,317	2,333	2,430
Cannabis Regulation <sup>(8)</sup>	--	--	--	--	--
Transportation					
Transportation	1,276	1,268	1,287	1,307	1,355
Cultural and Recreational Services					
Cultural Affairs	36	34	34	34	39
El Pueblo de los Angeles Historical Monument	9	9	10	10	11
Library	707	653	999	655	664
Recreation and Parks	1,320	1,316	1,388	1,429	1,478
Zoo	195	198	213	205	201
Community Development					
Aging	32	34	34	41	41
Economic and Workforce Development <sup>(5)</sup>	140	151	255	268	266
Disability	15	17	15	11	14
Housing and Community Investment <sup>(6)</sup>	567	598	511	531	544
City Planning	268	235	261	234	237

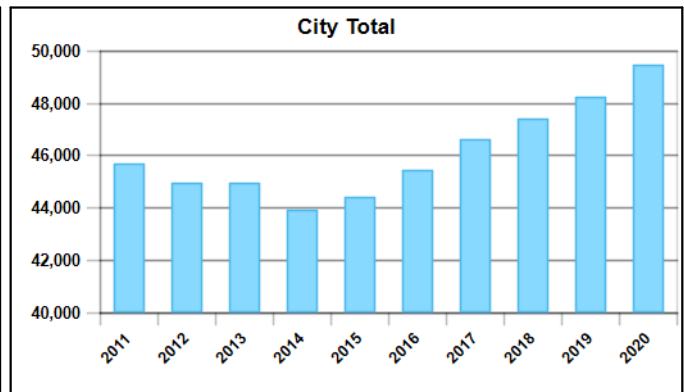
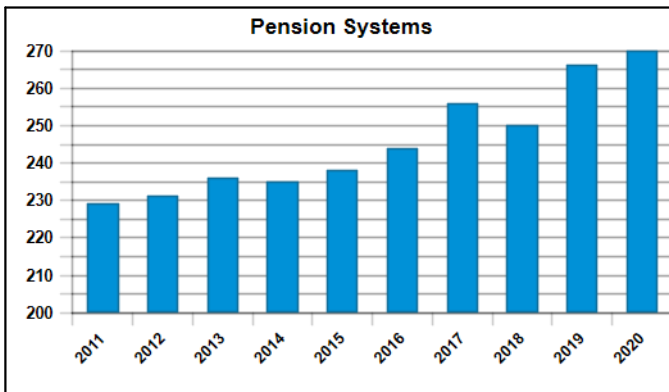
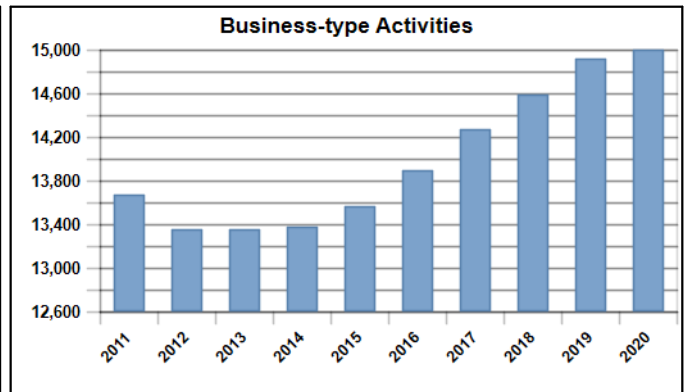
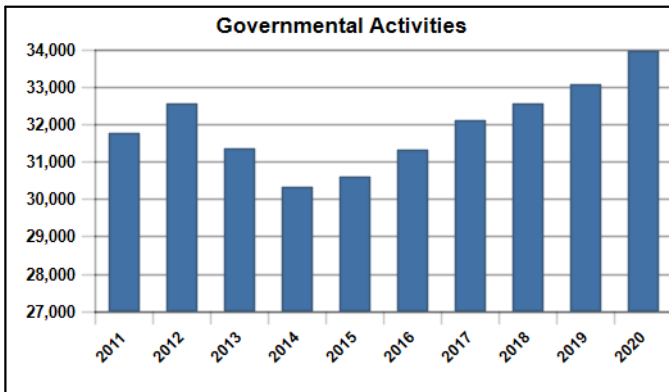
CITY OF LOS ANGELES

Number of City Government Employees by Function/Program - (Continued)  
Full-Time Equivalent  
Last Ten Fiscal Years

	Fiscal Year				
	2020	2019	2018	2017	2016
<b>BUSINESS-TYPE ACTIVITIES</b>	<b>15,184</b>	<b>14,919</b>	<b>14,583</b>	<b>14,266</b>	<b>13,894</b>
Los Angeles Convention Center	10	9	8	11	12
Water and Power	10,704	10,364	10,044	9,794	9,456
Airports <sup>(7)</sup>	3,557	3,666	3,647	3,578	3,520
Harbor <sup>(7)</sup>	913	880	884	883	906
<b>PENSION SYSTEMS</b>	<b>275</b>	<b>266</b>	<b>250</b>	<b>256</b>	<b>244</b>
City Employees' Retirement System	156	147	138	140	131
Fire and Police Pension System	119	119	112	116	113
<b>GRAND TOTAL</b>	<b>49,432</b>	<b>48,244</b>	<b>47,368</b>	<b>46,622</b>	<b>45,444</b>

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				
	2015	2014	2013	2012	2011
<b>BUSINESS-TYPE ACTIVITIES</b>	<b>13,564</b>	<b>13,375</b>	<b>13,350</b>	<b>13,486</b>	<b>13,671</b>
Los Angeles Convention Center	12	11	92	109	112
Water and Power	9,228	8,924	8,776	8,867	9,065
Airports <sup>(7)</sup>	3,439	3,491	3,535	3,552	3,535
Harbor <sup>(7)</sup>	885	949	947	958	959
<b>PENSION SYSTEMS</b>	<b>238</b>	<b>235</b>	<b>236</b>	<b>231</b>	<b>229</b>
City Employees Retirement System	128	125	127	124	124
Fire and Police Pension System	110	110	109	107	105
<b>GRAND TOTAL</b>	<b>44,408</b>	<b>43,926</b>	<b>44,930</b>	<b>44,942</b>	<b>45,678</b>

- (1) In fiscal year 2010, Commission on the Status of Women, Commission for Children, Youth and Families, and Human Relations Commissions were consolidated.
- (2) The Treasurer and Finance were consolidated in fiscal year 2012.
- (3) In November 2007, the name of the Emergency Preparedness Department was changed to Emergency Management Department.
- (4) In fiscal year 2011, Environmental Affairs Department was eliminated. Its resources and functions were transferred to the Department of Public Works Bureau of Sanitation, Building and Safety, and Transportation.
- (5) Department name changed from Community Development in fiscal year 2014.
- (6) Department name changed from Housing in fiscal year 2014.
- (7) Certain changes were made to conform to the fiscal year 2013 presentation.
- (8) The Cannabis Regulation and Public Accountability were established in fiscal year 2018.

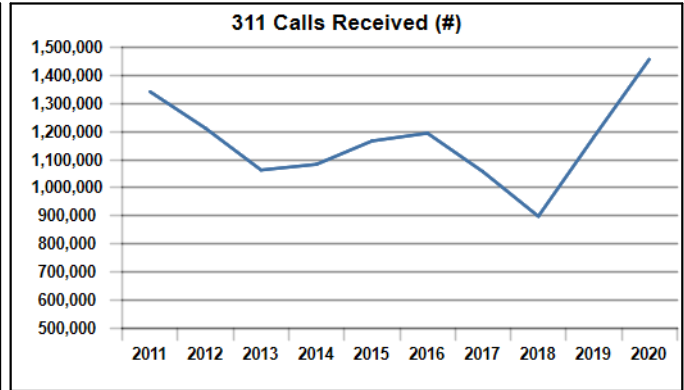
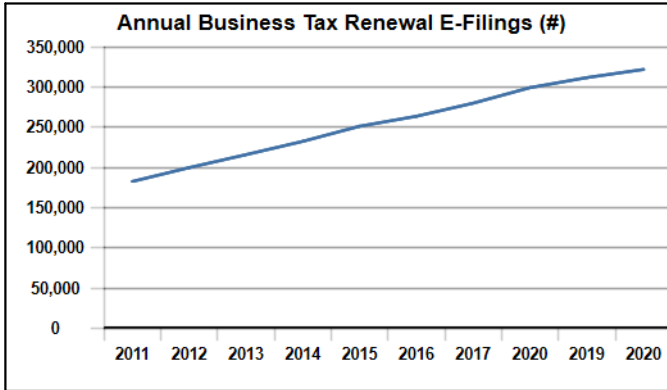
Sources:

Fiscal year 2016 through 2020: 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

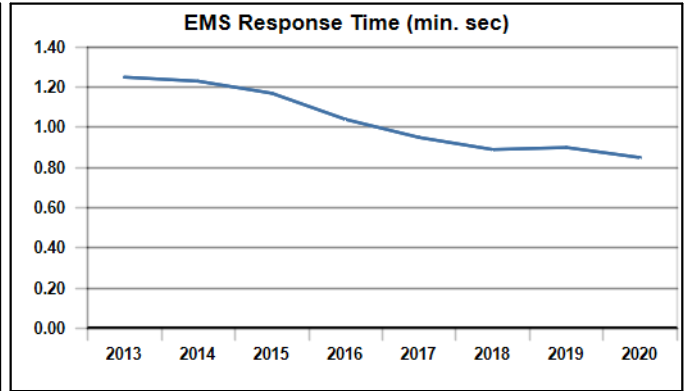
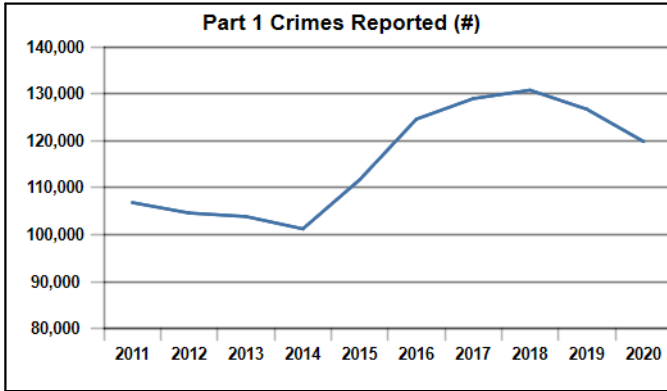


Department/Program	Indicator	Fiscal Year									
		2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Cannabis Regulation (5)											
	Number of Cannabis Businesses	425	311	169	--	--	--	--	--	--	--
City Attorney											
	Criminal Prosecution										
	Combined criminal jury and court trials (#)	325	343	344	321	352	362	308	342	315	477
	Consumer protection-cases reviewed (#)	213	123	200	200	230	100	150	160	159	160
	Consumer cases concluded (#)	65	51	130	120	146	--	--	--	--	--
	Environmental cases concluded (#)	471	459	465	452	383	412	409	329	488	312
	Housing/rent control cases concluded (#)	1,097	855	744	764	1,007	842	608	603	435	402
General Services											
	Building Maintenance										
	Maintenance work orders completed (%)	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	90	90	85	--	--	--
	Fleet Services										
	Vehicles available for Bureau of Sanitation operations (%)	87	87	88	89	84	83	83	85	--	--
	Vehicles available for Bureau of Street Services operations (%)	86	87	81	84	82	85	79	78	--	--
	Vehicles available for Dept of Transportation operations (%)	88	88	92	92	93	92	90	91	--	--
	Real Estate Services										
	City-as-tenant leases remaining	84	71	71	75	77	88	100	--	--	--
	Supply Services										
	Days to process orders under \$100,000	31	36	44	27	35	--	--	--	--	--
Information Technology Agency											
	3-1-1 Call Center Operations										
	Average wait time per caller (# of seconds)	158	174	294	370	142	61	70	224	170	180
	Number of calls received (#)	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	1,341,000
	Total Contacts	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	647	614	408	320	258	343	152	--	114	--
Office of Finance											
	Revenue Billings, Audit and Collections										
	Annual Business Tax renewal e-filings (#)	322,104	311,931	299,455	280,159	263,870	251,449	232,667	216,140	200,000	182,801
	Refund claims processed (#)	19,338	4,331	6,596	5,722	7,417	6,188	8,411	10,667	10,010	16,969
	Total tax accounts audited (#)	1,473	1,571	2,133	2,666	3,465	4,472	4,819	4,839	5,146	5,567
Personnel											
	Employee Selection										
	Exams completed in 150 days (#)	86	73	73	65	71	69	73	--	--	--
	Employee Training and Development										
	Non-mandated courses completed in the Online Training Academy	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

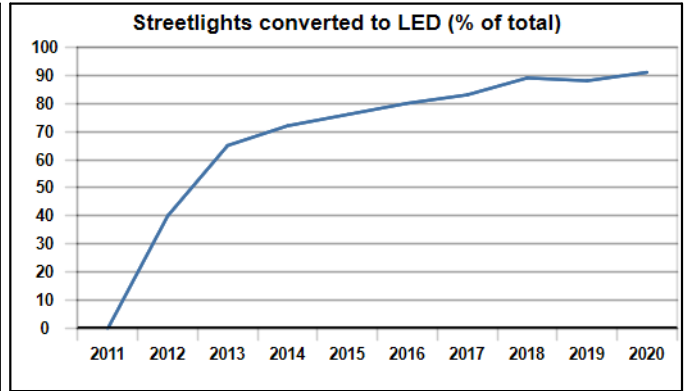
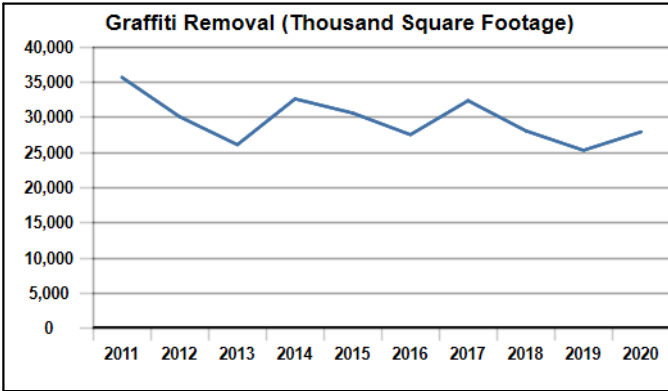


Department/Program	Indicator	Fiscal Year									
		2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Animal Services											
Animal Licensing and Permitting Operations											
	Dog licenses issued (#) (1)	104,550	124,474	120,669	130,242	131,959	120,975	123,008	126,234	123,060	121,817
Animal Shelter Operations Program											
	Animals adopted (#) (1)	27,573	35,543	34,811	32,920	31,100	32,826	32,910	32,440	30,414	29,525
	Animals euthanized (#) (1)	4,024	6,497	7,015	8,425	10,931	14,083	15,028	17,063	23,955	24,632
	Animals impounded (#) (1)	44,682	55,515	53,595	52,460	51,676	57,225	56,813	61,632	64,952	64,417
Building and Safety											
Conservation of Existing Structures and Mechanical Devices											
	Complaints responded to within 10 days (%)	74	78	74	69	59	47	52	51	54	56
Engineering Plan Checking											
	Building Permits issued (#)	166,417	177,972	177,783	164,890	156,940	141,445	133,575	126,426	121,140	115,699
	Plan reviews completed within 15 days (%)	76	77	81	75	82	78	88	91	89	86
New Construction Inspection											
	Response to inspection requests within 24 hours (%) (1)	96	84	84	91	90	94	94	98	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.sec)	0.85	0.90	0.89	0.95	1.04	1.17	1.23	1.25	--	--
	Average travel time to incident - EMS (min.sec)	4.60	4.47	4.39	4.47	4.28	4.07	4.08	4.02	--	--
Fire Suppression											
	Actual Fires - Non structure fires (#)	22,063	17,521	17,016	13,971	13,137	12,917	12,069	10,836	10,991	10,686
	Actual Fires - Structure fires (#)	3,896	4,002	4,012	4,449	4,430	4,562	4,698	4,624	4,871	4,172
	Closure rate in criminal fires investigation (%)	--	--	--	--	82	50	40	39	40	70
	Emergency responses - Fires (includes automatic alarms) (#)	97,667	91,492	133,401	140,933	132,546	127,380	133,080	121,381	122,492	118,986
	Emergency responses - Hazardous conditions (#)	3,587	3,103	3,225	4,101	5,238	4,190	4,949	4,734	4,852	5,209
	Emergency responses - Rescues and others (#)	26,173	28,558	31,771	35,366	44,604	34,331	40,268	40,822	39,324	37,834
	Average time to leave station after notified - Fire (min.sec)	0.85	0.90	0.88	0.93	1.00	1.15	1.22	1.20	--	--
	Average travel time to incident - Fire (min.sec)	4.50	4.49	4.38	4.43	4.26	4.07	4.18	4.10	--	--
Communications											
	Call Processing Time (min.sec)	1.05	1.08	1.07	1.03	1.02	1.00	1.25	1.28	--	--
Police											
Patrol											
	Part I crimes reported (#)	119,849	126,734	130,804	128,997	124,623	111,690	101,228	103,856	104,604	106,827
	Part II crimes reported (#)	88,821	92,489	97,218	94,272	98,535	95,257	90,525	84,174	85,938	74,251
	Response to emergency calls (# in minutes)	5.99	5.95	5.62	6.15	6.10	5.60	6.50	6.00	6.00	6.00
	Total arrests (#)	73,495	86,696	96,003	99,241	126,434	125,567	130,262	150,552	162,698	160,480
Specialized Crime Suppression and Investigation											
	Number of backlogged fingerprint cases reduced (#)	3,096	4,049	4,929	4,241	4,105	3,923	3,397	5,070	4,342	5,492
	Number of backlogged rape kits reduced (#)	1,166	1,072	1,254	1,275	1,158	1,105	1,030	1,188	--	1,097
Technical Support											
	Complaint board calls received - 911 (#)	3,631,870	3,530,072	3,366,438	3,147,224	3,196,225	3,220,084	3,284,913	3,276,363	3,269,872	3,140,387
Traffic Control											
	Fatal and injury traffic accidents (#)	22,050	25,368	25,387	25,217	24,488	22,661	21,104	20,996	21,216	18,448
	Traffic citations issued (#)	220,062	200,439	216,673	219,911	234,311	336,683	447,062	428,178	504,312	564,432

CITY OF LOS ANGELES

Operating Indicators by Function/Program  
Last Ten Fiscal Years

Public Works

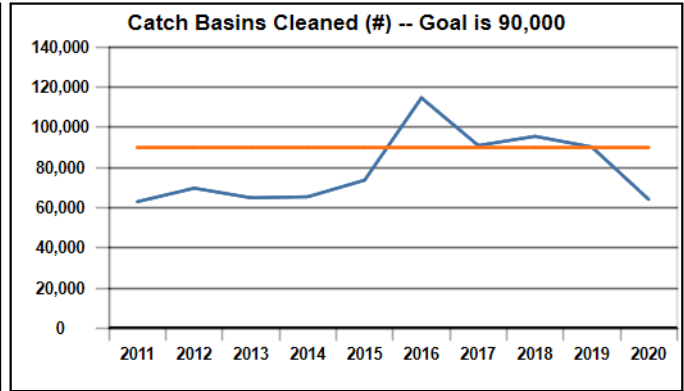
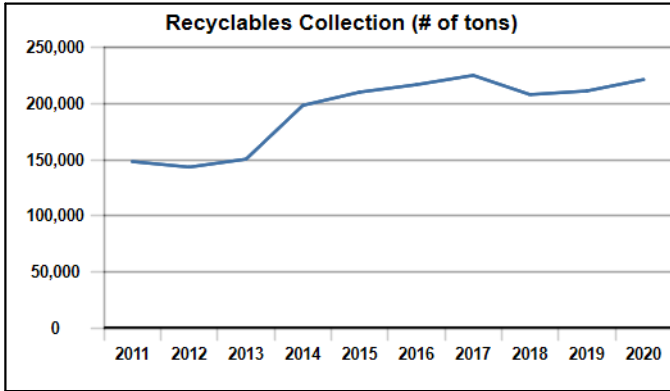


Department/Program	Indicator	Fiscal Year									
		2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Board of Public Works											
Office of Community Beautification											
	Graffiti eradicated/square footage (# per 1,000 sq ft)	27,943	25,319	28,096	32,388	27,545	30,620	32,638	26,117	30,094	35,696
	Graffiti removal requests completed in 24 hrs (%)	68	62	73	77	55	48	66	58	63	63
Bureau of Contract Administration											
Construction Inspection											
	Number of private development inspections (#)	172	184	176	175	150	224	147	157	169	144
Contract Compliance											
	Prevailing Wage Restitution Completed (\$ millions)	0.36	1.21	0.55	1.10	0.53	1.21	1.54	0.93	0.91	1.03
Bureau of Engineering											
Clean Water Infrastructure											
	Completed capital projects (#)	173	115	143	106	144	147	124	116	92	118
Bureau of Street Lighting											
Design and Construction											
	Streetlights converted to LED (% of total)	91	88	89	83	80	76	72	65	40	--
System Operation, Maintenance and Repair											
	Percent of streetlights operating (%)	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)	824,393	908,679	820,592	1,513,764	1,121,767	1,050,411	1,402,144	1,416,500	1,206,812	1,190,244
	Response time to pothole service requests (days)	1.3	2.9	2.3	1.3	--	--	--	--	--	--
Street Cleaning Program											
	Completion frequency-posted routes (%)	96	97	98	99	91	93	96	97	97	93
Street Improvement Program											
	Access ramps constructed (#)	362	308	532	526	742	1,035	1,256	1,560	1,724	1,829
	Bus pads constructed (#)	61	86	55	49	58	101	76	97	144	144
	Concrete bus landings installed (#) (4)	--	--	--	50	65	170	107	30	11	29
	Sidewalks repaired (# of square feet)	524,247	313,648	329,410	309,343	118,732	--	--	--	--	--
Street Resurfacing and Reconstruction Program											
	Streets resurfaced (# of lane miles)	663	720	660	848	855	855	--	--	--	--
	Streets slurry sealed (# of lane miles)	1,080	1,546	1,739	1,560	1,555	1,545	--	--	--	--
	Streets resurfaced (# of centerline miles)	--	--	--	--	--	--	245	245	236	174
	Streets slurry sealed (# of centerline miles)	--	--	--	--	--	--	455	455	401	401
Street Tree and Parkway Maintenance Program											
	Trees trimmed by contracted forces (#)	37,038	31,693	31,844	36,036	33,850	23,142	14,847	19,607	12,720	11,240

CITY OF LOS ANGELES

Operating Indicators by Function/Program  
Last Ten Fiscal Years

Health and Sanitation

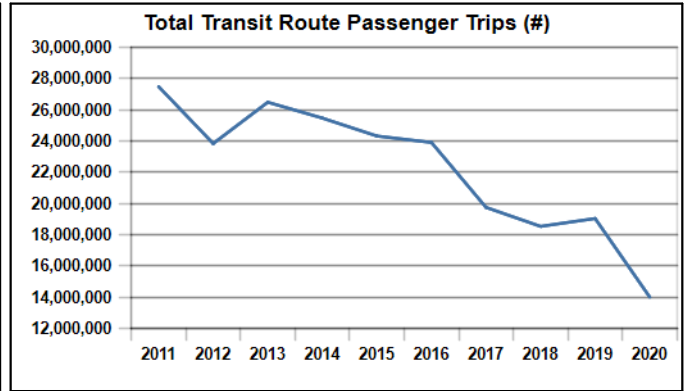
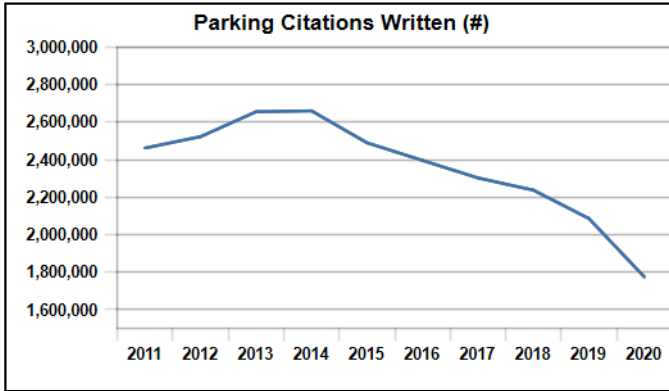


Department/Program	Indicator	Fiscal Year									
		2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Sanitation											
Household Refuse Collection Program											
	Tons collected - Bulky items (# of tons)	52,090	54,238	53,766	91,224	60,101	46,416	33,720	34,000	27,640	32,479
	Tons collected - Recyclables (# of tons)	221,089	210,944	207,756	224,796	216,542	209,924	198,143	150,380	143,338	148,194
	Tons collected - Refuse (# of tons)	964,151	942,041	928,377	953,670	907,611	873,104	852,635	848,890	851,434	882,005
	Tons collected - Yard Trimmings (# of tons)	462,175	411,188	414,729	417,354	417,325	425,070	428,237	522,737	470,527	492,341
Solid Resources											
	Convert refuse collection fleet to clean fuels (%)	85	83	82	80	78	78	76	78	74	71
Watershed Protection											
	Catch basin cleaning (#) (6)	64,222	90,279	95,561	91,021	114,699	73,772	65,492	65,000	69,772	63,070

CITY OF LOS ANGELES

Operating Indicators by Function/Program  
Last Ten Fiscal Years

Transportation

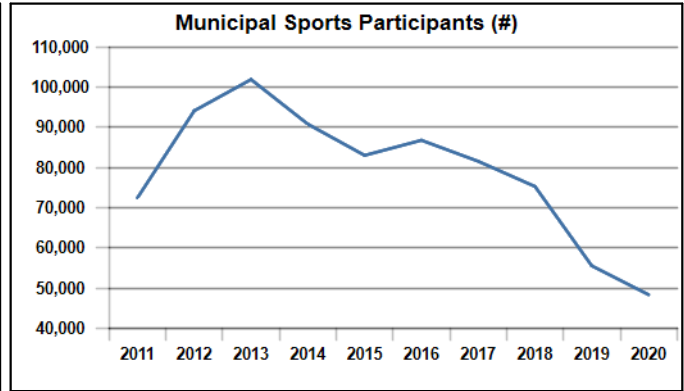
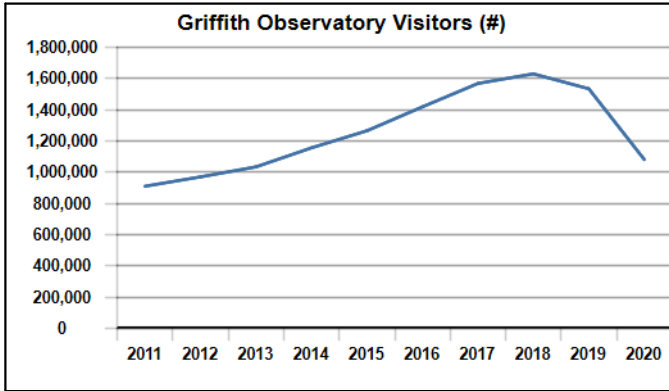


Department/Program	Indicator	Fiscal Year									
		2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Transportation											
Parking Management and Intersection Control											
	Citations written (#)	1,775,106	2,086,277	2,237,086	2,302,206	2,395,778	2,489,390	2,659,718	2,654,910	2,522,302	2,461,529
	Crossing guard assignments (#)	544	538	537	529	523	524	507	492	492	486
	Hours of intersection control (#)	62,260	43,019	53,901	32,400	25,997	25,997	23,490	23,730	30,370	27,622
	Peak hour tows and other tows (#)	52,591	58,501	61,060	32,647	31,245	49,910	39,999	45,921	48,648	41,244
Traffic Control Devices											
	New signals (Traffic Pedestrian) installed (#)	16	32	32	19	31	11	19	32	105	--
	Traffic signals repaired (#)	694	735	626	725	766	10,797	8,832	8,769	8,832	--
Transit Capital Programming											
	Active traffic congestion relief projects (#)	68	69	64	62	96	81	79	84	78	59
	Increase in bicycle lane miles (# of miles)	40	10	10	12	9	23	41	101	51	17
Transit Operations											
	Total transit vehicle passenger trips (#)	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	27,466,279
Transportation System Operations											
	Red curb miles reinstalled/installed (#)	203	99	199	295	362	334	372	392	470	466
	Signs maintained/replaced (#)	38,275	20,978	28,115	46,189	52,422	49,029	7,812	43,728	66,556	63,019
	Temporary signs installed/removed (#)	654,822	770,211	726,009	726,200	676,724	365,068	436,589	471,376	423,759	414,268
	Thermoplastic longline striping installed/reinstalled (# of miles)	654	1,470	933	963	1,326	137	61	151	925	540

CITY OF LOS ANGELES

Operating Indicators by Function/Program  
Last Ten Fiscal Years

Cultural and Recreational Services

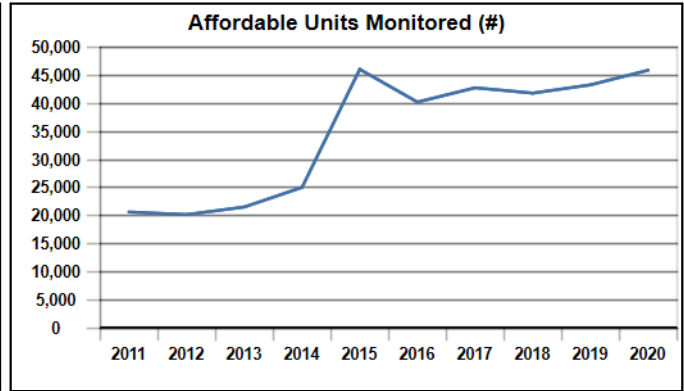
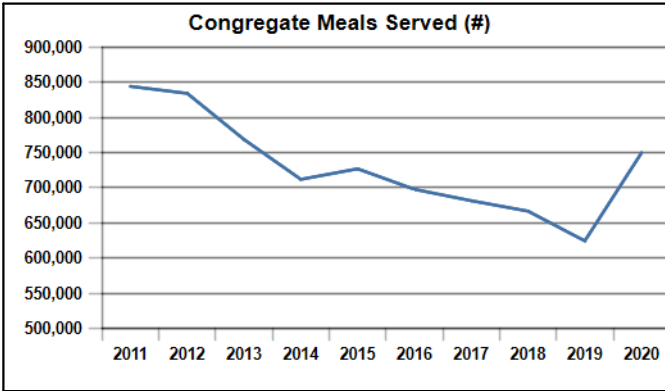


Department/Program	Indicator	Fiscal Year									
		2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Convention Center											
Convention and Tourism Development											
	Citywide conventions and center events (#)	12	23	27	32	29	25	23	24	23	22
	Delegates attending Citywide conventions (#)	227,059	362,442	440,634	503,036	496,886	320,900	299,274	215,800	291,700	363,000
	Exhibit hall events hosted (#)	89	138	148	153	167	156	126	140	137	149
Cultural Affairs											
City Arts											
	Art class enrollment (#) (6)	162,216	228,646	185,546	182,078	121,356	212,506	15,000	14,000	13,500	13,000
	Theater attendance (#)	149,812	81,379	98,498	112,200	68,129	91,166	150,000	140,000	128,625	115,000
Community Arts											
	Art exhibitions presented (#) (6)	2,079	2,852	1,371	692	655	1,082	65	60	52	27
	Special events/festivals (#) (6)	146	150	149	133	118	142	20	17	15	18
Performing Arts											
	Music/theatre programs presented (3)	308	415	591	751	505	759	--	--	--	--
El Pueblo											
Events											
	Cultural and special events (#) (1)	114	93	122	152	137	73	119	--	--	--
History and Museums											
	Museum visitors (#) (1)	283,557	443,648	493,460	656,322	582,623	627,301	588,517	--	--	--
Library											
Public Library Services											
	Attendance level for cultural programming (#)	270,482	349,820	402,881	417,831	368,339	371,810	355,211	531,498	322,937	301,387
	Items circulated (#)	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	15,144,804
	Number of people visiting library facilities (#)	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	12,673,629
	Registered borrowers (#)	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	1,231,764
Recreation and Parks											
Advance Planning											
	New parks opened to the public (#)	2	4	2	5	8	7	10	8	16	--
Educational Exhibits											
	Observatory attendance (#)	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	909,668
Expo Center											
	Number of visitors to the Expo Center (#)	597,952	781,570	672,591	675,291	877,374	489,257	448,860	889,000	819,000	--
Museums and Educational											
	Visitors to museums (excluding Griffith Observatory) (#)	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 (#)	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	2,635,207
	Camps - Camper days (# of days)	67,065	63,060	73,929	70,654	65,283	66,626	62,427	55,624	56,204	18,900
	Municipal Sports - Team sports participants (#)	48,405	55,570	75,306	81,572	86,806	83,045	90,815	101,916	94,141	72,502
Zoo											
Educational Exhibits											
	Attendance (#)	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	1,543,232

CITY OF LOS ANGELES

Operating Indicators by Function/Program  
Last Ten Fiscal Years

Community Development



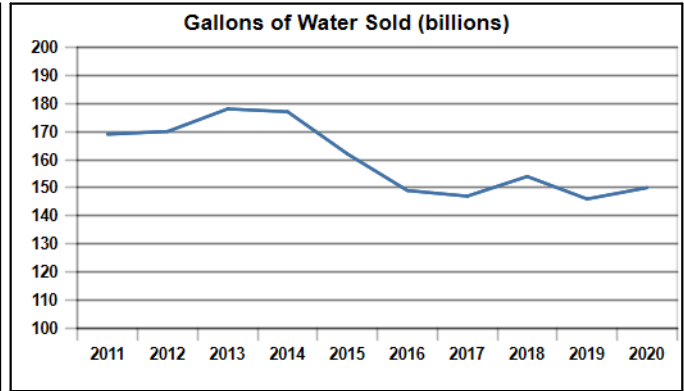
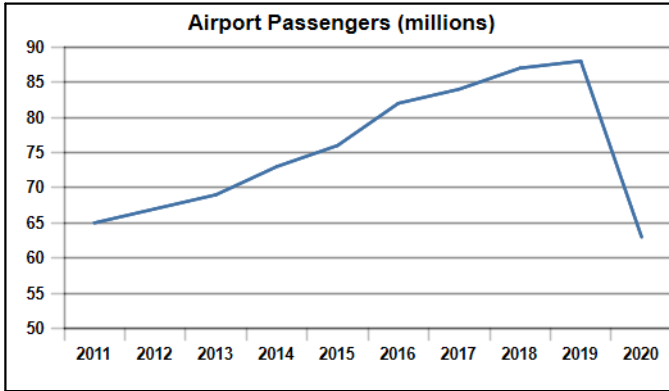
Department/Program	Indicator	Fiscal Year									
		2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
<b>Aging</b>											
Family Caregiver Services	Community education participants (#)	1,476	4,145	4,515	2,652	2,486	3,327	8,490	7,682	14,820	13,026
Senior Social Services	Congregate meals served (#)	749,667	624,406	666,705	681,524	697,731	726,865	711,895	768,560	834,063	844,074
	Homebound meals served (#)	813,338	707,325	721,423	725,079	737,100	740,713	755,480	768,536	756,462	781,553
	Prop A - One-way transportation trips (#)	84,038	121,155	125,648	123,253	130,229	132,101	131,269	129,354	128,300	134,412
<b>City Planning</b>											
Community Planning	Community Plans Less than 10 Years Old (#)	6	6	6	7	5	2	2	3	4	--
Geographic Project Planning	Cases Completed (#)	3,392	2,948	2,898	3,558	2,397	2,133	1,774	1,549	1,432	--
Historic Resources	Major Projects	26	39	35	17	11	9	--	--	--	--
	Entitlement Cases Requiring and EIR (#)										
<b>Disability</b>											
ADA Compliance	Sign language and captioning requests processed (#)	397	490	327	94	389	397	245	342	294	--
AIDS Coordination	HIV tests/referrals provided (#)	18,793	18,630	18,000	10,000	--	--	--	10,000	10,840	--
	Individuals serviced by Prevention Program (#)	27,945	33,640	23,000	25,000	27,528	25,569	46,877	--	--	--
	Syringes removed (# in millions)	3	2	1	1	1	1	1	1	1	--
<b>Economic and Workforce Development (2)</b>											
Economic Development	Businesses established by Business Source (#)	167	128	232	324	291	205	221	231	64	182
	New jobs created through business source and lending (#)	898	1,162	1,069	1,364	1,039	2,000	331	--	--	--
Workforce Development	HireLA Youth placed in employment (#)	20,060	17,648	16,834	15,500	15,070	11,382	10,256	--	--	--
	Job training enrollments for adults/dislocated workers (#)	23,182	27,899	28,723	32,075	34,946	22,302	3,900	4,695	4,218	6,237
<b>Housing and Community Investment (3)</b>											
Code Enforcement	Multi-family unit inspected every 4 years (#)	750,000	750,000	750,000	720,000	742,523	720,000	180,000	179,728	189,771	180,000
	Periodic unit inspections (#)	86,095	155,388	178,646	177,795	169,568	164,655	165,928	180,484	178,160	176,908
Compliance Monitoring	Affordable units monitored (#)	45,875	43,275	41,812	42,757	40,218	46,041	25,061	21,578	20,226	20,684
Finance & Development	New funded transit oriented development housing units (#)	824	1,653	669	459	585	526	828	--	--	--
Homeownership and Preservation	Number of housing units made lead safe (# housing units)	25	37	48	86	61	84	114	121	195	41
Housing Preservation and Production	Low income units financed under the Homeownership Pgm (#)	85	72	56	44	81	88	91	--	--	--
Rent	Complaints resolved within 120 days (%)	87	88	79	78	79	89	88	--	--	--
	Rent adjustments processed (#)	1,231	1,067	669	559	405	476	381	--	--	--
	Rental units registered (#)	50,875	514,464	508,064	528,716	527,732	528,395	530,894	529,106	531,603	531,999
	Tenant complaints processed (#)	10,163	9,405	9,728	7,661	6,897	6,248	5,874	5,780	5,426	6,408
Strategic Planning & Policy Development	Housing unit at risk of losing affordability restrictions contacts (#)	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									
		2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
<b>Airports</b>											
	Air cargo (# in thousand tons)	2,285	2,401	2,416	2,508	2,655	2,588	2,393	2,400	2,366	2,296
	Aircraft movements (# in thousands)	770	954	949	956	970	944	974	939	976	989
	Passengers (# in millions)	63	88	87	84	82	76	73	69	67	65
<b>Harbor</b>											
	Containerized cargo volume (# in millions of TEUs)	9	10	9	9	8	8	8	8	8	8
	Cruise passengers (#)	487,013	586,783	479,388	534,484	676,644	578,902	541,418	355,875	515,827	667,434
	Inbound tonnage (# in millions tons)	100	114	103	106	106	103	99	93	98	94
	Outbound tonnage (# in millions tons)	84	97	88	92	79	75	74	72	75	68
	Vessel arrivals (#)	1,731	1,917	1,904	2,060	2,014	1,846	2,196	2,089	2,100	2,236
<b>Power</b>											
	Cumulative Feed in Tariff (FIT) installations (# of kilowatts)	70,300	65,578	46,700	36,200	14,636	7,532	800	--	--	--
	Customers - number (# in thousands)	1,537	1,529	1,516	1,507	1,499	1,493	1,503	1,479	1,471	1,461
	Energy production (# of kwh in billions)	24	25	25	26	27	27	27	27	28	27
	Megawatt hours of power from energy efficiency (# of Mwh)	349,617	476,851	445,630	475,076	412,191	481,336	453,801	--	--	--
	Kilowatt hours sold (# of hours in billions)	22	23	23	24	25	25	26	26	25	25
	Power poles replaced, installed and reinforced (#)	4,033	3,757	3,018	2,656	2,436	2,393	1,599	1,135	1,813	2,211
	Solar Incentive Program (SIP) cumulative capacity (# of kilowatts)	271,850	282,858	250,528	221,798	176,330	135,620	108,466	79,605	55,099	36,181
	Solar Incentive Program (SIP) installed capacity (# of kilowatts) (6)	6,000	32,330	28,730	44,599	40,710	27,250	28,861	24,505	18,919	13,518
	System Average Interruption Duration Index - SAIDI (# of minutes per customer)	102	175	150	162	125	85	62	72	190	115
	System Average Interruption Frequency Index - SAIFI (# of interruptions per customer)	0.70	0.90	0.93	0.96	0.91	0.70	0.48	0.48	0.90	0.80
<b>Wastewater</b>											
	Wastewater treated (Volume in MGD)	327	338	326	317	314	327	344	398	398	384
	Water recycled (Volume in MGD)	120	113	123	122	97	97	85	72	62	68
	WCSD sewer cleaning - miles of sewers cleaned (# of miles)	6,393	6,787	6,870	6,830	7,127	6,928	6,614	6,750	6,750	6,093
<b>Water</b>											
	DWP water sourced from local groundwater (%)	7	7	4	10	16	18	12	10	11	9
	Recycled water use (# of acre feet)	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)	27	32	41	242	207	174	154	131	102	85
	Customers - number (# in thousands)	689	687	683	680	678	676	679	676	674	667
	Gallons sold (billions of gallons)	150	146	154	147	149	162	177	178	170	169
	Per capita water use	105	105	112	102	104	114	123	131	123	122
	Water main breaks (# of breaks)	1,099	1,495	1,450	1,390	1,547	1,241	1,146	1,148	1,319	1,237
	Water purchased from MWD (% of total water supply)	32	30	36	45	71	71	76	69	39	31

(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				
	2020	2019	2018	2017	2016
General Government					
Fiber optic cabling (fiber miles) <sup>(1)</sup>	150	150	150	150	150
Protection of Persons and Property					
Animal shelters	6	6	6	6	6
Fire apparatus <sup>(4)</sup>	401	400	400	381	380
Fire stations	106	106	106	106	106
Patrol units	1,358	1,382	1,380	1,347	1,345
Police stations	29	29	29	29	29
Police training centers	3	3	3	3	3
Public Works					
Bridges	512	512	515	515	515
Street lights	223,000	223,000	220,000	219,000	220,000
Streets (centerline miles)	6,500	6,500	6,500	6,500	6,500
Health and Sanitation					
Refuse collection trucks	726	707	727	709	697
Refuse yards	7	7	7	7	7
Transportation					
Automated traffic signal and control systems	75	75	72	68	68
Bike paths (miles)	15	15	15	14	14
Commuter buses	432	392	392	390	399
Traffic signals	4,789	4,775	4,744	4,703	4,697
Cultural and Recreational Services					
Acres of beach land	232	232	232	232	232
Acres park land including beaches	16,171	16,169	16,169	15,766	16,152
Archery ranges	3	3	3	3	3
Baseball/softball diamonds	256	256	256	256	256
Children's play areas	408	400	387	387	387
Dog parks	12	11	9	9	9
Golf courses	13	13	13	13	13
Hiking trails (miles)	162	162	92	92	92
Historical sites	11	11	11	11	11
Horticulture centers	6	6	6	6	6
Indoor gyms	114	114	95	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	487	446	446	490	444
Pools	62	62	62	62	62
Recreational centers	123	184	184	184	184
Recreational parks	7	7	5	5	5
Residential camps	7	9	9	9	9
Senior citizen centers	29	30	29	35	30
Skate parks	27	27	26	26	26
Tennis courts	319	321	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				
	2015	2014	2013	2012	2011
General Government					
Fiber optic cabling (fiber miles) <sup>(1)</sup>	150	150	150	150	150
Protection of Persons and Property					
Animal shelters	6	6	6	6	6
Fire apparatus <sup>(4)</sup>	377	367	367	337	336
Fire stations	106	106	106	106	106
Patrol units	1,374	1,374	1,374	1,374	1,374
Police stations	28	29	29	29	29
Police training centers	3	3	3	3	3
Public Works					
Bridges	517	517	514	508	508
Street lights	210,662	209,397	207,384	206,757	204,750
Streets (centerline miles)	6,500	6,500	6,500	6,500	6,500
Health and Sanitation					
Refuse collection trucks	698	701	750	750	732
Refuse yards	7	7	7	7	7
Transportation					
Automated traffic signal and control systems	57	50	48	48	48
Bike paths (miles)	14	14	14	13	13
Commuter buses	387	385	371	361	407
Traffic signals	4,683	4,677	4,657	4,625	4,607
Cultural and Recreational Services					
Acres of beach land	232	232	232	232	232
Acres park land including beaches	16,152	16,149	16,001	15,865	15,717
Archery ranges	3	3	3	3	3
Baseball/softball diamonds	256	256	256	256	256
Children's play areas	387	387	383	368	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	11	11
Libraries	73	73	73	73	73
Licensed child-care centers	3	2	2	2	2
Museums	12	12	12	12	12
Park sites	444	442	435	427	427
Pools	62	62	62	61	61
Recreational centers	184	184	184	184	184
Recreational parks	5	5	5	5	5
Residential camps	9	9	9	7	7
Senior citizen centers	31	35	31	31	31
Skate parks	26	28	21	18	9
Tennis courts	321	321	321	321	321
Wedding sites	19	19	19	19	12

**CITY OF LOS ANGELES**

**Capital Assets Information  
Business-Type Activities  
Last Ten Fiscal Years**

Function/Asset	Fiscal Year				
	2020	2019	2018	2017	2016
<b>Airports</b>					
Number of airports <sup>(2)</sup>	2	2	2	2	3
<b>Harbor</b>					
Number of cargo terminals	23	23	23	23	23
Number of major containers terminals	8	8	8	8	8
<b>Power</b>					
Generating units <sup>(3)</sup>	250	269	245	245	245
Overhead distribution lines (miles)	10,470	10,350	10,397	10,329	10,300
Transmission lines (miles)	3,769	3,791	3,760	3,632	3,632
Underground distribution lines (miles)	3,857	3,732	3,710	3,693	3,680
<b>Wastewater</b>					
Sanitary sewers (miles)	6,700	6,700	6,700	6,700	6,700
Storm drain pipe mainline (miles)	1,319	1,306	1,306	1,293	1,272
<b>Water</b>					
Aqueduct (miles)	472	472	472	472	472
Distribution pipe (miles)	7,340	7,340	7,337	7,315	7,288
Number of storage reservoirs and tanks	118	118	118	118	120
Service connections	710,917	714,427	719,479	690,728	729,680

**CITY OF LOS ANGELES**

**Capital Assets Information - (Continued)  
Business-Type Activities  
Last Ten Fiscal Years**

Function/Asset	Fiscal Year				
	2015	2014	2013	2012	2011
<b>Airports</b>					
Number of airports <sup>(2)</sup>	3	3	3	4	4
<b>Harbor</b>					
Number of cargo terminals	23	23	24	24	24
Number of major containers terminals	8	8	8	8	8
<b>Power</b>					
Generating units <sup>(3)</sup>	241	242	242	235	235
Overhead distribution lines (miles)	10,288	10,213	10,220	10,220	10,186
Transmission lines (miles)	3,632	3,632	3,632	3,626	3,626
Underground distribution lines (miles)	3,677	3,608	3,561	3,594	3,547
<b>Wastewater</b>					
Sanitary sewers (miles)	6,700	6,700	6,700	6,700	6,700
Storm drain pipe mainline (miles)	1,260	1,260	1,244	1,200	1,200
<b>Water</b>					
Aqueduct (miles)	472	472	472	472	472
Distribution pipe (miles)	7,270	7,263	7,246	7,225	7,221
Number of storage reservoirs and tanks	120	114	114	114	114
Service connections	704,176	696,989	702,485	701,644	719,154

<sup>(1)</sup> By fiscal year 2010, DWP took over possession, management and control over majority of the assets.

<sup>(2)</sup> Airports operates LAX and VNY.

<sup>(3)</sup> Data changed to Department-owned generating units beginning fiscal year 2007. The increase in generating units is due to renewables.

<sup>(4)</sup> "Fire trucks" renamed to "Fire apparatus."

Source: City departments

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